

MILLTOWN SCHOOL DISTRICT  
MILLTOWN, NEW JERSEY

FISCAL YEAR ENDED JUNE 30, 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## INTRODUCTORY SECTION

# MILLTOWN SCHOOL DISTRICT

Milltown, New Jersey 08850 – 1643

[www.milltownnps.org](http://www.milltownnps.org)

Linda A. Madison, Ed. D.  
Superintendent of Schools  
Principal, Parkview School  
80 Violet Terrace  
(732) 214-2365  
(732) 214-2360  
FAX: (732) 214-2376

Janet S. Ferlazzo  
Principal, Joyce Kilmer School  
21 West Church Street  
(732) 214-2370  
FAX: (732) 214-2378

Nicholas Puleio  
Interim Business Administrator/Board Secretary  
Milltown Board of Education  
21 West Church Street  
(732) 214-2365  
FAX: (732) 828-0501

Margaret V. Cszaszar  
Director of Student Support Services  
Joyce Kilmer School  
21 West Church Street  
(732) 214-2365  
FAX: (732) 214-2377

September 26, 2011

Honorable President and  
Members of the Board of Education  
Milltown School District  
Milltown, New Jersey 08550

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

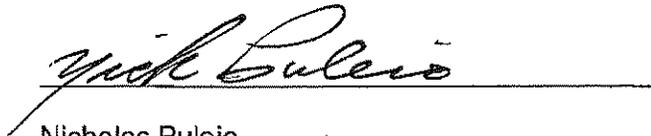
The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single 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, are included in the single audit section of this report.

Respectfully submitted,

Handwritten signature of Linda Madison in cursive script, positioned above a horizontal line.

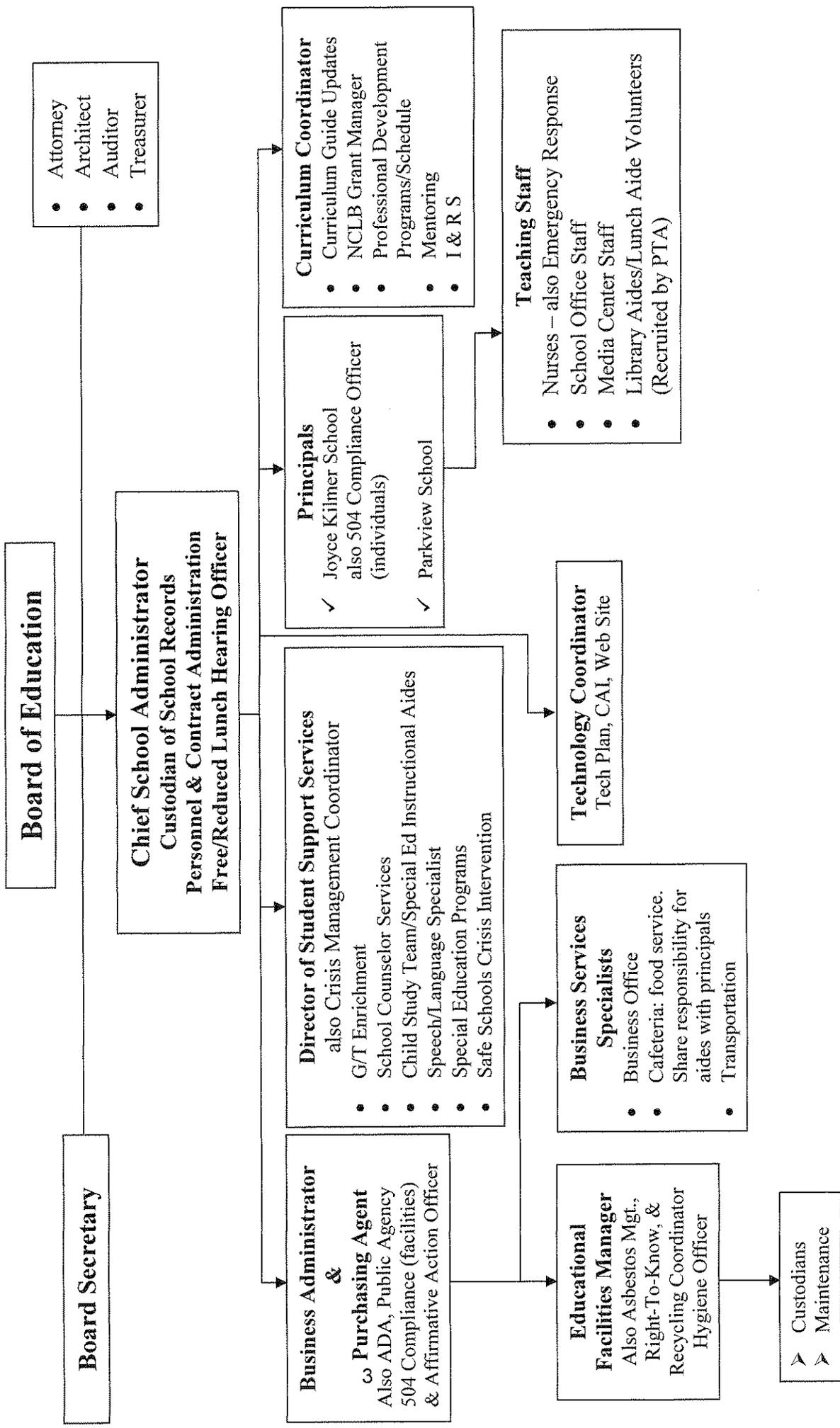
Dr. Linda Madison  
Superintendent of Schools

Handwritten signature of Nicholas Puleio in cursive script, positioned above a horizontal line.

Nicholas Puleio  
Interim Business Administrator/Board Secretary

# ORGANIZATION CHART

File Code: 2120  
 \_\_\_ Monitored  
 \_\_\_ Mandated  
 X \_\_\_ Other Reason



**Board of Education**

**Board Secretary**

**Chief School Administrator**  
Custodian of School Records  
Personnel & Contract Administration  
Free/Reduced Lunch Hearing Officer

• Attorney  
 • Architect  
 • Auditor  
 • Treasurer

**Business Administrator & Purchasing Agent**  
 Also ADA, Public Agency  
 504 Compliance (facilities)  
 & Affirmative Action Officer

**Director of Student Support Services**  
 also Crisis Management Coordinator  
 • G/T Enrichment  
 • School Counselor Services  
 • Child Study Team/Special Ed Instructional Aides  
 • Speech/Language Specialist  
 • Special Education Programs  
 • Safe Schools Crisis Intervention

**Principals**  
 ✓ Joyce Kilmer School  
 also 504 Compliance Officer (individuals)  
 ✓ Parkview School

**Curriculum Coordinator**  
 • Curriculum Guide Updates  
 • NCLB Grant Manager  
 • Professional Development Programs/Schedule  
 • Mentoring  
 • I & R S

**Educational Facilities Manager**  
 Also Asbestos Mgt., Right-To-Know, & Recycling Coordinator  
 Hygiene Officer

➤ Custodians  
 ➤ Maintenance

**Business Services Specialists**  
 • Business Office  
 • Cafeteria: food service.  
 Share responsibility for aides with principals  
 • Transportation

**Technology Coordinator**  
 Tech Plan, CAI, Web Site

**Teaching Staff**  
 • Nurses – also Emergency Response  
 • School Office Staff  
 • Media Center Staff  
 • Library Aides/Lunch Aide Volunteers (Recruited by PTA)

MILLTOWN BOARD OF EDUCATION  
MILLTOWN, NEW JERSEY 08850

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Barbara Pietanza, President	2013
William Petscavage, Vice President	2012
Alexis Harley	2012
Dawn Milburn	2012
Linda Harold	2013
Philip Paladino	2013
Patricia Payne	2014
Felipe Zambrana, Jr.	2014
JoAnne Demetrio	2014

Other Officials

Dr. Linda Madison, Superintendent of Schools

Loriann Dekovics, Business Administrator/Board Secretary

Denise Biancamano, Treasurer of School Funds (07/01/10-10/10)

Dr. Linda Madison, Treasurer of School Funds (11/10-06/30/11)

Viola Lordi, Solicitor

MILLTOWN BOARD OF EDUCATION  
MILLTOWN, NEW JERSEY 08850

CONSULTANTS AND ADVISORS

JUNE 30, 2011

Audit Firm/Financial Advisors

Robert W. Allison, CPA, RMA  
Hutchins, Farrell, Meyer & Allison, P.A.  
912 Highway 33  
Suite 2  
Freehold, NJ 07728

Attorney

Viola Lordi, Esq.  
Wilentz, Goldman and Spitzer  
90 Woodbridge Center Drive Suite #900  
Woodbridge, NJ 07095

Official Depository

TD Bank  
286 Milltown Road  
East Brunswick, NJ 08816

## FINANCIAL SECTION

# Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
Alan E. Meyer, CPA/ABV, CFF  
Joann DiLieto, CPA

Patrice R. Antonucci, CPA  
Glenn G. VanPell, CPA  
Karen D. Davis, CPA, CVA  
Crystal L. Fitzpatrick, CPA  
Hélène T. Morizzo, CPA

Monmouth County Office

912 Highway 33 • Suite 2  
Freehold, NJ 07728  
(732) 409-0800  
Fax: (732) 866-9312

Ocean County Office

512 Main Street • PO Box 1778  
Toms River, NJ 08754  
(732) 240-5600  
Fax: (732) 505-8358

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Milltown School District, in the County of Middlesex, 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 Milltown 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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. 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 opinions.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Milltown Board of Education, in the County of Middlesex, 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.

Honorable President and Members  
of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2011 on our consideration of the Milltown Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 9 through 17 and 55 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted to inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Milltown Board of Education's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 ("OMB") Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, respectively, and are also not a required part of the basic financial statements. The Combining and Individual Fund Financial Statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to

Honorable President and Members  
of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey  
Page 3

prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



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Robert W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

September 26, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MILLTOWN SCHOOL DISTRICT  
MILLTOWN, NEW JERSEY

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

UNAUDITED

The discussion and analysis of Milltown School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

This is the sixth year the School District has had to prepare financial statements following GASB Statement 34; however governmental bodies were not required to restate prior periods for purposes of providing the comparative data for this report. Comparisons to fiscal year 2009-2010, however, are available and shown in the financial statements.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- ◆ General revenues accounted for \$14,881,988 in revenue or 98.22 percent of all revenues. Program specific revenues in the form of charges for services, and operating grants and contributions accounted for \$269,013 or 1.78 percent of total revenues of \$15,151,001.
- ◆ Total net assets of governmental activities increased by \$526,336.
- ◆ The School District had 14,632,102 in expenses; only \$269,013 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$14,881,988 were adequate to provide for these programs.
- ◆ The General Fund had \$13,959,796 in revenues and transfers and \$13,708,810 in expenditures and transfers. The General Fund's balance increased \$305,076 from 2010.

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

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

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

### **Reporting the School District as a Whole**

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

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

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

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

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

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

### **Fund Financial Statements**

The analysis of the School District's major (all) funds is included in the 2009-10 Comprehensive Annual Financial Report as presented by the School District. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Debt Service Fund.

### **Governmental Funds**

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

### **Enterprise Fund**

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

## The School District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets as of June 30, 2011 and 2010.

Table 1

### Net Assets

	<u>2011</u>	<u>2010</u>
Assets:		
Cash and Cash Equivalents	\$ 694,748	\$ 911,797
Receivables, Net	6,715,695	6,528,084
Restricted Assets:		
Cash and Cash Equivalents	476,470	499,491
Deferred Bond Issuance Costs, Net	16,000	20,000
Capital Assets, Net	<u>11,660,370</u>	<u>11,568,794</u>
Total Assets	<u>19,563,283</u>	<u>19,528,166</u>
Liabilities:		
Accounts Payable	234,790	465,118
Interfund Payable	82,202	82,202
Governmental Payables	6,612	7,881
Deferred Revenue	6,496,409	6,183,221
Noncurrent Liabilities:		
Due Within One Year	547,479	577,359
Due Beyond One Year	<u>8,084,332</u>	<u>8,621,118</u>
Total Liabilities	<u>15,451,824</u>	<u>15,936,899</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	3,285,152	2,631,249
Restricted for:		
Capital Projects	316,183	584,272
Debt Service	(102,173)	(30,262)
General Fund	666,658	587,265
Unrestricted	<u>(54,361)</u>	<u>(181,256)</u>
Total Net Assets	<u>\$ 4,111,459</u>	<u>\$ 3,591,268</u>

Table 2 provides a comparison analysis of District-wide changes in net assets from fiscal years 2010 and 2011.

Table 2

Changes in Net Assets

	<u>2011</u>	<u>2010</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 156,611	\$ 150,304
Operating Grants and Contributions	127,605	434,111
Capital Grants and Contributions	(15,203)	
General Revenues:		
Property Taxes	12,992,818	12,366,443
Grants and Entitlements	1,839,872	2,237,848
Other	<u>50,588</u>	<u>39,238</u>
Total Revenues	<u>\$ 15,152,291</u>	<u>\$ 15,227,944</u>
<u>Program Expenses</u>		
Instruction	\$ 5,243,638	\$ 5,791,710
Support Services:		
Pupils and Instructional Staff	6,443,842	5,907,290
General Administration, School Administration, Administration, Business	811,660	832,551
Operations and Maintenance of Facilities	1,083,134	1,098,161
Pupil Transportation	562,823	602,384
Interest on Debt	324,291	346,219
Transfer To Charter School	9,212	19,643
Amortization and Other		20,000
Food Service	<u>153,500</u>	<u>142,301</u>
Total Expenses	<u>14,632,100</u>	<u>14,760,259</u>
Increase in Net Assets	<u>\$ 520,191</u>	<u>\$ 467,685</u>

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 85.75 percent of revenues for governmental activities for the Milltown School District for fiscal year 2011. The School District's total revenues were \$15,152,291 for the fiscal year ended June 30, 2011. Federal, state and local grants accounted for another 12.14 percent.

The total cost of all program and services was \$14,632,100. Instruction comprises 35.84 percent of School District expenses.

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

- ◆ Food service expenses exceeded revenues by \$(38,726).
- ◆ Charges for services represent \$114,774 of revenue. This represents the amount paid by patrons for daily food services.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$32,527.

### Governmental Activities

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

Table 3

#### Governmental Activities

	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 5,243,638	\$ 5,200,565	\$ 5,791,710	\$ 5,754,278
Support Services:				
Pupils and Instructional Staff	6,443,842	6,443,842	5,907,290	5,907,290
General Administration, School Administration, Business	811,660	811,660	832,551	832,551
Operation and Maintenance of Facilities	1,083,134	1,098,337	1,098,161	1,098,161
Pupil Transportation	562,823	554,471	602,384	409,140
Interest and Fiscal Charges	<u>324,291</u>	<u>237,565</u>	<u>385,862</u>	<u>172,961</u>
Total Expenses	<u>\$ 14,469,328</u>	<u>\$ 14,346,440</u>	<u>\$ 14,617,958</u>	<u>\$ 14,174,381</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

### The School District's Funds

Information about the School District's major funds is included in the 2010-11 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund presented in the fund-based statements) had total revenues of \$15,004,938 and expenditures of \$15,151,792. The net positive/(negative) change in fund balance for the year was most significant in the General Fund, an increase of \$305,076.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2009/10</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 13,084,634	87.12%	\$ 647,583	5.21%
State Sources	1,607,206	10.70	(459,658)	(22.24)
Federal Sources	<u>327,744</u>	<u>2.18</u>	<u>(249,385)</u>	<u>(43.21)</u>
Total	<u>\$ 15,019,584</u>	<u>100.00%</u>	<u>\$ (61,460)</u>	<u>(0.41)%</u>

The increase in Local Sources is attributed to an increase in the Tax Levy.

The decrease in State Sources is due to a decrease in State Aid.

The decrease in Federal Sources is attributed to a decrease in Federal support.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2011.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2009/10</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 3,661,171	24.58%	\$ (598,632)	(14.05)%
Undistributed Expenditures	10,310,857	69.21	534,665	5.47
Capital Outlay	72,358	0.48	(89,525)	(55.30)
Debt Service:				
Principal	522,681	3.51	(79,241)	(13.16)
Interest	<u>330,750</u>	<u>2.22</u>	<u>(26,448)</u>	<u>(7.40)</u>
Total	<u>\$ 14,897,817</u>	<u>100.00%</u>	<u>\$ (259,181)</u>	<u>(1.71)%</u>

The decrease in Current - Instruction is attributed to a reduction in force.

The increase in Current - Undistributed Expenditures is due to an increase in healthcare costs and other related benefits.

The decrease in Capital Outlay relates to the termination of a lease agreement.

The decrease in Debt Service relates to the payment of principal and interest on outstanding Bonds.

### General Fund Budgeting Highlights

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

During the course of the fiscal year 2011, the School District amended its General Fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.

While the School District's final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$124,211 increase in surplus funds for a total unassigned free balance ("GAAP") of \$261,236 at June 30, 2011.

## Capital Assets

At the end of the fiscal year 2011, the School District had \$11,601,845 invested in land, building and building improvements, and machinery and equipment.

### Capital Assets (Net of Depreciation) at June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Land	\$ 211,422	\$ 211,422
Construction in Progress	7,179,498	6,925,523
Site Improvements	68,335	75,877
Building and Building Improvements	3,860,398	3,978,992
Machinery and Equipment	<u>282,192</u>	<u>309,967</u>
Total	<u>\$11,601,845</u>	<u>\$11,501,781</u>

## Debt Administration

At June 30, 2011, the School District had \$8,630,648 as outstanding debt. Of this amount, \$256,953 is for compensated absences, \$8,301,000 for bonds for school construction, , and \$73,055 for an NJ Public Schools Facilities Loan.

## For the Future

The Milltown Public School District is committed to providing an outstanding academic program in safe, well-maintained buildings. To that end, future plans will need to address replacing heating sources at both schools, communication lines and equipment, electrical service, and overall air quality. The computer lab will continue to be upgraded as technology continues to evolve. Staff professional development will enable teachers to stay abreast of research and programming that contributes to student achievement.

## Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, please contact Nicholas Puleio, Interim School Business Administrator/Board Secretary at Milltown Board of Education, 80 Violet Terrace, Milltown, NJ 08850 or email at [npuleio@milltownps.org](mailto:npuleio@milltownps.org).

## BASIC FINANCIAL STATEMENTS

## DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activities of the District.

## MILLTOWN SCHOOL DISTRICT

## STATEMENT OF NET ASSETS

June 30, 2011

	Governmental <u>Activities</u>	Business -Type <u>Activities</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 687,176.89	\$ 7,570.89	\$ 694,747.78
Receivables, Net	6,713,646.01	2,048.50	6,715,694.51
Restricted Assets:			
Cash and Cash Equivalents	476,470.48		476,470.48
Deferred Bond Issuance Costs, Net	16,000.00		16,000.00
Capital Assets, Net (Note 10)	<u>11,601,845.33</u>	<u>58,524.60</u>	<u>11,660,369.93</u>
<b>Total Assets</b>	<u>19,495,138.71</u>	<u>68,143.99</u>	<u>19,563,282.70</u>
Liabilities:			
Accounts Payable and Accrued Liabilities	232,368.21	2,422.08	234,790.29
Interfund Payable		82,201.75	82,201.75
Payable To State Government	2,791.26		2,791.26
Payable To Federal Government	3,820.80		3,820.80
Deferred Revenue	6,496,409.00		6,496,409.00
Noncurrent Liabilities (Note 11):			
Due Within One Year	547,478.57		547,478.57
Due Beyond One Year	<u>8,084,331.89</u>		<u>8,084,331.89</u>
<b>Total Liabilities</b>	<u>15,367,199.73</u>	<u>84,623.83</u>	<u>15,451,823.56</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	3,226,627.57	58,524.60	3,285,152.17
Restricted for:			
Capital Projects	316,182.48		316,182.48
Debt Service	(102,172.92)		(102,172.92)
General Fund	666,658.24		666,658.24
Unrestricted	<u>20,643.61</u>	<u>(75,004.44)</u>	<u>(54,360.83)</u>
<b>Total Net Assets</b>	<u>\$ 4,127,938.98</u>	<u>\$ (16,479.84)</u>	<u>\$ 4,111,459.14</u>

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

MILLTOWN SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2011

Functions/Programs	Expenses			Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Total	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>											
Instruction:											
Regular	\$ 3,000,176.07	\$ 1,305,170.18	\$ 4,305,346.25	\$ 43,075.00				\$ (4,262,271.25)		\$ (4,262,271.25)	
Special Education	479,383.58	194,107.65	673,491.23					(673,491.23)		(673,491.23)	
Other Special Instruction	139,935.85		139,935.85					(139,935.85)		(139,935.85)	
Other Instruction	41,675.77	83,189.00	124,864.77					(124,864.77)		(124,864.77)	
Support Services:											
Tuition	5,318,258.60		5,318,258.60					(5,318,258.60)		(5,318,258.60)	
Student and Instruction Related Services	986,674.44	138,911.04	1,125,585.48					(1,125,585.48)		(1,125,585.48)	
School Administrative Services	247,260.31	121,685.19	368,945.50					(368,945.50)		(368,945.50)	
General Administrative Services	232,082.30	46,196.39	278,278.69					(278,278.69)		(278,278.69)	
Central Services	164,435.78		164,435.78					(164,435.78)		(164,435.78)	
Plant Operations and Maintenance	775,268.17	307,865.72	1,083,133.89				\$ (15,203.00)	(1,086,336.89)		(1,098,336.89)	
Pupil Transportation	539,941.46	22,882.08	562,823.55					(564,471.55)		(564,471.55)	
Transfer To Charter School	9,212.00		9,212.00					(9,212.00)		(9,212.00)	
Interest on Long-Term Debt	334,749.70	(10,458.86)	324,290.84					(237,564.84)		(237,564.84)	
<b>Total Government Activities</b>	<b>12,269,054.03</b>	<b>2,209,548.40</b>	<b>14,478,602.43</b>	<b>43,075.00</b>	<b>95,078.00</b>	<b>(15,203.00)</b>		<b>(14,355,652.43)</b>		<b>(14,355,652.43)</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>											
Food Service	153,499.93		153,499.93		113,536.18	32,526.95			(7,436.80)	(7,436.80)	
<b>Total Business-Type Activities</b>	<b>153,499.93</b>		<b>153,499.93</b>		<b>113,536.18</b>	<b>32,526.95</b>			<b>(7,436.80)</b>	<b>(7,436.80)</b>	
<b>Total Primary Government</b>	<b>\$ 12,422,553.96</b>	<b>\$ 2,209,548.40</b>	<b>\$ 14,632,102.36</b>	<b>\$ 156,611.18</b>	<b>\$ 127,604.95</b>	<b>\$ (15,203.00)</b>		<b>\$ (14,355,652.43)</b>	<b>\$ (7,436.80)</b>	<b>\$ (14,363,089.23)</b>	
<b>GENERAL REVENUES</b>											
Property Taxes Levied for:											
General Purposes											
								\$ 12,409,782.00		\$ 12,409,782.00	
Debt Service											
								583,036.00		583,036.00	
Federal and State Aid Not Restricted											
								1,839,872.20		1,839,872.20	
Investment Earnings											
								9,419.01	\$ 54.92	9,473.93	
Miscellaneous Income											
								39,878.72	1,237.76	41,116.48	
<b>Total General Revenues</b>								<b>14,881,987.93</b>	<b>1,292.68</b>	<b>14,883,280.61</b>	
<b>Change in Net Assets</b>								<b>526,335.50</b>	<b>(6,144.12)</b>	<b>520,191.38</b>	
<b>Net Assets - Beginning</b>								<b>3,601,603.48</b>	<b>(10,335.72)</b>	<b>3,591,267.76</b>	
<b>Net Assets - Ending</b>								<b>\$ 4,127,938.98</b>	<b>\$ (16,479.84)</b>	<b>\$ 4,111,459.14</b>	

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

## FUND FINANCIAL STATEMENTS

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

## MILLTOWN SCHOOL DISTRICT

## BALANCE SHEET

## GOVERNMENTAL FUNDS

June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 673,458.34	\$ 12,800.91	\$ 117,873.54	\$ 917.64	\$ 805,050.43
Due From Other Funds	89,566.79				89,566.79
Receivables From Other Governments	6,567,989.40	63,454.86			6,631,444.26
Capital Reserve	<u>358,596.94</u>				<u>358,596.94</u>
<b>Total Assets</b>	<u>7,689,611.47</u>	<u>76,255.77</u>	<u>117,873.54</u>	<u>917.64</u>	<u>7,884,658.42</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	56,632.72	62,356.93	10,288.00		129,277.65
Interfund Payable		7,365.04			7,365.04
Payable To State of New Jersey	78.26	2,713.00			2,791.26
Payable To Federal Government		3,820.80			3,820.80
Deferred Revenue	<u>6,496,409.00</u>				<u>6,496,409.00</u>
<b>Total Liabilities</b>	<u>6,553,119.98</u>	<u>76,255.77</u>	<u>10,288.00</u>		<u>6,639,663.75</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - Current Year	8,064.97				8,064.97
Excess Surplus - Prior Year - Designated for Subsequent Years Expenditures	34,447.82				34,447.82
Capital Reserve	208,596.94				208,596.94
Maintenance Reserve	150,000.00				150,000.00
Tuition Reserve	175,000.00				175,000.00
Capital Projects			28,991.24		28,991.24
Debt Service				917.64	917.64
<b>Committed to:</b>					
Year-End Encumbrances			78,594.30		78,594.30
<b>Assigned to:</b>					
Year-End Encumbrances	283,593.27				283,593.27
Designated for Subsequent Years Expenditures	15,552.18				15,552.18
Unassigned Fund Balance	<u>261,236.31</u>				<u>261,236.31</u>
<b>Total Fund Balances</b>	<u>1,136,491.49</u>		<u>107,585.54</u>	<u>917.64</u>	<u>1,244,994.67</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,689,611.47</u>	<u>\$ 76,255.77</u>	<u>\$ 117,873.54</u>	<u>\$ 917.64</u>	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance cost is \$40,000.00 and the accumulated amortization is \$24,000.00.	16,000.00
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$14,894,757.85 and the accumulated depreciation is \$3,292,912.52 (See Note 10).	11,601,845.33
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 11).	(8,631,810.46)
Accrued interest on long-term liabilities are not reported as liabilities in the Fund.	<u>(103,090.56)</u>
<b>Net Assets of Governmental Activities</b>	<u>\$ 4,127,938.98</u>

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

## MILLTOWN SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,409,782.00			\$ 583,036.00	\$ 12,992,818.00
Tuition	43,075.00				43,075.00
Interest Earned on Investments	7,030.88		\$ 556.87	360.03	7,947.78
Interest Earned on Capital Reserve	1,471.23				1,471.23
Miscellaneous	38,878.72	\$ 1,000.00			39,878.72
Total - Local Sources	12,500,237.83	1,000.00	556.87	583,396.03	13,085,190.73
State Sources	1,412,322.72	108,157.00	(15,203.00)	86,726.00	1,592,002.72
Federal Sources	943.61	326,800.87			327,744.48
Total Revenues	13,913,504.16	435,957.87	(14,646.13)	670,122.03	15,004,937.93
Expenditures:					
Current:					
Regular Instruction	2,679,297.52	320,878.55			3,000,176.07
Special Education Instruction	479,383.58				479,383.58
Other Special Instruction	139,935.85				139,935.85
Other Instruction	41,675.77				41,675.77
Support Services and Undistributed Costs:					
Tuition	5,318,258.60				5,318,258.60
Student and Instruction Related Services	885,440.29	101,234.15			986,674.44
General Administration	232,082.30				232,082.30
School Administrative Services	247,260.31				247,260.31
Central Services	164,435.78				164,435.78
Plant Operations and Maintenance	775,268.17				775,268.17
Pupil Transportation	539,941.46				539,941.46
Employee Benefits	2,037,723.92				2,037,723.92
Transfer To Charter School	9,212.00				9,212.00
Debt Service:					
Principal				522,680.83	522,680.83
Interest and Other Charges				330,749.70	330,749.70
Capital Outlay	58,512.64	13,845.17	253,975.30		326,333.11
Total Expenditures	13,608,428.19	435,957.87	253,975.30	853,430.53	15,151,791.89
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	305,075.97		(268,621.43)	(183,308.50)	(146,853.96)
Other Financing Sources/(Uses):					
Proceeds from Bonds					
Transfers In	46,292.02			100,938.88	147,230.90
Transfers Out	(100,382.00)		(46,848.90)		(147,230.90)
Total Other Financing Sources/(Uses)	(54,089.98)		(46,848.90)	100,938.88	
Net Change in Fund Balance	250,985.99		(315,470.33)	(82,369.62)	(146,853.96)
Fund Balance - July 1	885,505.50		423,055.87	83,287.26	1,391,848.63
Fund Balance - June 30	\$ 1,136,491.49	\$ 0.00	\$ 107,585.54	\$ 917.64	\$ 1,244,994.67

## MILLTOWN SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ (146,853.96)
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Amounts reported for governmental activities in the Statement  
of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.  
However, on 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 current fiscal year.

Depreciation Expense	\$ (186,622.09)	
Capital Outlay	<u>286,686.14</u>	100,064.05

Repayment of bond, loans and capital lease 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.	562,327.80
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In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	4,338.75
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The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the Statement of Net Assets. The bond issuance costs are \$40,000.00 and the accumulated amortization is \$24,000.00.	(4,000.00)
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In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest over the previous year is a addition in the reconciliation.	<u>10,458.86</u>
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Change in Net Assets of Governmental Activities	<u>\$ 526,335.50</u>
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MILLTOWN SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS

June 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 7,570.89
Intergovernmental Receivables	<u>2,048.50</u>
Total - Current Assets	<u>9,619.39</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	99,427.66
Less:	
Accumulated Depreciation	<u>(40,903.06)</u>
Total - Noncurrent Assets	<u>58,524.60</u>
Total Assets	<u>\$ 68,143.99</u>
Liabilities:	
Accounts Payable	\$ 2,422.08
Interfund Payable	<u>82,201.75</u>
Total Liabilities	<u>\$ 84,623.83</u>
Net Assets:	
Invested in Capital Assets Net of Related Debt	\$ 58,524.60
Unrestricted	<u>(75,004.44)</u>
Total Net Assets	<u>\$ (16,479.84)</u>

## MILLTOWN SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2011

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 113,536.18
Miscellaneous Income	<u>1,237.76</u>
Total Operating Revenues	<u>114,773.94</u>
Operating Expenses:	
Supplies and Materials	121.40
Depreciation	8,488.51
Miscellaneous Expenditures	1,598.00
Management Fee	<u>143,292.02</u>
Total Operating Expenses	<u>153,499.93</u>
Operating Loss	<u>(38,725.99)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	1,819.37
Federal Sources:	
Federal School Lunch Program	30,707.58
Interest Income	<u>54.92</u>
Total Nonoperating Revenues	<u>32,581.87</u>
Change in Net Assets	(6,144.12)
Total Net Assets - Beginning	<u>(10,335.72)</u>
Total Net Assets - Ending	<u>\$ (16,479.84)</u>

## MILLTOWN SCHOOL DISTRICT

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2011

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 117,196.02
Payments for Management Fees	(145,717.07)
Payments To Suppliers	<u>(1,719.40)</u>
Net Cash Used For Operating Activities	<u>(30,240.45)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	1,873.19
Federal Sources	<u>31,030.31</u>
Net Cash Provided By Noncapital Financing Activities	<u>32,903.50</u>
Cash Flows From Investing Activities:	
Interest Income	<u>54.92</u>
Net Cash Provided By Investing Activities	<u>54.92</u>
Net Increase in Cash and Cash Equivalents	2,717.97
Balance - Beginning of Year	<u>4,852.92</u>
Balance - End of Year	<u>\$ 7,570.89</u>
Reconciliation of Operating Loss To Net Cash Provided By/ (Used For) Operating Activities:	
Operating Loss	\$ (38,725.99)
Adjustments To Reconcile Operating Loss To Net Cash Provided By/(Used For) Operating Activities:	
Depreciation	8,488.51
Decrease in Accounts Payable	<u>(2.97)</u>
Total Adjustments	<u>8,485.54</u>
Net Cash Used for Operating Activities	<u>\$ (30,240.45)</u>

MILLTOWN SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

June 30, 2011

	Agency Fund	Unemployment Compensation Trust	Totals
Assets:			
Cash and Cash Equivalents	<u>\$ 58,622.80</u>	<u>\$ 312,780.55</u>	<u>\$ 371,403.35</u>
Total Assets	<u>\$ 58,622.80</u>	<u>\$ 312,780.55</u>	<u>\$ 371,403.35</u>
Liabilities:			
Payable To Student Groups	\$ 34,905.35		\$ 34,905.35
Payroll Deductions and Withholdings	<u>23,717.45</u>		<u>23,717.45</u>
Total Liabilities	<u>58,622.80</u>		<u>58,622.80</u>
Net Assets:			
Held in Trust for Unemployment Claims and Other Purposes		<u>\$ 312,780.55</u>	<u>312,780.55</u>
Total Liabilities and Net Assets	<u>\$ 58,622.80</u>	<u>\$ 312,780.55</u>	<u>\$ 371,403.35</u>

MILLTOWN SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

For the fiscal year ended June 30, 2011

	Unemployment Compensation <u>Trust</u>
Additions:	
Contributions:	
Board Contributions	\$ 351,999.00
Plan Members	<u>13,233.10</u>
Total Contributions	<u>365,232.10</u>
Investment Earnings:	
Interest	<u>444.68</u>
Net Investment Earnings	<u>444.68</u>
Total Additions	<u>365,676.78</u>
Deductions:	
Quarterly Contribution Reports	6,311.08
Unemployment Claims	<u>114,991.09</u>
Total Deductions	<u>121,302.17</u>
Change in Net Assets	244,374.61
Net Assets - Beginning of Year	<u>68,405.94</u>
Net Assets - End of Year	<u><u>\$ 312,780.55</u></u>

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education ("Board") of the Milltown School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("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 Milltown School District is a Type II district located in the County of Middlesex, 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 staggered terms. The purpose of the District is to educate students in grades K to 8. The Milltown School District had an approximate enrollment of 677 students at June 30, 2011.

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

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

Based on the aforementioned criteria, the District has no component units.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting:**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

**Basis of Presentation**

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

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

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

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's 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 costs (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.

**The District's Enterprise Fund is comprised of the Food Service Fund.**

The District reports the following fiduciary funds:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**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. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund.

**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. At June 30, 2011, the District had no Non-Expendable Trust Funds.

**Agency Funds** - 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. Agency Funds include Payroll and Student Activities Funds.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Accounting**

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

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. 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, except for the Special Revenue Fund. The legal level of budgetary control is established at line item accounts within each Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2011, there was a reconciling difference of \$71,241.00 between the budgetary basis and GAAP basis in the General Fund and of \$3,669.80 in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of Accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

MILLTOWN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Budgets/Budgetary Control (Cont'd):**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 13,842,263.16	\$ 439,627.67
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,669.80)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	134,082.00	
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>(62,841.00)</u>	<u>                    </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 13,913,504.16</u>	<u>\$ 435,957.87</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 13,608,428.19	\$ 439,627.67
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(3,669.80)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 13,608,428.19</u>	<u>\$ 435,957.87</u>

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Encumbrance Accounting:**

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

Open encumbrances in the Special Revenue Fund, 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.

**E. Assets, Liabilities, and Equity:**

**Interfund Transactions:**

Transfers between Governmental and Business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Capital Assets:**

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	50
Building Improvements	20
Temporary or Portable Buildings	25
Vehicles	5
Carpeting	7
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15
Site Improvements	20
Custodial Equipment	12

**Compensated Absences:**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the District-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Compensated Absences (Cont'd):**

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the Food Service Fund.

**Deferred Revenue:**

Deferred Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as Deferred Revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Deferred Revenue.

**Accrued Liabilities and Long-Term Obligations:**

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets:**

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

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Fund Balance Reserves:**

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved Fund Balance indicates that portion which is available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent years expenditures.

**Revenues – Exchange and Nonexchange Transactions:**

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

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

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

**Operating Revenues and Expenses:**

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

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Allocation of Indirect Expenses:**

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

MILLTOWN SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**2. CAPITAL RESERVE ACCOUNT**

A Capital Reserve Account was established by the Milltown Board of Education in fiscal year 2001 for the accumulation of funds for use as Capital Outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes. A District may also appropriate additional amounts when the excess 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.

During the fiscal year ended June 30, 2011, the District had actual interest earnings of \$1,471.23.

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		\$ 161,215.69
Add:		
Transfers from Capital Projects	\$ 46,292.02	
Deposit	100,000.00	
Interest Earnings	<u>1,471.23</u>	
		<u>147,763.25</u>
		308,978.94
Less:		
Transfer to Debt Service		<u>(100,382.00)</u>
Ending Balance, June 30, 2011		<u>\$ 208,596.94</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted Capital Projects at June 30, 2011 is \$225,000.00.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**3. MAINTENANCE RESERVE ACCOUNT**

A Maintenance Reserve Account was established by the Milltown Board of Education by inclusion of \$50,000.00 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance 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").

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

Beginning Balance, July 1, 2010	\$ 100,000.00
Add:	
Board Resolution	<u>50,000.00</u>
Ending Balance, June 30, 2011	<u>\$ 150,000.00</u>

**4. TRANSFERS TO CAPITAL OUTLAY**

During the fiscal year ended June 30, 2011, the District had \$2,876.00 in Transfers to Capital Outlay from General Fund representing transfers for equipment.

**5. DEPOSITS AND INVESTMENTS**

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at June 30, 2011 and 2010 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2011 and 2010, the book value of the Board's deposits were \$1,542,473.61 and \$1,545,910.87, respectively.

MILLTOWN SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**5. DEPOSITS AND INVESTMENTS (CONT'D)**

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Board's deposits might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2011 and 2010, the Board's bank balances of \$2,227,250.49 and \$1,852,128.83, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 2,227,250.49	\$ 1,852,128.83
Uninsured and Uncollateralized	<u>0.00</u>	<u>0.00</u>
	<u>\$ 2,227,250.49</u>	<u>\$ 1,852,128.83</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2011, the Board had no investments.

Interest Rate Risk

The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**6. RECEIVABLES**

Receivables at June 30, 2011, consisted of property taxes, interfund, and intergovernmental. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
Property Taxes	\$ 6,496,409.00	\$ 6,496,409.00
State Aid	71,580.60	71,705.74
Federal Aid	63,454.66	65,378.02
Interfunds	<u>89,566.79</u>	<u>82,201.75</u>
	6,721,011.05	6,715,694.51
Less Allowance for Uncollectibles	<u>0.00</u>	<u>0.00</u>
Total Receivables, Net	<u>\$ 6,721,011.05</u>	<u>\$ 6,715,694.51</u>

Governmental Funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2011, deferred revenue reported in the fund financial statements is comprised as follows:

Deferred Property Taxes	<u>\$ 6,496,409.00</u>
-------------------------	------------------------

**7. DEFERRED BOND ISSUANCE COSTS**

In the governmental funds, debt issuance costs are recognized in the current period. For the District-wise financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds. The amortization expense for the fiscal year ended June 30, 2011 amounted to \$4,000.00.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**8. INTERFUND BALANCES AND TRANSFERS**

Balances due to/from other funds at June 30, 2011 consist of the following:

\$ 7,365.04	Due to General Fund from Special Revenue Fund representing cash advances
<u>82,201.75</u>	Due to General Fund from Enterprise Fund representing cash advances
<u>\$ 89,566.79</u>	

**Transfers**

As of June 30, 2011, the District's operating transfers consisted of \$556.88 of interest earnings from the Capital Projects Fund to the Debt Service Fund, \$100,382.00 General Operating Fund – Capital Reserves to the Capital Projects Fund, and \$46,292.02 of unexpended bond proceeds from the Capital Projects Fund to the General Operating Fund.

**9. INVENTORY**

There was no Inventory in the Food Service Fund at June 30, 2011.

The value of Federal-donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**10. CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 211,421.50			\$ 211,421.50
Construction in Progress	<u>6,925,523.63</u>	<u>\$ 253,975.30</u>		<u>7,179,498.93</u>
Total Capital Assets Not Being Depreciated	<u>7,136,945.13</u>	<u>253,975.30</u>		<u>7,390,920.43</u>
Capital Assets Being Depreciated:				
Site Improvements	158,357.15			158,357.15
Building and Building Improvements	6,655,394.15	5,989.98		6,661,384.13
Machinery and Equipment	<u>670,722.32</u>	<u>26,720.86</u>	<u>13,347.04</u>	<u>684,096.14</u>
Totals at Historical Cost	<u>7,484,473.62</u>	<u>32,710.84</u>	<u>13,347.04</u>	<u>7,503,837.42</u>
Less Accumulated Depreciation for:				
Site Improvements	(82,480.43)	(7,542.14)		(90,022.57)
Building and Building Improvements	(2,676,402.20)	(124,583.79)		(2,800,985.99)
Machinery and Equipment	<u>(360,754.84)</u>	<u>(54,496.16)</u>	<u>(13,347.04)</u>	<u>(401,903.96)</u>
Total Accumulated Depreciation	<u>(3,119,637.47)</u>	<u>(186,622.09)</u>	<u>(13,347.04)</u>	<u>(3,292,912.52)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>4,364,836.15</u>	<u>(153,911.25)</u>		<u>4,210,924.90</u>
Government Activity Capital Assets, Net	<u>11,501,781.28</u>	<u>100,064.05</u>		<u>11,601,845.33</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	110,090.53		10,662.87	99,427.66
Less Accumulated Depreciation	<u>(43,077.42)</u>	<u>(8,488.51)</u>	<u>(10,662.87)</u>	<u>(40,903.06)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 67,013.11</u>	<u>\$ (8,488.51)</u>	<u>\$ 0.00</u>	<u>\$ 58,524.60</u>

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**10. CAPITAL ASSETS (CONT'D)**

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.00.

Depreciation expense was charged to functions as follows:

School Administrative Services	\$ 7,274.73
Student and Instructional - Related Services	1,618.47
Instruction - Regular	29,605.61
General and Business Administrative Services	432.21
Plant Operations and Maintenance	<u>147,691.07</u>
Total	<u>\$ 186,622.09</u>

**11. LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity:**

Changes in Long-Term Obligations for the year ended June 30, 2010, are as follows:

	Balance June 30, <u>2010</u>	<u>Additions</u>	<u>Retired</u>	Balance June 30, <u>2011</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
School Bonds	\$ 8,801,000.00		\$ 500,000.00	\$ 8,301,000.00	\$ 524,000.00
Capital Leases Payable	39,646.97		39,646.97		
Compensated Absences Payable	260,931.45	\$ 75,075.00	79,413.75	256,592.70	
NJ Public Schools Facilities Loan	<u>95,735.79</u>		<u>22,680.83</u>	<u>73,054.96</u>	<u>23,478.57</u>
	<u>\$ 9,197,314.21</u>	<u>\$ 75,075.00</u>	<u>\$ 641,741.55</u>	<u>\$ 8,630,647.66</u>	<u>\$ 547,478.57</u>
Net Premium/(Discount)				\$ 1,162.80	
Current Portion of Long-Term Debt				<u>(547,478.57)</u>	
				<u>\$ 8,084,331.89</u>	

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

MILLTOWN SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**11. LONG-TERM OBLIGATIONS (CONT'D)**

**B. Bonds and Loans Payable**

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

Debt Service Requirements on serial bonds and loans payable at June 30, 2011 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 547,478.57	\$ 306,809.25	\$ 854,287.82
2013	574,337.31	287,043.75	861,381.06
2014	595,239.08	263,664.20	858,903.28
2015	625,000.00	239,325.00	864,325.00
2016	650,000.00	213,750.00	863,750.00
2017	680,000.00	193,400.00	873,400.00
2018	710,000.00	169,600.00	879,600.00
2019	735,000.00	144,750.00	879,750.00
2020	765,000.00	119,025.00	884,025.00
2021	800,000.00	92,250.00	892,250.00
2022	830,000.00	63,450.00	893,450.00
2023	<u>862,000.00</u>	<u>32,325.00</u>	<u>894,325.00</u>
	<u>\$ 8,374,054.96</u>	<u>\$ 2,125,392.20</u>	<u>\$ 10,499,447.16</u>

**C. Bonds Authorized But Not Issued**

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

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**11. LONG-TERM OBLIGATIONS (CONT'D)**

**D. Capital Leases Payable**

The District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets and the General Long-Term, respectively. Assets under capital leases total \$712,854.00. In 2011, the final principal payment of \$39,646.97 was made. No other capital leases were made.

**E. Accrued Liability – Early Retirement Incentive Program**

On October 13, 2005, the District refinanced its Early Retirement Incentive Program obligation of \$740,609.00 with \$855,000.00 of Refunding School Bonds.

The District's obligation to the State carried an interest rate of 8.50%-9.00%. The Refunding Bonds were sold at 5.00%. The gross and net present value savings as a result of this refunding was \$413,886.00 and \$67,842.00, respectively.

**12. OPERATING LEASES**

The District had no operating leases at June 30, 2011.

**13. 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 New Jersey Division of Pension of 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 is required supplementary information for the Public Employees Retirement Systems and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund ("TPAF")** - The Teachers' Pension and Annuity Fund was established as of January, 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.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**13. PENSION PLANS (CONT'D)**

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

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

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

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted 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 assets valuation method from market related value to full-market value. This legislation also contained 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 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 to 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.

MILLTOWN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**13. PENSION PLANS (CONT'D)**

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

**Three-Year Trend Information for PERS**

<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2011	\$ 106,769.00	100.00%	\$ 106,769.00
2010	78,592.00	100.00	78,592.00
2009	61,314.00	100.00	61,134.00

**Three-Year Trend Information (Paid on Behalf of District)**

<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2011	\$ 12,206.00	100.00%	\$ 0.00
2010	13,675.00	100.00	0.00
2009	13,472.00	100.00	0.00

During the year ended June 30, 2011, the State of New Jersey contributed \$12,206.00 to the TPAF for NCGI premiums and \$259,258.00 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District \$271,648.72 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with GASB 24.

Legislation enacted during 1991 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 1992 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 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their District.

MILLTOWN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**14. 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 pre-funding 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 toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

The State will set the contribution rate based on the annual required contribution of the employers ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2011, 2010, and 2009 were \$259,258.00, \$256,828.00, and \$257,006.00, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

**15. DEFERRED COMPENSATION**

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

Equitable Life Insurance Co.  
Lincoln  
USAA Life Insurance Co.

Fidelity Investment  
VALIC (Variable Annuity Life Insurance Co.)

MILLTOWN SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**16. RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>Interest Income</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010/11	\$ 444.68	\$ 13,233.10	\$ 114,991.09	\$ 312,780.55
2009/10	172.63	22,792.54	11,230.23	68,405.94
2008/09	573.08	16,224.42	14,193.46	56,671.00

**17. CONTINGENT LIABILITIES**

**Grant Programs**

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

MILLTOWN SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**18. FUND BALANCE APPROPRIATED**

The District has implemented GASB 54 during fiscal year 2011.

As such, fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable Fund Balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned Fund Balance – amounts a District *intends* to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance – amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

MILLTOWN SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

**18. FUND BALANCE APPROPRIATED (CONT'D)**

**Classification Totals**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Fund Balances:					
Restricted	\$ 576,109.73		\$ 917.64	\$ 28,991.24	\$ 606,018.61
Committed				78,594.30	78,594.30
Assigned	299,145.45				299,145.45
Unassigned	<u>261,236.31</u>				<u>261,236.31</u>
	<u>\$ 1,136,491.49</u>	<u>\$ 0.00</u>	<u>\$ 917.64</u>	<u>\$ 107,585.54</u>	<u>\$ 1,244,994.67</u>

**19. CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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 year's budget. The excess fund balance at June 30, 2011 is \$8,064.97.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

MILLTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 12,409,782.00		\$ 12,409,782.00	\$ 12,409,782.00	
Tuition - From LEA's		\$ 35,000.00	35,000.00	43,075.00	\$ 8,075.00
Unrestricted Miscellaneous Revenues	69,000.00	(28,896.00)	40,102.00	47,380.83	7,278.83
<b>Total Local Sources</b>	<b>12,478,782.00</b>	<b>6,102.00</b>	<b>12,484,884.00</b>	<b>12,500,237.83</b>	<b>15,353.83</b>
<b>State Sources:</b>					
Extraordinary Aid	32,071.00		32,071.00	75,392.00	43,321.00
Categorical Special Education Aid	213,731.00	313,646.00	527,377.00	527,377.00	
Equalization Aid	489,396.00	(313,646.00)	175,750.00	175,750.00	
Wage Freeze Grant				11,098.00	11,098.00
Non-Public Transportation Aid				8,352.00	8,352.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				259,258.00	259,258.00
TPAF NCGI Premiums (On-Behalf - Non-Budgeted)				12,206.00	12,206.00
TPAF Social Security (Reimbursed - Non-Budgeted)				271,648.72	271,648.72
<b>Total State Sources</b>	<b>735,198.00</b>		<b>735,198.00</b>	<b>1,341,081.72</b>	<b>605,883.72</b>
<b>Federal Sources:</b>					
Medicaid Reimbursement				943.61	943.61
<b>Total Federal Sources</b>				<b>943.61</b>	<b>943.61</b>
<b>Total Revenues</b>	<b>13,213,980.00</b>	<b>6,102.00</b>	<b>13,220,082.00</b>	<b>13,842,263.16</b>	<b>622,181.16</b>
<b>EXPENDITURES</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
<b>Salaries of Teachers:</b>					
Preschool	89,928.00	1,219.59	91,147.59	91,147.59	
Kindergarten	71,522.00	(4,387.28)	67,134.72	67,134.72	
Grades 1-5	1,152,599.00	(3,009.82)	1,149,579.08	1,149,579.08	
Grades 6-8	957,802.00	(6,217.24)	951,584.76	951,427.26	157.50
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	6,000.00	(2,071.00)	3,929.00	3,929.00	
Purchased Professional - Educational Services	8,000.00	1,077.96	9,077.96	7,787.96	1,280.00
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	90,263.00	(6,921.91)	83,341.09	83,341.09	
Purchased Technical Services	54,608.00	57,325.04	111,933.04	88,779.04	23,154.00
Other Purchased Services	59,897.00	(8,747.28)	51,149.72	51,132.22	17.50
General Supplies	175,003.00	77,556.66	252,559.66	151,680.71	100,878.95
Textbooks	10,500.00	29,916.62	40,416.62	33,083.65	7,332.77
Other Objects	1,500.00	(1,225.00)	275.00	275.00	
<b>Total Regular Programs - Instruction</b>	<b>2,677,612.00</b>	<b>134,516.24</b>	<b>2,812,128.24</b>	<b>2,679,297.52</b>	<b>132,830.72</b>
<b>Special Education - Instruction:</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	42,435.00		42,435.00	42,435.00	
General Supplies	800.00		800.00	407.79	392.21
<b>Total Learning and/or Language Disabilities</b>	<b>43,235.00</b>		<b>43,235.00</b>	<b>42,842.79</b>	<b>392.21</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	46,128.00	(448.00)	45,680.00	44,808.00	872.00
Other Salaries for Instruction	18,304.00	564.00	18,868.00	18,276.00	592.00
General Supplies	800.00		800.00	494.31	305.69
<b>Total Multiple Disabilities</b>	<b>65,232.00</b>	<b>116.00</b>	<b>65,348.00</b>	<b>63,578.31</b>	<b>1,769.69</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	256,194.00	5,477.00	261,671.00	261,671.00	
Other Salaries for Instruction	106,804.00	4,418.00	111,222.00	109,464.87	1,757.13
General Supplies	3,106.00		3,106.00	1,826.61	1,279.39
<b>Total Resource Room/Resource Center</b>	<b>366,104.00</b>	<b>9,895.00</b>	<b>375,999.00</b>	<b>372,962.48</b>	<b>3,036.52</b>
<b>Total Special Education - Instruction</b>	<b>474,571.00</b>	<b>10,011.00</b>	<b>484,582.00</b>	<b>479,383.58</b>	<b>5,198.42</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	96,682.00	6,048.00	102,710.00	99,443.00	3,267.00
General Supplies	2,450.00		2,450.00	677.57	1,772.43
<b>Total Basic Skills/Remedial - Instruction</b>	<b>99,112.00</b>	<b>6,048.00</b>	<b>105,160.00</b>	<b>100,120.57</b>	<b>5,039.43</b>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	43,489.00		43,489.00	39,357.60	4,131.40
General Supplies	450.00	7.68	457.68	457.68	
<b>Total Bilingual Education - Instruction</b>	<b>43,939.00</b>	<b>7.68</b>	<b>43,946.68</b>	<b>39,815.28</b>	<b>4,131.40</b>

MILLTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES (continued)</b>					
<b>School Sponsored Co/Extra-Curricular Activities - Instruction:</b>					
Salaries	22,558.00	1,560.65	24,116.65	24,116.65	
Purchased Services	300.00	(300.00)			
Supplies and Materials	3,000.00	(82.76)	2,917.24	2,917.24	
<b>Total School Sponsored Co/Extra-Curricular Activities - Instruction</b>	<b>25,858.00</b>	<b>1,177.89</b>	<b>27,033.89</b>	<b>27,033.89</b>	
<b>School Sponsored Athletics - Instruction:</b>					
Salaries	11,460.00	(63.25)	11,396.75	11,396.75	
Purchased Services	2,000.00	(175.00)	1,825.00	1,825.00	
Supplies and Materials	1,426.00	32.29	1,458.29	1,420.13	38.16
<b>Total School Sponsored Athletics - Instruction</b>	<b>14,886.00</b>	<b>(205.96)</b>	<b>14,680.04</b>	<b>14,641.88</b>	<b>38.16</b>
<b>Total - Instruction</b>	<b>3,335,976.00</b>	<b>151,554.85</b>	<b>3,487,530.85</b>	<b>3,340,292.72</b>	<b>147,238.13</b>
<b>Undist. Expend. - Instruction:</b>					
Tuition To Other LEAs Within the State - Regular	4,350,448.00	(150,000.00)	4,200,448.00	4,200,448.00	
Tuition To Other LEAs Within the State - Special	681,028.00	(142,658.14)	538,369.86	518,284.03	20,085.83
Tuition To CSSD and Regular Day Schools	945.00		945.00	945.00	
Tuition To Private Schools for the Disabled Within State	496,576.00	98,510.14	595,086.14	587,831.57	27,254.57
Tuition - State Facilities	30,750.00		30,750.00	30,750.00	
<b>Total Undist. Expend. - Instruction</b>	<b>5,559,747.00</b>	<b>(193,948.00)</b>	<b>5,365,799.00</b>	<b>5,318,258.60</b>	<b>47,540.40</b>
<b>Undist. Expend. - Attendance &amp; Social Work:</b>					
Salaries	4,567.00		4,567.00	4,567.00	
<b>Total Undist. Expend. - Attendance &amp; Social Work</b>	<b>4,567.00</b>		<b>4,567.00</b>	<b>4,567.00</b>	
<b>Undist. Expend. - Health Services:</b>					
Salaries	128,060.00	100.00	128,160.00	126,840.00	1,320.00
Purchased Professional and Technical Services	6,250.00	(237.26)	6,012.74	6,000.00	12.74
Supplies and Materials	1,900.00	171.26	1,171.26	1,171.26	
<b>Total Undist. Expend. - Health Services</b>	<b>135,310.00</b>	<b>34.00</b>	<b>135,344.00</b>	<b>134,011.26</b>	<b>1,332.74</b>
<b>Undist. Expend. - Other Support Serv. Students - Related Svc:</b>					
Salaries	111,942.00		111,942.00	108,512.00	3,430.00
Purchased Professional - Educational Services	84,660.00	(5,547.00)	79,113.00	67,318.00	11,795.00
<b>Total Undist. Expend. - Other Support Serv. Students - Related Svc.</b>	<b>196,602.00</b>	<b>(5,547.00)</b>	<b>191,055.00</b>	<b>175,830.00</b>	<b>15,225.00</b>
<b>Undist. Expend. - Other Support Serv. Students - Regular:</b>					
Salaries of Other Professional Staff	205,890.00	192.50	206,082.50	206,082.38	0.12
Other Purchased Professional and Technical Services	6,000.00	(1,834.56)	4,165.44	3,756.07	407.37
Supplies and Materials	1,100.00	1,834.56	2,934.56	2,618.54	316.02
<b>Total Undist. Expend. - Other Support Serv. Students - Regular</b>	<b>212,990.00</b>	<b>192.50</b>	<b>213,182.50</b>	<b>212,456.99</b>	<b>725.51</b>
<b>Undist. Expend. - Other Support Serv. Students - Special:</b>					
Salaries of Other Professional Staff	143,908.00	359.28	144,267.28	143,441.04	826.24
Salaries of Secretarial and Clerical Assistants	20,000.00	(359.28)	19,640.72	14,902.57	4,738.15
Other Purchased Professional and Technical Services	38,220.00	(21,472.05)	14,747.95	9,816.00	4,931.95
Miscellaneous Purchased Services	9,153.00		9,153.00	9,124.93	28.07
Supplies and Materials	7,874.00		7,874.00	6,076.34	1,797.66
Other Objects	1,050.00		1,050.00	1,020.00	30.00
<b>Total Undist. Expend. - Other Support Serv. Students - Special</b>	<b>218,205.00</b>	<b>(21,472.05)</b>	<b>196,732.95</b>	<b>184,380.88</b>	<b>12,352.07</b>
<b>Undist. Expend. - Improvement of Instructional Services:</b>					
Salaries of Supervisors of Instruction	70,992.00	8,047.20	79,039.20	79,039.20	
Salaries of Other Professional Staff	1,520.00	4,082.00	5,602.00	5,270.00	342.00
Other Salaries	7,100.00	(7,100.00)			
Purchased Professional - Educational Services	8,150.00	(350.00)	7,800.00	6,462.39	1,337.61
Other Purchased Services	300.00		300.00	18.60	281.40
Supplies and Materials	1,900.00	(785.20)	1,114.80	1,114.80	
Other Objects	400.00	(150.00)	250.00	250.00	
<b>Total Undist. Expend. - Improvement of Instructional Services</b>	<b>90,382.00</b>	<b>3,754.00</b>	<b>94,116.00</b>	<b>92,154.99</b>	<b>1,961.01</b>
<b>Undist. Expend. - Educational Media/School Library:</b>					
Salaries	68,434.00		68,434.00	64,266.50	4,177.50
Supplies and Materials	14,364.00		14,364.00	12,178.91	2,185.09
<b>Total Undist. Expend. - Educational Media/School Library</b>	<b>82,798.00</b>		<b>82,798.00</b>	<b>76,435.41</b>	<b>6,362.59</b>
<b>Undist. Expend. - Instructional Staff Training Services:</b>					
Salaries of Other Professional Staff	2,640.00	1,975.00	4,615.00	3,626.76	988.24
Purchased Professional - Educational Services	900.00	3,699.00	4,599.00	1,206.00	3,393.00
Other Purchased Services	1,000.00		1,000.00	769.00	231.00
Other Objects	200.00		200.00	200.00	
<b>Total Undist. Expend. - Instructional Staff Training Services</b>	<b>4,740.00</b>	<b>5,674.00</b>	<b>10,414.00</b>	<b>5,601.76</b>	<b>4,812.24</b>

MILLTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Support Services - General Administration:					
Salaries	127,010.00	588.24	127,598.24	124,862.24	2,736.00
Legal Services	22,000.00	1,860.94	23,860.94	17,808.88	5,854.06
Audit Fees		26,900.00	26,900.00	26,900.00	
Other Purchased Professional Services	32,000.00	(20,400.00)	11,600.00	10,633.41	966.59
Communications/Telephone	31,425.00	(646.00)	30,779.00	20,171.19	10,607.81
Miscellaneous Purchased Services	24,677.00	(6,587.12)	18,089.88	13,281.04	4,808.84
General Supplies	4,500.00	822.76	5,322.76	5,048.08	274.68
Miscellaneous Expenditures	3,080.00	(6.76)	3,073.24	3,059.00	14.24
BOE Membership Dues and Fees	11,495.00	(507.30)	10,987.70	10,320.46	667.24
<b>Total Undist. Expend. - Support Services - General Administration</b>	<b>256,187.00</b>	<b>1,824.76</b>	<b>258,011.76</b>	<b>232,082.30</b>	<b>25,929.46</b>
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	190,587.00	(0.12)	190,586.88	190,586.88	
Salaries of Secretarial and Clerical Assistants	45,180.00		45,180.00	45,179.52	0.48
Other Purchased Services	4,133.00		4,133.00	4,132.56	0.44
Supplies and Materials	6,980.00	(690.52)	6,289.48	6,070.36	219.12
Other Objects	976.00	314.99	1,290.99	1,290.99	
<b>Total Undist. Expend. - Support Services - School Administration</b>	<b>247,856.00</b>	<b>(375.65)</b>	<b>247,480.35</b>	<b>247,260.31</b>	<b>220.04</b>
Undist. Expend. - Central Services:					
Salaries	137,437.00	4,946.83	142,383.83	137,435.24	4,948.59
Purchased Professional Services	3,850.00	(1,100.00)	2,750.00	2,750.00	
Purchased Technical Services	4,525.00	4,893.69	9,418.69	9,219.69	199.00
Miscellaneous Purchased Services	6,756.00	95.84	6,851.84	6,851.84	
Supplies and Materials	5,000.00	670.77	5,670.77	5,094.19	576.58
Interest on Lease Purchase Agreements	726.00		726.00	725.50	0.50
Miscellaneous Expenditures	2,500.00	509.32	3,009.32	2,359.32	650.00
<b>Total Undist. Expend. - Central Services</b>	<b>160,794.00</b>	<b>10,016.45</b>	<b>170,810.45</b>	<b>164,435.78</b>	<b>6,374.67</b>
Undist. Expend. - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	44,000.00	60,843.85	104,843.85	81,201.25	23,642.60
General Supplies	38,000.00	(29,040.09)	8,959.91	8,116.70	843.21
Other Objects	2,000.00	(1.24)	1,998.76	1,520.00	478.76
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>	<b>84,000.00</b>	<b>31,802.52</b>	<b>115,802.52</b>	<b>90,837.95</b>	<b>24,964.57</b>
Undist. Expend. - Other Operation and Maintenance of Plant:					
Salaries	405,351.00	(1,704.19)	403,646.81	403,409.53	237.28
Cleaning, Repair and Maintenance Services	35,000.00	10,413.20	45,413.20	32,267.05	13,146.15
Other Purchased Property Services	10,200.00		10,200.00	7,793.83	2,406.17
Insurance	94,338.00	(51,139.00)	43,199.00	43,199.00	
General Supplies	23,800.00	35,069.59	58,869.59	47,376.26	11,493.33
Energy (Electricity)	90,000.00		90,000.00	87,162.48	2,837.52
Other Objects	6,000.00		6,000.00	4,774.40	1,225.60
Energy (Natural Gas)	72,500.00	(30,600.00)	41,900.00	27,391.74	14,508.26
Energy (Gasoline)	7,000.00	(1,255.59)	5,744.41	3,655.93	2,088.48
<b>Total Undist. Expend. - Other Oper. &amp; Maint. of Plant</b>	<b>744,189.00</b>	<b>(39,215.99)</b>	<b>704,973.01</b>	<b>657,030.22</b>	<b>47,942.79</b>
Undist. Expend. - Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services		27,500.00	27,500.00	27,400.00	100.00
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>		<b>27,500.00</b>	<b>27,500.00</b>	<b>27,400.00</b>	<b>100.00</b>
Undist. Expend. - Security:					
Cleaning, Repair and Maintenance Services		23,880.00	23,880.00		23,880.00
<b>Total Undist. Expend. - Security</b>		<b>23,880.00</b>	<b>23,880.00</b>		<b>23,880.00</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. of Plant</b>	<b>828,189.00</b>	<b>43,966.53</b>	<b>872,155.53</b>	<b>775,268.17</b>	<b>96,887.36</b>
Undist. Expend. - Student Transportation Services:					
Salaries of Non-Instructional Aides	14,095.00	(14,095.00)			
Salaries for Pupil Transp. (Bet. Home & School) - Regular		14,095.20	14,095.20	14,095.20	
Salaries for Pupil Transp. (Bet. Home & School) - Special Ed.	19,000.00	(0.20)	18,999.80	16,767.50	2,232.30
Cleaning, Repair and Maintenance Services	4,150.00	(290.00)	3,860.00	3,188.42	671.58
Contracted Services (Other Than Bet. Home & School) - Vendors	10,000.00		10,000.00	5,910.00	4,090.00
Contracted Services (Regular Students) - ESCs & CTSA's	279,194.00	(17,000.00)	262,194.00	231,573.30	30,620.70
Contracted Services (Special Ed. Students) - ESCs & CTSA's	324,719.00	(40,742.00)	283,977.00	255,217.29	28,759.71
Contracted Services - Aid in Lieu of Payments - NonPub Sch	38,605.00	(11,500.00)	27,105.00	12,376.00	14,729.00
Other Objects	375.00	532.00	907.00	813.75	93.25
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>690,138.00</b>	<b>(69,000.00)</b>	<b>621,138.00</b>	<b>539,941.46</b>	<b>81,196.54</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	125,007.00	(7,384.18)	117,622.82	97,907.82	19,715.00
Other Retirement Contributions - Regular	85,595.00	21,409.00	107,004.00	106,995.83	8.17
Other Retirement Contributions - ERIP	22,950.00	(160.00)	22,790.00	20,587.94	2,202.06
Unemployment Compensation	39,599.00	217,400.00	256,999.00	256,999.00	
Workmen's Compensation	58,000.00	(13,774.00)	44,226.00	42,654.50	1,571.50
Health Benefits	1,066,915.00	(96,896.79)	970,018.21	951,276.11	18,742.10
Tuition Reimbursement	11,000.00		11,000.00	10,000.00	1,000.00
Other Employee Benefits	11,738.00	24,163.45	35,901.45	8,180.00	27,711.45
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>1,420,804.00</b>	<b>144,757.48</b>	<b>1,565,561.48</b>	<b>1,494,611.20</b>	<b>70,950.28</b>

MILLTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
On-Behalf Contributions:					
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				259,258.00	(259,258.00)
TPAF NCGI Premiums (On-Behalf - Non-Budgeted)				12,206.00	(12,206.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				271,648.72	(271,648.72)
Total On-Behalf Contributions				543,112.72	(543,112.72)
Total Personal Services - Employee Benefits	1,420,804.00	144,757.48	1,565,561.48	2,037,723.92	(472,162.44)
Total Undistributed Expenditures	10,109,289.00	(80,122.98)	10,029,166.02	10,200,410.83	(171,244.81)
Total Expenditures - Current Expense	13,445,265.00	71,431.87	13,516,696.87	13,540,703.55	(24,006.68)
CAPITAL OUTLAY					
Undistributed Expenditures:					
Informational Technology	10,000.00	2,875.65	12,875.65	12,875.65	
Non-Instructional Equipment		5,989.99	5,989.99	5,989.99	
Total Undistributed Expenditures	10,000.00	8,865.64	18,865.64	18,865.64	
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	39,647.00		39,647.00	39,647.00	
Total Facilities Acquisition and Construction Services	39,647.00		39,647.00	39,647.00	
Capital Reserve:					
Transfer to Repayment of Debt	56,420.00	(56,420.00)			
Total Capital Reserve	56,420.00	(56,420.00)			
Total Capital Outlay	106,067.00	(47,554.36)	58,512.64	58,512.64	
Transfer To Charter School	19,068.00		19,068.00	9,212.00	9,856.00
Total Expenditures	13,570,400.00	23,877.51	13,594,277.51	13,608,428.19	(14,150.68)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(356,420.00)	(17,775.51)	(374,195.51)	233,834.97	608,030.48
Other Financing Sources/(Uses):					
Debt Service:					
Transfer to Repayment of Debt				(100,382.00)	(100,382.00)
Capital Projects:					
Transfer From Capital Projects				46,292.02	46,292.02
Total Other Financing Sources/(Uses)				(54,089.98)	(54,089.98)
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(356,420.00)	(17,775.51)	(374,195.51)	179,744.99	553,940.50
Fund Balances, July 1	1,019,587.50		1,019,587.50	1,019,587.50	
Fund Balances, June 30	\$ 663,167.50	\$ (17,775.51)	\$ 645,391.99	\$ 1,199,332.49	\$ 553,940.50
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 208,596.94	
Maintenance Reserve				150,000.00	
Tuition Reserve				175,000.00	
Excess Surplus - Current Year				8,064.97	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				34,447.82	
Assigned To:					
Year-End Encumbrances				293,593.27	
Designated by the BOE for Subsequent Year's Expenditures				15,552.18	
Unassigned				324,077.31	
				1,199,332.49	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(62,841.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,136,491.49	

MILLTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND

Fiscal year ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Revenues:			
Local Sources	\$ 1,000.00	\$ 1,000.00	
State Sources	110,870.00	108,157.00	\$ (2,713.00)
Federal Sources	<u>347,977.25</u>	<u>330,470.67</u>	<u>(17,506.58)</u>
Total Revenues	<u>459,847.25</u>	<u>439,627.67</u>	<u>(20,219.58)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	37,354.00	33,218.00	4,136.00
Tuition	167,656.00	167,656.00	
General Supplies	11,598.98	11,446.35	152.63
Textbooks	9,265.00	9,265.00	
Other Objects	<u>102,605.00</u>	<u>99,892.00</u>	<u>2,713.00</u>
Total Instruction	<u>328,478.98</u>	<u>321,477.35</u>	<u>7,001.63</u>
Support Services:			
Purchased Professional - Educational Services	90,069.36	77,679.83	12,389.53
Personal Services - Employee Benefits Supplies & Materials	6,554.74	5,726.32	828.42
Purchased Professional and Technical Services	13,305.00	13,305.00	
Other Purchased Services	<u>3,739.00</u>	<u>3,739.00</u>	
Total Support Services	<u>114,452.10</u>	<u>101,234.15</u>	<u>13,217.95</u>
Facilities Acquisition and Construction:			
Instructional Equipment	7,970.00	7,970.00	
Non-Instructional Equipment	5,446.17	5,446.17	
Construction	<u>3,500.00</u>	<u>3,500.00</u>	
Total Facilities Acquisition and Construction	<u>16,916.17</u>	<u>16,916.17</u>	
Total Expenditures	<u>459,847.25</u>	<u>439,627.67</u>	<u>20,219.58</u>
Total Outflows	<u>459,847.25</u>	<u>439,627.67</u>	<u>20,219.58</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

MILLTOWN SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2011

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 13,842,263.16	\$ 439,627.67
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. Current year encumbrances.		(3,669.80)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	134,082.00	
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>(62,841.00)</u>	<u>                    </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 13,913,504.16</u>	<u>\$ 435,957.87</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 13,608,428.19	\$ 439,627.67
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. Current year encumbrances.		<u>(3,669.80)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 13,608,428.19</u>	<u>\$ 435,957.87</u>

## OTHER SUPPLEMENTARY INFORMATION

## SPECIAL REVENUE FUND DETAIL STATEMENTS

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

MILLTOWN SCHOOL DISTRICT  
SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2011

	Nonpublic Aid							
	Textbooks	Nursing	ESL	Auxiliary Services Compensatory Education	Trans- portation	Supplementary Instruction	Handicapped Services Examination and Classification	Corrective Speech
<u>Revenues</u>								
Local Sources	\$ 9,265.00	\$ 10,978.00	\$ 18,784.00	\$ 30,392.00	\$ 4,267.00	\$ 6,044.00	\$ 9,416.00	\$ 19,011.00
State Sources								
Federal Sources								
Total Revenues	<u>\$ 9,265.00</u>	<u>\$ 10,978.00</u>	<u>\$ 18,784.00</u>	<u>\$ 30,392.00</u>	<u>\$ 4,267.00</u>	<u>\$ 6,044.00</u>	<u>\$ 9,416.00</u>	<u>\$ 19,011.00</u>
<u>Expenditures</u>								
Instruction:								
Salaries of Teachers								
Tuition								
General Supplies								
Textbooks	\$ 9,265.00							
Other Objects								
Total Instruction	<u>9,265.00</u>	<u>10,978.00</u>	<u>18,784.00</u>	<u>30,392.00</u>	<u>4,267.00</u>	<u>6,044.00</u>	<u>9,416.00</u>	<u>19,011.00</u>
Support Services:								
Purchased Professional - Educational Services								
Employee Benefits								
Supplies & Materials								
Purchased Professional and Technical Services								
Other Purchased Services								
Total Support Services								
Facilities Acquisition and Construction:								
Instructional Equipment								
Non-Instructional Equipment Construction								
Total Facilities and Acquisition and Construction								
Total Expenditures	<u>\$ 9,265.00</u>	<u>\$ 10,978.00</u>	<u>\$ 18,784.00</u>	<u>\$ 30,392.00</u>	<u>\$ 4,267.00</u>	<u>\$ 6,044.00</u>	<u>\$ 9,416.00</u>	<u>\$ 19,011.00</u>

MILLTOWN SCHOOL DISTRICT  
SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2011

	I.D.E.A. - Part B, Basic	I.D.E.A. - Part B, Basic (A.R.R.A.)	Preschool	Regular Programs	Preschool	Title I	Title I Carry Over	Title II, Part A	IBM	Totals
<b>Revenues</b>										
Local Sources									\$ 1,000.00	\$ 1,000.00
State Sources										108,157.00
Federal Sources										330,470.67
<b>Total Revenues</b>	\$ 220,382.47	\$ 5,800.00	\$ 7,461.23	\$ 58,113.24	\$ 2,210.37	\$ 11,211.58	\$ 7,803.78	\$ 17,488.00	\$ 1,000.00	\$ 439,627.67
	\$ 220,382.47	\$ 5,800.00	\$ 7,461.23	\$ 58,113.24	\$ 2,210.37	\$ 11,211.58	\$ 7,803.78	\$ 17,488.00	\$ 1,000.00	\$ 439,627.67
<b>Expenditures</b>										
Instruction:										
Salaries of Teachers	\$ 161,856.00	\$ 5,800.00		\$ 13,912.00		\$ 9,786.00	\$ 6,480.00	\$ 3,040.00		\$ 33,218.00
Tuition										167,656.00
General Supplies				9,235.98	\$ 2,210.37					11,446.35
Textbooks										9,265.00
Other Objects									\$ 1,000.00	99,892.00
<b>Total Instruction</b>	161,856.00	5,800.00		23,147.98	2,210.37	9,786.00	6,480.00	3,040.00	1,000.00	321,477.35
Support Services:										
Purchased Professional-Educational Services	58,526.47		\$ 7,461.23	11,682.13		1,256.58	1,323.78	608.00		77,679.83
Employee Benefits				2,537.96				784.00		5,726.32
Supplies & Materials										784.00
Purchased Professional and Technical Services				3,819.00				9,486.00		13,305.00
Other Purchased Services								3,570.00		3,739.00
<b>Total Support Services</b>	58,526.47		7,461.23	18,049.09		1,425.58	1,323.78	14,448.00		101,234.15
Facilities Acquisition and Construction:										
Instructional Equipment				7,970.00						7,970.00
Non-Instructional Equipment				5,446.17						5,446.17
Construction				3,500.00						3,500.00
<b>Total Facilities and Acquisition and Construction</b>				16,916.17						16,916.17
<b>Total Expenditures</b>	\$ 220,382.47	\$ 5,800.00	\$ 7,461.23	\$ 58,113.24	\$ 2,210.37	\$ 11,211.58	\$ 7,803.78	\$ 17,488.00	\$ 1,000.00	\$ 439,627.67

CAPITAL PROJECTS FUND  
DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

## SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the year ended June 30, 2011

Project Title/Issue	Date	Original Appropriations	Expenditures To Date		Unexpended Balance
			Prior Years	Current Year	
Rehabilitation and Upgrades of Schools - Boilers	06/30/04	\$ 419,614.09	\$ 358,592.95		\$ 61,021.14
Rehabilitation of Elementary School - Parking Lot and Sidewalks	07/07/04	110,880.00	110,880.00		
Rehabilitation and Upgrades of Schools - Telephones	07/08/04	128,042.32	128,042.32		
Rehabilitation and Upgrades of Schools - Roofs	04/30/08	1,131,771.00	928,737.76		203,033.24
Rehabilitation and Upgrades of School - Various Building Improvements	04/30/08	3,522,229.00	3,586,270.92	\$ 253,975.30	(318,017.22)
Rehabilitation and Upgrades of Schools - HVAC	04/30/08	2,403,000.00	2,212,167.80		190,832.20
Bond Issuance Costs	04/30/08	<u>150,000.00</u>	<u>117,786.11</u>		<u>32,213.89</u>
		<u>\$ 7,865,536.41</u>	<u>\$ 7,442,477.86</u>	<u>\$ 253,975.30</u>	<u>\$ 169,083.25</u>
Unexpended Balance					\$ 169,083.25
Cancelled SCC Receivable					(15,203.00)
Transferred to General Operating					<u>(46,294.71)</u>
Balance per B-2					<u>\$ 107,585.54</u>

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS

For the year ended June 30, 2011

Revenues and Other Financing Sources:	
State Sources - SCC Grant (Cancelled Grant)	\$ (15,203.00)
Interest Earned on Investments	<u>556.87</u>
Total Revenues	<u>(14,646.13)</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	9,793.26
Construction Services	244,182.04
Transfers To General Operating Fund	46,292.02
Transfers To Debt Service Fund	<u>556.88</u>
Total Expenditures	<u>300,824.20</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(315,470.33)
Fund Balance - July 1	<u>423,055.87</u>
Fund Balance - June 30	<u><u>\$ 107,585.54</u></u>

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## REHABILITATION AND UPGRADE OF SCHOOLS - BOILERS

From inception and for the year ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 134,508.70	\$ (15,203.00)	\$ 119,305.70	\$ 134,508.70
Capital Lease Proceeds	306,778.95		306,778.95	121,875.63
Transfer From Capital Reserve and Transfers	<u>102,208.62</u>		<u>102,208.62</u>	<u>102,208.62</u>
Total Revenues	<u>543,496.27</u>	<u>(15,203.00)</u>	<u>528,293.27</u>	<u>358,592.95</u>
Expenditures and Other Financing Sources:				
Purchased Professional and Technical Services	25,998.69		25,998.69	25,998.69
Land and Improvements	<u>332,594.26</u>		<u>332,594.26</u>	<u>332,594.26</u>
Total Expenditures	<u>358,592.95</u>		<u>358,592.95</u>	<u>358,592.95</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 184,903.32</u>	<u>\$ (15,203.00)</u>	<u>\$ 169,700.32</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Numbers	3220-050-04-2000			
	3220-060-04-3000			
Grant Date	06/30/04			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 454,650.00			
Additional Authorization Cost	(96,057.05)			
Revised Authorization Cost	358,592.95			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	10/15/05			
Revised Target Completion Date	10/15/05			

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## REHABILITATION OF ELEMENTARY SCHOOL - PARKING LOT AND SIDEWALKS

From inception and for the year ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer From Capital Reserve and Transfers	\$ 30,318.96	_____	\$ 30,318.96	\$ 30,318.96
Total Revenues	<u>30,318.96</u>	_____	<u>30,318.96</u>	<u>30,318.96</u>
Expenditures and Other Financing Uses:				
Land and Improvements	<u>30,318.96</u>	_____	<u>30,318.96</u>	<u>30,318.96</u>
Total Expenditures	<u>30,318.96</u>	_____	<u>30,318.96</u>	<u>30,318.96</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Number	3220-060-04-2000			
Grant Date	07/07/04			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 110,880.00			
Additional Authorization Cost	(80,561.04)			
Revised Authorization Cost	30,318.96			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	08/04			
Revised Target Completion Date	08/04			

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## REHABILITATION AND UPGRADE OF SCHOOLS - TELEPHONES

From inception and for the year ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 35,693.00		\$ 35,693.00	\$ 35,693.00
Capital Lease Proceeds	106,075.05		106,075.05	63,476.90
Transfer From Capital Reserve and Transfers	<u>28,872.42</u>		<u>28,872.42</u>	<u>28,872.42</u>
Total Revenues	<u>170,640.47</u>		<u>170,640.47</u>	<u>128,042.32</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	500.00		500.00	500.00
Land and Improvements	<u>127,542.32</u>		<u>127,542.32</u>	<u>127,542.32</u>
Total Expenditures	<u>128,042.32</u>		<u>128,042.32</u>	<u>128,042.32</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 42,598.15</u>	<u>\$ 0.00</u>	<u>\$ 42,598.15</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Numbers	3220-050-04-1000			
	3220-060-04-1000			
Grant Date	07/08/04			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 126,947.00			
Additional Authorization Cost	1,095.32			
Revised Authorization Cost	128,042.32			
Percentage Increase over Original Authorized Cost	0.86%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/05			
Revised Target Completion Date	06/30/06			

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## REHABILITATION AND UPGRADE OF SCHOOLS - ROOFS

From inception and for the year ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 987,730.81	_____	\$ 987,730.81	\$ 987,730.81
Total Revenues	<u>987,730.81</u>	_____	<u>987,730.81</u>	<u>987,730.81</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	94,683.76	_____	94,683.76	91,986.45
Construction Services	828,900.00	_____	828,900.00	886,223.23
Land and Improvements	5,154.00	_____	5,154.00	9,521.13
Total Expenditures	<u>928,737.76</u>	_____	<u>928,737.76</u>	<u>987,730.81</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 58,993.05</u>	<u>\$ 0.00</u>	<u>\$ 58,993.05</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	04/30/08			
Bonds Authorized	\$ 1,131,771.00			
Bonds Issued	1,131,771.00			
Original Authorization Cost	1,131,771.00			
Additional Authorization Cost	(144,040.19)			
Revised Authorization Cost	987,730.81			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	94.03%			
Original Target Completion Date	09/08			
Revised Target Completion Date	09/09			

MILLTOWN SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

REHABILITATION AND UPGRADE OF JOYCE KILMER SCHOOL -  
VARIOUS BUILDINGS IMPROVEMENTS

From inception and for the year ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 3,778,465.19		\$ 3,778,465.19	\$ 3,778,465.19
Transfer From Capital Reserve and Transfers	<u>80,561.04</u>		<u>80,561.04</u>	<u>215,446.97</u>
Total Revenues	<u>3,859,026.23</u>		<u>3,859,026.23</u>	<u>3,993,912.16</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	323,413.04	\$ 9,793.26	333,206.30	353,400.39
Construction Services	3,308,516.93	244,182.04	3,552,698.97	3,603,839.12
Land and Improvements	<u>34,901.99</u>		<u>34,901.99</u>	<u>36,672.65</u>
Total Expenditures	<u>3,666,831.96</u>	<u>253,975.30</u>	<u>3,920,807.26</u>	<u>3,993,912.16</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 192,194.27</u>	<u>\$ (253,975.30)</u>	<u>\$ (61,781.03)</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	04/30/08			
Bonds Authorized	\$ 3,522,229.00			
Bonds Issued	3,522,229.00			
Original Authorization Cost	3,522,229.00			
Additional Authorization Cost	471,683.16			
Revised Authorization Cost	3,993,912.16			
Percentage Increase over Original Authorized Cost	11.81%			
Percentage Completion	101.60%			
Original Target Completion Date	09/08			
Revised Target Completion Date	09/09			

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## REHABILITATION AND UPGRADE OF SCHOOLS - HVAC

From inception and for the year ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 2,287,155.52	_____	\$ 2,287,155.52	\$ 2,287,155.52
Total Revenues	<u>2,287,155.52</u>	_____	<u>2,287,155.52</u>	<u>2,287,155.52</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technicals Services	222,973.28		222,973.28	220,465.73
Construction Services	1,986,750.42		1,986,750.42	2,059,508.18
Land and Improvements	<u>2,444.10</u>	_____	<u>2,444.10</u>	<u>7,181.61</u>
Total Expenditures	<u>2,212,167.80</u>	_____	<u>2,212,167.80</u>	<u>2,287,155.52</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 74,987.72</u>	<u>\$ 0.00</u>	<u>\$ 74,987.72</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	04/30/08			
Bonds Authorized	\$ 2,403,000.00			
Bonds Issued	2,403,000.00			
Original Authorization Cost	2,403,000.00			
Additional Authorization Cost	(115,844.48)			
Revised Authorization Cost	2,287,155.52			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	96.72%			
Original Target Completion Date	09/08			
Revised Target Completion Date	09/09			

## MILLTOWN SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## BOND ISSUANCE COSTS

From inception and for the year ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 153,648.48	_____	\$ 153,648.48	\$ 153,648.48
Total Revenues	<u>153,648.48</u>	_____	<u>153,648.48</u>	<u>153,648.48</u>
Expenditures and Other Financing Uses:				
Bond Issuance Fees	56,347.89	_____	56,347.89	62,358.16
Clerk of the Work Fees	<u>61,438.22</u>	_____	<u>61,438.22</u>	<u>91,290.32</u>
Total Expenditures	<u>117,786.11</u>	_____	<u>117,786.11</u>	<u>153,648.48</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 35,862.37</u>	<u>\$ 0.00</u>	<u>\$ 35,862.37</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	04/30/08			
Bonds Authorized	\$ 150,000.00			
Bonds Issued	150,000.00			
Original Authorization Cost	150,000.00			
Additional Authorization Cost	3,648.48			
Revised Authorization Cost	153,648.48			
Percentage Increase over Original Authorized Cost	2.43%			
Percentage Completion	76.66%			
Original Target Completion Date	09/08			
Revised Target Completion Date	09/09			

PROPRIETARY FUND  
DETAIL STATEMENTS

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

FOOD SERVICE FUND

This Fund provides for the operation of food services within the School District.

This section has already been included in Statements B-4, B-5, and B-6.

FIDUCIARY FUNDS  
DETAIL STATEMENTS

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

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

Student Activity Fund: This Agency Fund is used to account for student funds held at the schools.

Payroll Fund: This Agency Fund is used to account for the payroll transactions of the School District.

Unemployment Compensation Trust Fund: This Fund is used to account for assets to finance the cost of unemployment benefits.

## MILLTOWN SCHOOL DISTRICT

## COMBINING STATEMENT OF FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

June 30, 2011

<u>Assets</u>	<u>Agency Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
Cash and Cash Equivalents	<u>\$ 58,622.80</u>	<u>\$ 312,780.55</u>	<u>\$ 371,403.35</u>
Total Assets	<u>\$ 58,622.80</u>	<u>\$ 312,780.55</u>	<u>\$ 371,403.35</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Payable To Student Groups	\$ 34,905.35		\$ 34,905.35
Payroll Deductions and Withholdings	<u>23,717.45</u>	<u>                    </u>	<u>23,717.45</u>
Total Liabilities	<u>58,622.80</u>	<u>                    </u>	<u>58,622.80</u>
Fund Balances:			
Reserved - Unemployment Compensation Insurance	<u>                    </u>	<u>\$ 312,780.55</u>	<u>312,780.55</u>
Total Fund Balances	<u>                    </u>	<u>312,780.55</u>	<u>312,780.55</u>
Total Liabilities and Fund Balances	<u>\$ 58,622.80</u>	<u>\$ 312,780.55</u>	<u>\$ 371,403.35</u>

## MILLTOWN SCHOOL DISTRICT

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

For the fiscal year ended June 30, 2011

	Unemployment Compensation Trust	Totals
Additions:		
Contributions:		
Transfer	\$ 351,999.00	\$ 351,999.00
Plan Members	13,233.10	13,233.10
Total Contributions	<u>365,232.10</u>	<u>365,232.10</u>
Investment Earnings:		
Interest	<u>444.68</u>	<u>444.68</u>
Net Investment Earnings	<u>444.68</u>	<u>444.68</u>
Total Additions	<u>365,676.78</u>	<u>365,676.78</u>
Deductions:		
Quarterly Contribution Reports	6,311.08	6,311.08
Unemployment Claims	<u>114,991.09</u>	<u>114,991.09</u>
Total Deductions	<u>121,302.17</u>	<u>121,302.17</u>
Change in Net Assets	244,374.61	244,374.61
Net Assets - Beginning of Year	<u>68,405.94</u>	<u>68,405.94</u>
Net Assets - End of Year	<u>\$ 312,780.55</u>	<u>\$ 312,780.55</u>

## MILLTOWN SCHOOL DISTRICT

## SCHEDULE OF RECEIPTS AND DISBURSEMENTS

## STUDENT ACTIVITY AGENCY FUND

For the fiscal year ended June 30, 2011

	Balance July 1, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2011</u>
<u>Elementary Schools</u>				
Parkview Field Trip Fund	\$ 2,370.87	\$ 11,595.81	\$ 9,680.75	\$ 4,285.93
Donations	<u>977.00</u>	<u>                    </u>	<u>977.00</u>	<u>                    </u>
Total Elementary Schools	<u>3,347.87</u>	<u>11,595.81</u>	<u>10,657.75</u>	<u>4,285.93</u>
<u>Junior High Schools</u>				
Joyce Kilmer	<u>38,116.25</u>	<u>59,669.58</u>	<u>67,542.61</u>	<u>30,243.22</u>
Total Junior High Schools	<u>38,116.25</u>	<u>59,669.58</u>	<u>67,542.61</u>	<u>30,243.22</u>
Athletic	<u>1,163.97</u>	<u>1,804.23</u>	<u>2,592.00</u>	<u>376.20</u>
Total Athletic	<u>1,163.97</u>	<u>1,804.23</u>	<u>2,592.00</u>	<u>376.20</u>
Total Assets	<u>\$ 45,357.27</u>	<u>\$ 73,069.62</u>	<u>\$ 80,792.36</u>	<u>\$ 34,905.35</u>

MILLTOWN SCHOOL DISTRICT

PAYROLL AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

For the fiscal year ended June 30, 2011

	Balance July 1, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2010</u>
<u>Assets</u>				
Cash	<u>\$ 24,565.59</u>	<u>\$ 8,644,445.75</u>	<u>\$ 8,645,293.89</u>	<u>\$ 23,717.45</u>
Total Assets	<u>\$ 24,565.59</u>	<u>\$ 8,644,445.75</u>	<u>\$ 8,645,293.89</u>	<u>\$ 23,717.45</u>
<u>Liabilities</u>				
Payroll Deductions and Withholdings	<u>\$ 24,565.59</u>	<u>\$ 8,644,445.75</u>	<u>\$ 8,645,293.89</u>	<u>\$ 23,717.45</u>
Total Liabilities	<u>\$ 24,565.59</u>	<u>\$ 8,644,445.75</u>	<u>\$ 8,645,293.89</u>	<u>\$ 23,717.45</u>

## LONG-TERM DEBT SCHEDULES

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

MILLTOWN SCHOOL DISTRICT  
STATEMENT OF SERIAL BONDS

June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2010	Retired	Balance June 30, 2011
To Renovate Joyce Kilmer School and Renovate and Reconstruct Parkview School	02/15/96	\$ 3,584,000.00	08/15/11	\$ 314,000.00	4.75%	\$ 629,000.00	\$ 315,000.00	\$ 314,000.00
School Refunding Bonds	03/31/03	730,000.00	07/01/11	120,000.00	5.50%	260,000.00	140,000.00	120,000.00
School Refunding Bonds	10/15/05	855,000.00	07/15/12	190,000.00	5.00%			
			07/01/13	195,000.00	5.00%			
			07/01/14	230,000.00	5.00%			
			07/01/15	240,000.00	5.00%	855,000.00		855,000.00
School Bonds, Series 2010	04/30/08	7,207,000.00	09/15/11	90,000.00	3.50%			
			09/15/12	360,000.00	3.50%			
			09/15/13	375,000.00	3.50%			
			09/15/14	395,000.00	3.50%			
			09/15/15	410,000.00	3.50%			
			09/15/16	680,000.00	3.50%			
			09/15/17	710,000.00	3.50%			
			09/15/18	735,000.00	3.50%			
			09/15/19	765,000.00	3.50%			
			09/15/20	800,000.00	3.60%			
			09/15/21	830,000.00	3.75%			
			09/15/22	862,000.00	3.75%			
						7,057,000.00	45,000.00	7,012,000.00
						\$ 8,801,000.00	\$ 500,000.00	\$ 8,301,000.00

MILLTOWN SCHOOL DISTRICT  
 STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

June 30, 2011

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2010</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2011</u>
Rehabilitation and Upgrade of Schools - Telephone, Fiber Optics, and Boilers	3.66%	\$ 412,854.00	\$ 39,646.97	\$ 39,646.97	\$ 0.00

MILLTOWN SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND

For the fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/(Negative) Final To Actual
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 583,036.00		\$ 583,036.00	\$ 583,036.00	\$ 360.03
Miscellaneous				360.03	
State Sources:					
Debt Service Aid Type II	86,726.00		86,726.00	86,726.00	
Total Revenues	669,762.00		669,762.00	670,122.03	360.03
<u>Expenditures</u>					
Regular Debt Service:					
Interest	330,750.00		330,750.00	330,749.70	0.30
Redemption of Principal	522,681.00		522,681.00	522,680.83	0.17
Total Regular Debt Service	853,431.00		853,431.00	853,430.53	0.47
Total Expenditures	853,431.00		853,431.00	853,430.53	0.47
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(183,669.00)		(183,669.00)	(183,308.50)	360.50
Other Financial Sources/(Uses):					
Other Transfers In (Capital Reserve)	56,420.00		56,420.00	100,382.00	43,962.00
Other Transfers In (Capital Projects Interest)				556.88	556.88
Total Other Financial Sources/(Uses)	56,420.00		56,420.00	100,938.88	44,518.88
Excess/(Deficiency) of Revenues and Other Financial Sources Over/(Under) Expenditures	(127,249.00)		(127,249.00)	(82,369.62)	44,879.38
Fund Balance, July 1	83,287.26		83,287.26	83,287.26	
Fund Balance, June 30	\$ (43,961.74)	\$ 0.00	\$ (43,961.74)	\$ 917.64	\$ 44,879.38
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (127,249.00)	\$ 0.00	\$ (127,249.00)	\$ (82,369.62)	\$ 44,879.38
Budgeted Fund Balance					

MILLTOWN SCHOOL DISTRICT  
STATEMENT OF LOANS PAYABLE

June 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2010</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
N.J. Economic Development Authority Facilities Loan:								
Safe Loan	08/18/93	\$ 95,000.00	07/15/11-12 07/15/13	\$ 4,124.79 4,124.85	1.500% 1.500%	\$ 16,499.22	\$ 4,124.79	\$ 12,374.43
Small Loan	08/18/93	285,000.00	07/15/11 07/15/12 07/15/13	19,353.78 20,212.52 21,114.23	5.288% 5.288% 5.288%	79,236.57	18,556.04	60,680.53
						\$ 95,735.79	\$ 22,680.83	\$ 73,054.96

STATISTICAL SECTION

FINANCIAL TRENDS/INFORMATION SCHEDULES

MILLTOWN SCHOOL DISTRICT  
NET ASSETS BY COMPONENT

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Government Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,122,875.62	\$ 1,513,444.48	\$ 1,045,326.38	\$ 1,461,379.26	\$ (4,826,660.34)	\$ (2,284,585.04)	\$ 2,564,235.72	\$ 3,226,627.57
Restricted	1,444,488.45	970,275.75	978,135.52	854,093.07	8,139,633.19	5,463,355.39	1,141,274.70	880,667.80
Unrestricted	(282,940.47)	(119,564.59)	(88,392.92)	(136,148.30)	(27,863.37)	(46,289.96)	(83,906.94)	20,843.61
<b>Total Government Activities Net Assets</b>	<b>\$ 2,284,423.60</b>	<b>\$ 2,364,155.64</b>	<b>\$ 1,935,068.98</b>	<b>\$ 2,179,324.03</b>	<b>\$ 3,285,109.48</b>	<b>\$ 3,132,480.39</b>	<b>\$ 3,621,603.48</b>	<b>\$ 4,127,938.98</b>
<b>Business-Type Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 36,840.38	\$ 43,550.78	\$ 39,638.06	\$ 35,480.66	\$ 74,765.92	\$ 73,058.14	\$ 67,013.11	\$ 58,524.60
Unrestricted	(2,632.91)	(10,574.66)	(9,771.69)	(12,433.72)	(87,163.33)	(81,955.84)	(77,348.83)	(75,004.44)
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 34,207.47</b>	<b>\$ 32,976.12</b>	<b>\$ 29,866.37</b>	<b>\$ 23,046.94</b>	<b>\$ (12,397.41)</b>	<b>\$ (8,897.70)</b>	<b>\$ (10,335.72)</b>	<b>\$ (16,479.84)</b>
<b>District-wide:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,159,716.00	\$ 1,556,995.26	\$ 1,084,964.44	\$ 1,496,859.92	\$ (4,751,894.42)	\$ (2,211,526.90)	\$ 2,631,248.83	\$ 3,285,152.17
Restricted	1,444,488.45	970,275.75	978,135.52	854,093.07	8,139,633.19	5,463,355.39	1,141,274.70	880,667.80
Unrestricted	(285,573.38)	(130,139.25)	(98,164.61)	(148,582.02)	(115,026.70)	(128,245.80)	(161,255.77)	(54,360.83)
<b>Total District Net Assets</b>	<b>\$ 2,318,631.07</b>	<b>\$ 2,397,131.76</b>	<b>\$ 1,964,935.35</b>	<b>\$ 2,202,370.97</b>	<b>\$ 3,272,712.07</b>	<b>\$ 3,123,582.69</b>	<b>\$ 3,611,267.76</b>	<b>\$ 4,111,459.14</b>

MILLTOWN SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>								
Governmental Activities:								
Instruction:								
Regular	\$ (3,872,268.01)	\$ (3,777,048.30)	\$ (4,172,499.18)	\$ (4,592,468.24)	\$ (4,567,245.91)	\$ (4,607,542.32)	\$ (4,865,787.15)	\$ (4,305,346.25)
Special Education	(516,268.59)	(513,688.03)	(449,430.00)	(520,606.71)	(566,800.71)	(599,453.52)	(641,117.94)	(673,491.23)
Other Special Education	(134,490.78)	(135,186.21)	(147,627.71)	(178,136.03)	(195,861.92)	(166,040.64)	(146,919.93)	(139,935.85)
Other Instruction	(64,511.30)	(64,263.29)	(74,607.87)	(131,870.10)	(146,938.14)	(65,391.15)	(137,884.57)	(124,864.77)
Support Services:								
Tuition	(3,454,331.38)	(4,186,533.59)	(4,300,261.94)	(4,489,041.21)	(4,026,039.31)	(4,440,168.57)	(4,606,227.33)	(5,318,258.60)
Student and Instruction Related Services	(969,022.26)	(1,057,044.56)	(1,072,352.17)	(1,166,769.97)	(1,188,732.01)	(1,455,592.86)	(1,301,063.03)	(1,125,585.48)
School Administrative Services	(360,813.67)	(346,395.62)	(312,710.09)	(336,413.67)	(325,771.26)	(376,043.16)	(383,920.39)	(368,945.50)
General Administration	(566,191.15)	(515,592.03)	(508,724.38)	(325,987.68)	(334,384.29)	(285,728.17)	(289,101.86)	(278,278.69)
Central Services				(176,609.02)	(186,693.95)	(187,599.95)	(159,709.55)	(164,435.78)
Administrative Informational Technology				(25,000.00)	(38,500.00)	(95,057.27)		
Plant Operations and Maintenance	(1,077,829.66)	(982,026.10)	(1,065,349.52)	(1,102,303.36)	(1,082,418.10)	(1,117,728.86)	(1,098,161.47)	(1,083,133.89)
Pupil Transportation	(402,365.52)	(507,035.48)	(544,952.03)	(509,048.31)	(487,161.50)	(655,081.15)	(602,384.00)	(562,823.55)
Charter Schools	(12,003.00)	(19,328.00)	(23,222.00)	(21,991.00)	(17,906.00)	(18,735.00)	(19,643.00)	(9,212.00)
Interest on Long-Term Debt	(186,356.75)	(159,644.96)	(176,386.69)	(161,943.20)	(169,141.06)	(383,373.97)	(346,218.80)	(324,290.84)
Unallocated Depreciation			(592,657.60)					
Total Governmental Activities Expenses	<u>(11,616,452.07)</u>	<u>(12,263,766.17)</u>	<u>(13,440,781.18)</u>	<u>(13,738,189.50)</u>	<u>(13,333,594.16)</u>	<u>(14,453,536.59)</u>	<u>(14,598,139.02)</u>	<u>(14,478,602.43)</u>
Business-Type Activities:								
Food Service	(149,940.91)	(127,870.94)	(125,315.82)	(133,833.82)	(168,452.66)	(144,088.71)	(142,300.62)	(153,499.93)
Total Business-Type Activities Expenses	<u>(149,940.91)</u>	<u>(127,870.94)</u>	<u>(125,315.82)</u>	<u>(133,833.82)</u>	<u>(168,452.66)</u>	<u>(144,088.71)</u>	<u>(142,300.62)</u>	<u>(153,499.93)</u>
Total District Expenses	<u>\$ (11,766,392.98)</u>	<u>\$ (12,391,637.11)</u>	<u>\$ (13,566,097.00)</u>	<u>\$ (13,872,023.32)</u>	<u>\$ (13,502,046.82)</u>	<u>\$ (14,597,625.30)</u>	<u>\$ (14,740,439.64)</u>	<u>\$ (14,632,102.36)</u>
Program Revenues:								
Governmental Activities:								
Charges for Services:				\$ 32,000.00	\$ 32,000.00	\$ 22,590.71	\$ 37,432.00	\$ 43,075.00
Operating Grants and Contributions	\$ 193,289.00	\$ 200,136.00	\$ 202,947.00	\$ 199,579.00	\$ 174,999.00	\$ 245,601.82	\$ 406,145.00	\$ 95,078.00
Capital Grants and Contributions		45,158.58	125,043.12					(15,203.00)
Total Governmental Activities Program Revenues	<u>193,289.00</u>	<u>245,294.58</u>	<u>327,990.12</u>	<u>231,579.00</u>	<u>206,999.00</u>	<u>268,192.53</u>	<u>443,577.00</u>	<u>122,950.00</u>

MILLTOWN SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year Ending June 30							
	2004	2005	2006	2007	2008	2009	2010	2011
Business-Type Activities:								
Charges for Services:								
Food Service	108,366.77	93,850.83	96,526.26	96,067.70	105,879.07	108,525.15	112,871.86	113,536.18
Operating Grants and Contributions	22,417.20	32,788.76	19,215.36	23,838.29	26,624.48	29,237.12	27,966.15	32,526.95
Total Business-Type Activities Program Revenues	130,783.97	126,639.59	115,741.62	119,905.99	132,503.55	137,762.27	140,838.01	146,063.13
Total District Program Revenues	\$ 324,072.97	\$ 371,934.17	\$ 443,731.74	\$ 351,484.99	\$ 339,502.55	\$ 405,954.80	\$ 584,415.01	\$ 269,013.13
Net (Expense)/Revenue:								
Governmental Activities	\$ (11,423,163.07)	\$ (12,018,471.59)	\$ (13,112,791.06)	\$ (13,506,610.50)	\$ (13,126,595.16)	\$ (14,185,344.06)	\$ (14,154,562.02)	\$ (14,355,652.43)
Business-Type Activities	(19,156.94)	(1,231.35)	(9,574.20)	(13,927.83)	(35,949.11)	(6,326.44)	(1,462.61)	(7,436.80)
Total District-wide Net (Expense)/Revenue	\$ (11,442,320.01)	\$ (12,019,702.94)	\$ (13,122,365.26)	\$ (13,520,538.33)	\$ (13,162,544.27)	\$ (14,191,670.50)	\$ (14,156,024.63)	\$ (14,363,089.23)
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 8,969,753.00	\$ 9,419,343.00	\$ 9,941,511.00	\$ 10,758,188.00	\$ 11,188,516.00	\$ 11,188,516.00	\$ 11,732,690.00	\$ 12,409,782.00
Taxes Levied for Debt Service	561,614.00	562,728.00	558,596.00	602,208.00	521,330.00	725,392.00	633,753.00	583,036.00
Unrestricted Grants and Contributions	1,933,683.10	2,026,614.57	2,078,060.59	2,340,165.69	2,379,184.64	2,064,340.57	2,237,847.75	1,839,872.20
Investment Earnings	8,062.99	39,386.79	62,165.33	47,928.75	76,707.47	73,402.93	9,739.42	9,419.01
Transfers				(6,000.00)		(5,281.83)		
Miscellaneous Income	107,596.34	50,131.27	43,371.48	8,375.11	66,672.50	28,242.67	29,474.17	39,878.72
Total Governmental Activities	11,580,709.43	12,098,203.63	12,683,704.40	13,750,865.55	14,232,410.61	14,074,612.34	14,643,504.34	14,881,987.93
Business-Type Activities:								
Investment Earnings	216.62		887.30	1,108.40	504.76	25.41	24.69	54.92
Miscellaneous Income			3,577.15					1,237.76
Transfers			2,000.00	6,000.00		5,281.83		
Total Business-Type Activities	216.62		6,464.45	7,108.40	504.76	5,307.24	24.69	1,292.68
Total District-wide	\$ 11,580,926.05	\$ 12,098,203.63	\$ 12,690,168.85	\$ 13,757,973.95	\$ 14,232,915.37	\$ 14,079,919.58	\$ 14,643,529.03	\$ 14,883,280.61
Changes in Net Assets:								
Governmental Activities	\$ 157,546.36	\$ 79,732.04	\$ (429,086.66)	\$ 244,255.05	\$ 1,105,815.45	\$ (110,731.72)	\$ 488,942.32	\$ 526,335.50
Business-Type Activities	(18,940.32)	(1,231.35)	(3,109.75)	(6,819.43)	(35,444.35)	(1,019.20)	(1,437.92)	(6,144.12)
Total District	\$ 138,606.04	\$ 78,500.69	\$ (432,196.41)	\$ 237,435.62	\$ 1,070,371.10	\$ (111,750.92)	\$ 487,504.40	\$ 520,191.38

MILLTOWN SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

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

	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:								
Reserved	\$ 463,279.16	\$ 347,013.36	\$ 418,352.72	\$ 479,658.77	\$ 1,191,109.40	\$ 709,977.24	\$ 748,480.99	
Unreserved	978,665.07	707,926.07	407,268.13	279,135.00	215,944.43	139,013.04	137,024.51	\$ 576,109.73
Restricted								299,145.45
Assigned								261,236.31
Unassigned								
Total General Fund	\$ 1,441,944.23	\$ 1,054,939.43	\$ 825,620.85	\$ 758,793.77	\$ 1,407,053.83	\$ 848,990.28	\$ 885,505.50	\$ 1,136,491.49
All Other Governmental Funds:								
Reserved		\$ 299,286.49			\$ 855,435.16	\$ 133,764.00		
Unreserved, Reported In:								
Capital Projects Fund		(205,624.38)	\$ 202,112.78	\$ 141,582.18	6,081,459.62	4,616,893.62	\$ 423,055.87	
Debt Service Fund	\$ 2,544.22	14,671.63	189,638.86	185,375.34	62,467.48	127,248.91	83,287.26	
Restricted for:								
Capital Projects Fund								\$ 28,991.24
Debt Service Fund								917.64
Committed to:								
Capital Projects Fund								78,594.30
Total All Other Governmental Funds	\$ 2,544.22	\$ 108,333.74	\$ 391,751.64	\$ 326,957.52	\$ 6,999,362.26	\$ 4,877,906.53	\$ 506,343.13	\$ 108,503.18

MILLTOWN SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	2002*	2003*	2004*	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Tax Levy	\$ 8,860,387.00	\$ 9,269,651.00	\$ 9,531,367.00	\$ 9,982,071.00	\$ 10,500,107.00	\$ 11,360,396.00	\$ 11,709,846.00	\$ 11,913,908.00	\$ 12,366,443.00	\$ 12,992,818.00
Interest Earnings	32,035.29	69,999.37	80,334.32	82,442.20	59,468.88	47,928.75	76,707.47	73,402.93	9,739.42	9,419.01
Miscellaneous	1,445,944.29	1,663,565.60	1,870,279.96	1,939,695.57	43,371.48	40,375.11	50,653.38	66,906.17	82,906.17	82,653.72
State Sources	193,074.00	221,844.90	266,692.14	287,055.00	1,998,559.74	2,262,749.99	2,294,879.99	2,067,248.62	2,066,864.13	1,592,002.72
Federal Sources					282,447.65	276,893.85	259,303.65	242,693.77	577,128.62	327,744.48
<b>Total Revenues</b>	<b>10,651,440.56</b>	<b>11,225,050.87</b>	<b>11,738,673.42</b>	<b>12,291,293.77</b>	<b>12,883,954.65</b>	<b>13,988,343.70</b>	<b>14,439,409.61</b>	<b>14,346,066.70</b>	<b>15,087,091.34</b>	<b>15,004,937.93</b>
<b>Expenditures:</b>										
Instruction:										
Regular	2,291,047.14	2,470,598.11	2,665,763.61	2,574,740.80	2,757,274.85	2,860,823.51	2,958,787.38	3,433,220.25	3,158,477.25	2,679,297.52
Special	347,031.20	337,593.96	321,477.85	310,458.02	315,002.44	376,417.00	411,014.72	448,874.17	473,031.98	479,383.58
Other	128,816.35	152,350.26	134,450.78	135,186.21	147,627.71	178,136.03	195,861.92	166,040.64	146,919.93	139,936.85
School-Sponsored/Other Instructional	39,711.66	44,855.59	46,570.27	44,891.78	52,203.28	45,356.28	69,045.15	82,687.49	65,843.45	41,675.77
Undistributed:										
Instruction	3,057,287.60	3,610,841.97	3,454,331.38	4,493,352.49	4,300,261.94	4,489,041.21	4,026,039.31	4,440,188.57	4,606,227.33	5,318,258.60
Support Services - Students	568,782.21	441,527.78	685,911.85	699,841.73	641,646.22	666,957.72	736,292.55	952,982.37	812,474.05	787,683.54
Support Services - Instructional Staff	195,379.29	166,055.13	84,966.86	215,908.09	193,850.67	205,655.59	218,730.55	147,361.08	168,950.63	168,950.63
General Administration	298,518.30	318,660.00	360,538.72	288,339.99	260,459.74	285,010.11	302,242.85	285,560.88	278,045.60	232,082.90
School Administrative Services	225,018.33	258,416.76	217,361.81	209,908.35	227,479.50	240,297.48	241,651.63	250,483.73	249,224.13	247,260.31
Central Services										
Admin. Information Technology						176,609.02	186,693.95	187,599.95	159,709.55	164,435.78
Plant Operations and Maintenance	601,787.83	660,507.35	716,142.32	724,840.91	31,500.00	25,000.00	38,500.00	95,057.27	767,864.66	775,268.17
Pupil Transportation	440,416.40	410,906.01	378,554.61	488,677.77	753,015.89	802,029.54	788,664.83	802,323.02	582,663.99	539,941.46
Business and Other Support Services:										
Employee Benefits	819,626.67	859,963.88	940,237.81	1,003,115.56	1,064,624.02	1,237,832.01	1,185,958.11	1,301,740.26	1,430,898.41	1,494,611.20
Other	146,673.39	161,306.24	139,264.10	154,484.00	262,787.00	289,040.00	296,841.00	13,472.00	13,675.00	12,206.80
On-Behalf TPAF Pension Contributions		166,093.00	240,983.00							
On-Behalf TPAF Post Retirement Medical Contributions										
Reimbursed TPAF Social Security Contributions	240,742.05	243,857.55	262,336.51	282,966.67	277,840.74	293,502.99	287,002.99	308,442.80	308,274.13	271,648.72
Charter Schools			12,003.00	19,328.00	23,222.00	21,991.00	18,743.00	19,643.00	9,212.00	9,212.00
Capital Outlay	3,000.00	42,519.00	6,750.00	17,111.20	91,650.27	132,847.26	188,118.63	201,189.12	120,911.56	58,512.64
Special Revenue	292,070.04	366,086.95	338,053.59	365,180.85	330,055.70	330,055.70	335,255.85	348,036.77	578,224.75	435,967.87
Debt Service:										
Principal	337,094.01	352,573.00	403,112.32	412,123.75	151,975.36	459,869.36	415,524.22	436,217.93	901,922.29	522,880.83
Interest and Other Charges	191,094.99	173,332.47	183,935.25	167,402.92	439,239.23	182,388.82	145,855.81	349,654.06	357,197.76	330,749.70
<b>Total Expenditures</b>	<b>10,224,477.46</b>	<b>11,237,845.01</b>	<b>11,592,785.74</b>	<b>12,505,275.24</b>	<b>13,110,260.67</b>	<b>14,114,065.75</b>	<b>13,838,362.98</b>	<b>15,160,620.76</b>	<b>15,456,897.45</b>	<b>14,897,816.59</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>426,963.12</b>	<b>(12,794.14)</b>	<b>145,887.68</b>	<b>(214,011.47)</b>	<b>(226,306.02)</b>	<b>(125,722.05)</b>	<b>601,046.63</b>	<b>(812,534.06)</b>	<b>(369,816.11)</b>	<b>107,121.34</b>
<b>Other Financing Sources/(Uses):</b>										
Proceeds From Borrowing										
Capital Leases (Non-Budgeted)										
Payments To Escrow Agent										
Insurance Costs										
Transfers In										
Transfers Out										
<b>Total Other Financing Sources/(Uses)</b>										
<b>Net Change in Fund Balances</b>	<b>\$ 426,963.12</b>	<b>\$ (12,794.14)</b>	<b>\$ 145,887.68</b>	<b>\$ (374,877.39)</b>	<b>\$ (79,740.04)</b>	<b>\$ (131,722.05)</b>	<b>\$ 7,808,046.63</b>	<b>\$ (817,815.89)</b>	<b>\$ (369,816.11)</b>	<b>\$ 107,121.34</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.17%</b>	<b>4.70%</b>	<b>5.07%</b>	<b>4.64%</b>	<b>4.54%</b>	<b>4.59%</b>	<b>4.11%</b>	<b>5.25%</b>	<b>8.21%</b>	<b>5.75%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay

Prior to June 30, 2005, Central Services and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.

\* Special Revenue allocation not available

\*\* Debt Service breakdown not available

\*\*\* Other Financing Sources/(Uses) not available

MILLTOWN 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>Fines</u>	<u>Rent</u>	<u>Interest on</u> <u>Investments</u>	<u>Miscellaneous</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Annual</u> <u>Totals</u>
2002	\$ 481.01	\$ 2,898.00	\$ 8,379.34	\$ 19.67	\$ 20,067.27	\$ 31,845.29
2003	206.03	23,311.00	4,759.64	12,746.12	24,522.59	65,545.38
2004	229.38	27,089.00	8,062.99	3,467.95	41,485.00	80,334.32
2005		29,488.25	38,852.71	2,042.00	12,059.24	82,442.20
2006		23,555.25	57,266.23	3,513.00	13,715.43	98,049.91
2007		8,375.11	36,896.18		32,000.00	77,271.29
2008		14,429.00	43,656.30	4,600.00	47,643.50	110,328.80
2009		13,807.00	9,319.51	60.00	14,375.67	37,562.18
2010		17,494.50	3,702.02	200.00	11,782.35	33,178.87
2011		16,104.00	8,502.11	4,368.30	18,406.42	47,380.83

Source: District records

## REVENUE CAPACITY INFORMATION

MILLTOWN SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2002	\$ 6,702,700	\$ 390,492,100	-	-	\$ 52,873,100	\$ 10,427,400	\$ 1,895,000
2003	5,914,000	392,905,400	-	-	53,208,500	8,927,400	1,895,000
2004	5,513,500	393,908,300	-	-	54,013,400	8,927,400	1,895,000
2005	5,968,800	394,699,400	-	-	53,889,000	8,927,400	1,895,000
2006	5,428,100	395,555,400	-	-	54,800,700	8,927,400	1,895,000
2007	5,353,100	396,133,800	-	-	54,468,500	8,927,400	1,895,000
2008	5,353,100	369,690,000	-	-	54,325,400	8,927,400	1,895,000
2009	N/A	N/A	-	-	N/A	N/A	N/A
2010	N/A	N/A	-	-	N/A	N/A	N/A
2011	N/A	N/A	-	-	N/A	N/A	N/A

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2002	\$ 462,390,300	\$ 44,923,700	\$ 516,849	\$ 417,983,449	\$ 54,136,639,390	2.004
2003	462,850,300	44,897,600	501,458	418,454,158	60,162,907,895	2.060
2004	464,257,600	58,747,600	434,599	405,944,599	68,062,100,263	2.149
2005	465,379,600	59,077,500	360,854	406,662,954	77,740,447,697	2.255
2006	466,606,600	59,077,500	329,188	407,858,288	89,017,702,475	2.435
2007	466,777,800	59,197,000	268,667	407,849,467	101,621,941,944	2.509
2008	467,190,900	59,197,000	264,291	408,258,191	109,995,053,068	2.549
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when 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 yet available

MILLTOWN SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

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

Fiscal Year Ending June 30,	Milltown School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	School Tax Rate	Total Direct School Tax Rate	Milltown Borough	Middlesex County		
2002	1.897	0.107	2.004	2.004	0.694	0.472	3.170	
2003	1.940	0.120	2.060	2.060	0.696	0.504	3.260	
2004	2.027	0.122	2.149	2.149	0.722	0.519	3.390	
2005	2.135	0.120	2.255	2.255	0.755	0.530	3.540	
2006	2.306	0.129	2.435	2.435	0.786	0.549	3.770	
2007	2.396	0.113	2.509	2.509	0.786	0.595	3.890	
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2009	N/A	N/A	2.663	2.663	0.911	0.690	4.264	
2010	N/A	N/A	2.663	2.663	0.911	0.690	4.264	
2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Source: Municipal Tax Assessor

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.

MILLTOWN SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (UNAUDITED)

	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
\$		1				\$
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
\$						\$

DATA NOT AVAILABLE

Source: \_\_\_\_\_

## DEBT CAPACITY INFORMATION

## MILLTOWN 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 8,980,387	\$ 8,980,387	100%	-
2003	9,269,651	9,269,651	100%	-
2004	9,531,367	9,531,367	100%	-
2005	9,982,071	9,982,071	100%	-
2006	10,500,107	10,500,107	100%	-
2007	11,360,696	11,360,696	100%	-
2008	11,709,846	11,709,846	100%	-
2009	11,913,908	11,913,908	100%	-
2010	12,366,443	12,366,443	100%	-
2011	12,992,818	12,992,818	100%	-

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.

MILLTOWN SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities			Bond	Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Anticipation Notes (BANS)	Capital Leases				
2002	\$ 3,079,000.00		\$ 300,000.00				\$ 3,379,000.00	0.011	\$ 432.27
2003	3,529,000.00		245,000.00				3,774,000.00	0.010	494.40
2004	3,199,000.00		190,000.00				3,389,000.00	0.012	448.61
2005	2,859,000.00		130,000.00				2,989,000.00	0.014	401.10
2006	3,359,000.00		397,220.00				3,756,220.00	N/A	N/A
2007	2,984,000.00		263,006.00				3,247,006.00	N/A	N/A
2008	9,796,000.00		191,237.00				9,987,237.00	N/A	1,426.96
2009	9,381,000.00		116,816.00				9,497,816.00	N/A	N/A
2010	8,801,000.00		39,646.97				8,840,646.97	N/A	1,204.45
2011	8,301,000.00						8,301,000.00	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

## MILLTOWN SCHOOL DISTRICT

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2002	\$ 3,079,000.00		\$ 3,079,000.00	0.74	\$ 37,994.00
2003	3,529,000.00		3,529,000.00	0.84	38,349.00
2004	3,199,000.00		3,199,000.00	0.79	39,672.00
2005	2,859,000.00		2,859,000.00	0.70	41,050.00
2006	3,359,000.00		3,359,000.00	0.82	N/A
2007	2,984,000.00		2,984,000.00	0.73	N/A
2008	9,796,000.00		9,796,000.00	N/A	1,399.63
2009	9,381,000.00		9,381,000.00	N/A	N/A
2010	8,801,000.00		8,801,000.00	N/A	1,199.05
2011	8,301,000.00		8,301,000.00	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-6 for property tax data.

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

MILLTOWN 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<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Milltown Borough	\$ 6,723,640	100.00%	\$ 6,723,640
Middlesex County General Obligation Debt			
Subtotal, Overlapping Debt			6,723,640
Milltown District Direct Debt			<u>8,301,000</u>
Total Direct and Overlapping Debt			<u>\$ 15,024,640</u>

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

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 Milltown. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

MILLTOWN SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis			
	2010	2009	2008	
	\$ 982,388,085	1,029,820,319	1,081,961,325	
	(A)			\$ 3,094,169,729
Average Equalized Valuation of Taxable Property	(A/3)			\$ 1,031,389,910
Debt Limit (3% of Average Equalization Value)	(B)			30,941,697
Total Net Debt Applicable To Limit	(C)			8,301,000
Legal Debt Margin	(B-C)			\$ 22,640,697

a

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt Limit	\$ 15,026,041	\$ 16,261,829	\$ 17,985,575	\$ 20,374,331	\$ 22,877,928
Total Net Debt Applicable To Limit	3,331,860	3,764,286	3,416,174	3,436,513	4,213,988
Legal Debt Margin	\$ 11,694,181	\$ 12,497,543	\$ 14,569,401	\$ 16,937,818	\$ 18,663,940
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.17%	23.15%	18.99%	16.87%	18.42%
	2007	2008	2009	2010	2011
Debt Limit	\$ 25,769,515	N/A	\$ N/A	\$ N/A	\$ 22,640,697
Total Net Debt Applicable To Limit	2,984,000	9,796,000	9,381,000	8,801,000	8,301,000
Legal Debt Margin	\$ 22,785,515	\$ 9,796,000	\$ 9,381,000	\$ 8,801,000	\$ 14,339,697
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.58%	N/A	N/A	N/A	N/A

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.

## DEMOGRAPHIC AND ECONOMIC STATISTICS

## MILLTOWN SCHOOL DISTRICT

## DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2002	7,123	\$ 30,395	\$ 37,994	4.80%
2003	7,138	30,679	38,349	3.40%
2004	7,131	31,738	39,672	2.80%
2005	7,128	32,840	41,050	2.50%
2006	7,038	N/A	N/A	4.10%
2007	N/A	N/A	N/A	N/A
2008	6,999	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A
2010	7,340	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A

## Source:

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

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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



## OPERATING INFORMATION

MILLTOWN 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	50.0	50.0	50.0	50.0	50.0	50.1	50.5	52.5	51.5	41.5
Special Education	8.5	9.5	10.0	11.4	11.4	11.4	11.4	11.4	11.4	11.4
Other Special Education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student and Instruction Related Services	12.5	12.5	12.5	14.5	14.5	14.5	14.4	14.4	14.4	12.4
General Administration	3.0	3.0	3.0	3.0	1.5	1.5	1.4	1.4	1.4	1.4
School Administrative Services	3.0	3.0	3.0	2.5	2.5	2.5	2.4	2.4	2.4	2.4
Other Administrative Services	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.0
Central Services	-	-	-	-	-	-	-	-	-	-
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	6.0
Pupil Transportation	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Other Support Services	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	4.0
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	3.0	3.0	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>97.5</u>	<u>98.5</u>	<u>96.0</u>	<u>98.9</u>	<u>96.9</u>	<u>96.1</u>	<u>96.2</u>	<u>98.2</u>	<u>97.2</u>	<u>82.1</u>

Source: District Personnel Records

MILLTOWN SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2002	714	6,507,932	9,114.75	-0.0088	61.0	1:13.8	1:14.7	715.5	686.9	-3.31%	96.00%	
2003	705	7,011,358	9,945.19	0.0911	61.0	1:12.9	1:12.8	702.1	673.2	-1.87%	95.88%	
2004	672	7,420,867	11,042.96	0.1104	61.0	1:12.2	1:12.4	694.6	664.2	-1.07%	95.62%	
2005	687	7,581,174	11,035.19	-0.0007	61.0	1:11.6	1:11.5	672.8	644.3	-3.14%	95.76%	
2006	693	7,980,560	11,515.96	0.0436	60.3	1:11.6	1:10.5	685.5	657.5	1.89%	95.92%	
2007	680	8,820,330	12,971.07	0.1264	61.3	1:11.6	1:10.7	661.0	650.4	-3.57%	98.40%	
2008	681	8,128,855	11,936.64	-0.0797	66.4	1:11.4	1:11.5	673.3	646.9	1.87%	96.10%	
2009	676	8,865,260	13,114.29	0.0987	67.5	1:11.4	1:10.6	689.0	662.8	2.33%	98.05%	
2010	668	8,574,812	12,836.54	-0.0212	66.5	1:10.2	1:10.7	664.0	637.1	-3.63%	95.37%	
2011	677	8,723,257	12,886.05	0.0039	56.5	1:13.5	1:12	669.4	639.4	0.81%	94.40%	

Sources: District records

Note: Enrollment based on annual October district count of K-8 students

- a Operating expenditures equal total expenditures less high school tuition, transportation, 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).

MILLTOWN SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>District/Building</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>
Elementary:										
Parkview Elementary										
Square Feet	36,516	36,516	36,516	36,516	36,516	36,516	36,516	36,516	36,516	36,516
Capacity (Students)	255	255	255	255	255	255	255	255	255	255
Enrollment	302	293	273	277	289	277	291	292	289	364
Middle School:										
Joyce Kilmer School										
Square Feet	49,993	49,993	49,993	49,993	49,993	49,993	49,993	49,993	49,993	49,993
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	411	412	421	392	399	383	390	403	390	313

Number of Schools at June 30, 2009  
 Elementary = 1  
 Middle School = 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.

MILLTOWN SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

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

\*School Facilities

	<u>Project # (s)</u>	<u>Parkview</u>	<u>Joyce Kilmer</u>	<u>Total</u>
2002	N/A	\$ 120,740.00	\$ 100,426.00	\$ 221,166.00
2003	N/A	48,362.00	19,724.00	68,086.00
2004	N/A	33,798.00	59,205.00	93,003.00
2005	N/A	38,393.00	51,851.00	90,244.00
2006	N/A	78,433.00	45,736.00	124,169.00
2007	N/A	91,521.00	80,601.00	172,122.00
2008	N/A	69,248.00	74,092.00	143,340.00
2009	N/A	56,152.00	71,450.00	127,602.00
2010	N/A	29,892.00	38,789.00	68,681.00
2011	N/A	<u>46,243.00</u>	<u>44,595.00</u>	<u>90,838.00</u>
Total School Facilities		<u>\$ 612,782.00</u>	<u>\$ 586,469.00</u>	<u>\$ 1,199,251.00</u>

\* 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

## MILLTOWN SCHOOL DISTRICT

## INSURANCE SCHEDULE

JUNE 30, 2011  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents (All Locations)	\$ 24,814,175	\$ 5,000
Boiler and Machinery	100,000,000	5,000
<u>Electronic Data Processing Equipment</u>	439,610	1,000
<u>General Liability</u>	16,000,000	
General Automobile Liability	16,000,000	
School Board Legal Liability	16,000,000	5,000
Employers Liability	2,000,000	
Workers' Compensation	Statutory	
Student Accident Insurance (2):		
Voluntary Students	500,000	
Athletes	150,000	
Surety Bonds (3):		
Treasurer	185,000	
Board Secretary/Business Administrator	475,000	
Employee Blanket Bond	5,000	
Business Administrator's Staff	100,000	
(1) NJ School Board Association Insurance Group		
(2) Bollinger/Peoples Benefit Life Insurance Company		
(3) Selective Insurance		

Source: District records

SINGLE AUDIT SECTION

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
Alan E. Meyer, CPA/ABV, CFF  
Joann DiLieto, CPA

Patrice R. Antonucci, CPA  
Glenn G. VanPell, CPA  
Karen D. Davis, CPA, CVA  
Crystal L. Fitzpatrick, CPA  
Hélène T. Morizzo, CPA

Monmouth County Office  
912 Highway 33 • Suite 2  
Freehold, NJ 07728  
(732) 409-0800  
Fax: (732) 866-9312

Ocean County Office  
512 Main Street • PO Box 1778  
Toms River, NJ 08754  
(732) 240-5600  
Fax: (732) 505-8358

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

The Honorable President and  
Members of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Milltown School District, in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education of the Milltown School District's basic financial statements and have issued our report thereon dated September 26, 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 Milltown 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 Milltown Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Milltown 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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

The Honorable President and  
Members of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey  
Page 2

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Milltown Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended for the information and use of the audit committee, management, the Milltown 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 W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

September 26, 2011

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
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Monmouth County Office  
912 Highway 33 • Suite 2  
Freehold, NJ 07728  
(732) 409-0800  
Fax: (732) 866-9312

Ocean County Office  
512 Main Street • PO Box 1778  
Toms River, NJ 08754  
(732) 240-5600  
Fax: (732) 505-8358

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Milltown School District, in the County of Middlesex, 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 could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. Milltown Board of Education's major 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 Milltown Board of Education's management. Our responsibility is to express an opinion on the Milltown 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 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 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 Milltown 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 of the Milltown Board of Education's compliance with those requirements.

The Honorable President and  
Members of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey  
Page 2

In our opinion, the Board of Education of the Milltown School District, in the County of Middlesex, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011.

#### Internal Control Over Compliance

The management of the Board of Education of the Milltown School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Milltown Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Milltown Board of Education's internal control over compliance.

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

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

The Honorable President and  
Members of the Board of Education  
Milltown School District  
County of Middlesex  
Milltown, New Jersey  
Page 3

This report is intended solely for the information and use of the audit committee, management, the Milltown Board of Education, the New Jersey State Department of Education, and 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 W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

September 26, 2011

MILLTOWN SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2011

Federal CFDA Number	Grantor/Pass-Through Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment/Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Deferred Revenue	Due To Grantor
10.565	U.S. Department of Agriculture: Passed-Through State Department of Education: National School Lunch Program	N/A	\$ 30,707.58	07/01/10 06/30/11	\$ (2,246.09)			\$ 28,784.22	\$ (30,707.58)		\$ (1,923.36)		
10.555	National School Lunch Program	N/A	25,979.29	07/01/09 06/30/10			2,246.09						
	Total U.S. Department of Agriculture				(2,246.09)		31,030.31	(30,707.58)			(1,923.36)		
93.778	U.S. Department of Education: General Fund Medical Assistance Program (SEMI)	N/A	943.61	07/01/09 06/30/10			943.61	(943.61)					
84.173	Passed-Through State Department of Education: Special Revenue Fund I.D.E.A. Part B, Preschool	IDEA322011	8,426.00	09/01/10 08/31/11				5,961.00	(5,800.00)		\$ 151.00		
84.173	I.D.E.A. Part B, Preschool	IDEA322010	8,077.00	09/01/09 08/31/10	(1,416.00)			1,416.00					
84.027	I.D.E.A. Part B, Basic	IDEA322009	8,070.00	09/01/08 08/31/09	(8.00)			15.00					
84.027	I.D.E.A. Part B, Basic Carryover	IDEA322011	230,139.00	09/01/10 08/31/11	(38,563.77)			203,985.23	(220,382.47)	(7.00)	(16,387.24)		
84.027	I.D.E.A. Part B, Basic	IDEA322010	297,867.00	09/01/09 08/31/10				38,563.77	(7,461.23)		(7,461.23)		
84.391	I.D.E.A. Part B, Basic A R R A	IDEA322009	227,504.00	09/01/08 08/31/09	(12,833.13)			7,124.00	(58,113.24)	(7,124.00)	(25,744.24)		
84.392	I.D.E.A. Part B, Preschool A R R A	IDEA322011	233,952.00	09/01/09 08/31/11	(728.63)			45,202.13	(2,210.37)		(2,210.37)		
84.010A	Title I - Grants To Local Educational Agencies	NCLB322010	18,863.00	09/01/09 08/31/11	(3,227.00)			11,272.00	(7,803.78)	(241.22)	(2,210.37)		
84.367A	Title II - Part A - Improving Teacher Quality State Grants	NCLB322011	16,176.00	09/01/10 08/31/11				8,162.00	(11,211.58)		(3,049.58)		
84.186A	Title IV - Safe and Drug-Free School Communities	NCLB322010	1,700.00	09/01/09 08/31/10	(210.00)			210.00	(17,488.00)		(8,582.00)		
	Total U.S. Department of Education				(56,966.53)		332,489.37	(331,414.28)		(7,372.22)	(63,454.66)		151.00
	Total Federal Financial Awards				\$ (59,232.62)	\$ 0.00	\$ 363,499.68	\$ (362,121.86)		\$ (7,372.22)	\$ (65,378.02)		\$ 0.00

MILLTOWN SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the fiscal year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010		Carryover (Waiver) Annual	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2011		Memo
				(Accounts Receivable) Deferred Revenues	Due To Grantor					(Accounts Receivable)	Deferred Revenue	
<b>State Department of Education</b>												
<b>General Fund</b>												
Special Education Categorical Aid	11-495-034-5120-089	527,377.00	07/01/10	06/30/11			\$ 527,377.00	\$ (527,377.00)			\$ (47,133.00)	\$ 527,377.00
Equalization Aid	11-495-034-5120-078	175,750.00	07/01/10	06/30/11			175,750.00	(175,750.00)			(15,708.00)	175,750.00
Non-Public Transportation Aid	10-495-034-5120-014	10,289.00	07/01/09	06/30/10			10,289.00					
Non-Public Transportation Aid	11-495-034-5120-074	8,352.00	07/01/10	06/30/11				(8,352.00)			(8,352.00)	8,352.00
Extraordinary Aid	10-495-034-5120-044	32,071.00	07/01/09	06/30/10			32,071.00	(32,071.00)				32,071.00
Extraordinary Aid	11-495-034-5120-044	43,321.00	07/01/10	06/30/11				(43,321.00)			(43,321.00)	43,321.00
On-Behalf TPAF NCGI Premiums	11-495-034-5095-007	12,206.00	07/01/10	06/30/11			12,206.00	(12,206.00)				12,206.00
On-Behalf TPAF Pension System	11-495-034-5095-001	259,258.00	07/01/10	06/30/11			259,258.00	(259,258.00)			(5,549.00)	259,258.00
Contribution - Post Retirement	11-495-034-5095-002	11,098.00	07/01/10	06/30/11			5,549.00	(11,098.00)				11,098.00
TPAF Wage Freeze Grant												
Reimbursed TPAF Social Security Contributions	10-495-034-5095-051	306,274.13	07/01/09	06/30/10			23,735.72					
Reimbursed TPAF Social Security Contributions	11-495-034-5095-051	271,648.72	07/01/10	06/30/11			257,290.32	(271,648.72)			(14,358.40)	271,648.72
<b>Total General Fund</b>							<u>1,303,526.04</u>	<u>(1,341,081.72)</u>			<u>(14,358.40)</u>	<u>1,341,081.72</u>
<b>Special Revenue Fund</b>												
N.J. Nonpublic Textbook Aid	11-100-034-5120-064	9,265.00	07/01/10	06/30/11			9,265.00	(9,265.00)				9,265.00
N.J. Nonpublic Nursing Services Aid	11-100-034-5120-070	10,978.00	07/01/10	06/30/11			10,978.00	(10,978.00)				10,978.00
N.J. Nonpublic Auxiliary Services Aid												
Compensatory Education	11-100-034-5120-067	30,392.00	07/01/10	06/30/11			30,392.00	(30,392.00)				30,392.00
Compensatory Education	10-100-034-5120-067	23,982.00	07/01/09	06/30/10			23,982.00					
Compensatory Education	11-100-034-5120-067	4,267.00	07/01/10	06/30/11			4,267.00	(4,267.00)	\$ (3,838.00)			4,267.00
ESL	11-100-034-5120-067	18,784.00	07/01/10	06/30/11			18,784.00	(18,784.00)				18,784.00
N.J. Nonpublic Handicapped Aid:												
Supplemental Instruction	11-100-034-5120-066	6,044.00	07/01/10	06/30/11			6,044.00	(6,044.00)				6,044.00
Supplemental Instruction	10-100-034-5120-066	5,575.00	07/01/09	06/30/10			12,129.00	(9,416.00)	(1,593.00)			9,416.00
Examination and Classification	11-100-034-5120-066	10,963.20	07/01/09	06/30/10			19,011.00	(19,011.00)	(2,372.00)			19,011.00
Examination and Classification	10-100-034-5120-066	19,011.00	07/01/10	06/30/11								
Connective Speech												
<b>Total Special Revenue Fund</b>							<u>7,803.00</u>	<u>(108,157.00)</u>	<u>(7,803.00)</u>		<u>2,713.00</u>	<u>108,157.00</u>
<b>Capital Projects Fund</b>												
NUSCC	3220-050-04-1000											
NUSCC	3220-050-04-1000	35,693.00	07/01/04	06/30/11			35,693.00					
NUSCC	3220-050-04-2000											
NUSCC	3220-050-04-3000	181,860.00	07/01/04	06/30/11			119,305.70		15,203.00			
<b>Total Capital Projects Fund</b>							<u>154,998.70</u>	<u>(154,998.70)</u>	<u>15,203.00</u>			<u>86,726.00</u>
<b>Debt Service Fund</b>												
Debt Service Fund	11-495-034-5120-017	86,726.00	07/01/10	06/30/11			86,726.00	(86,726.00)				86,726.00
Debt Service Aid Type II												
<b>Total Debt Service Fund</b>							<u>86,726.00</u>	<u>(86,726.00)</u>				<u>86,726.00</u>
<b>Enterprise Fund</b>												
State School Lunch Program	11-100-010-3360-067	1,819.37	07/01/10	06/30/11			1,819.37	(1,819.37)			(125.14)	1,819.37
State School Lunch Program	10-100-010-3360-067	1,986.86	07/01/09	06/30/10			178.96					
<b>Total Enterprise Fund</b>							<u>1,878.19</u>	<u>(1,819.37)</u>			<u>(125.14)</u>	<u>1,819.37</u>
<b>Total State Financial Assistance</b>							<u>\$ 1,657,993.93</u>	<u>\$ (1,537,784.09)</u>	<u>\$ 7,400.00</u>		<u>\$ (71,705.54)</u>	<u>\$ 1,537,784.09</u>
							<u>\$ (204,405.38)</u>	<u>\$ 7,803.00</u>	<u>\$ 0.00</u>		<u>\$ (125.14)</u>	<u>\$ 1,537,784.09</u>

D=Deficit, not Accounts Receivable, due to expenditures exceeding last state aid payment.

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

MILLTOWN SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2011

1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education ("Board") of Milltown, School District ("District"). The Board is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

2. Basis of Accounting

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules ("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 Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$71,241.00 for the General Fund and \$3,669.80 for the Special Revenue Fund. See the Notes to Required Supplementary Information 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 basic financial statements on a GAAP basis as presented on the following page:

MILLTOWN SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2011

3. Relationship to Basic Financial Statements (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 943.61	\$ 1,412,322.72	\$ 1,413,266.33
Special Revenue Fund	326,800.87	108,157.00	434,957.87
Debt Service Fund		86,726.00	86,726.00
Capital Projects Fund		(15,203.00)	(15,203.00)
Food Service Fund	<u>30,707.58</u>	<u>1,819.37</u>	<u>32,526.95</u>
Total Awards and Financial Assistance	<u>\$ 358,452.06</u>	<u>\$ 1,593,822.09</u>	<u>\$ 1,952,274.15</u>

During the year ended June 30, 2011, the State of New Jersey contributed \$12,206.00 to the Teachers' Pension and Annuity Fund for NCGI premiums and \$259,258.00 for post-retirement medical benefits on behalf of the District.

4. Relationship to Federal and State Financial Reports

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

5. Federal and State Loans Outstanding

At the year ended June 30, 2011, the District had the following outstanding loans:

NJ Economic Development Authority:	
Small Loan	\$ 60,680.53
Safe Loan	<u>12,374.43</u>
	<u>\$ 73,054.96</u>

6. Other

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



MILLTOWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(continued)

Section II - Financial Statement Findings

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None reported.

MILLTOWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(continued)

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

None reported.

MILLTOWN SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, and OMB Circular A-133 (section .315 (a)(b) ) and NJOMB Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

Not applicable.