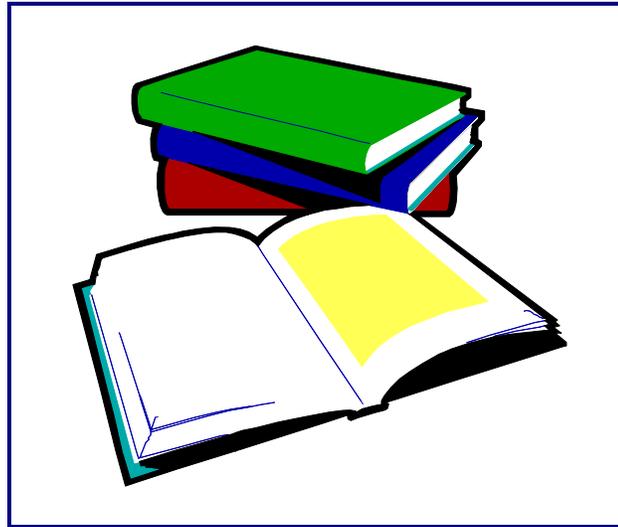


**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE
SCHOOL DISTRICT
WILLIAMSTOWN, NEW JERSEY**



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

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INTRODUCTORY SECTION



Monroe Township Public Schools

MAPLE GROVE ADMINISTRATION BUILDING
75 E. ACADEMY STREET
WILLIAMS TOWN, NJ 08094
(856) 629-6400 • Fax (856) 262-2499

CHARLES M. EARLING
Superintendent of Schools
JAMES M. HENDERSON
Interim Director of Secondary School Education
EARL J. VASSALIO
Interim Bs. Administrator/Bd. Secretary
D. DIANE BERNSTEIN
Supervisor of Technology
DAVID S. SULLIVAN
Director of Plant Operations
CAROL C. MIZRAHI
Elementary Supervisor of Curriculum
SHAWNEQUA CARVALHO, Ed.D.
Secondary Supervisor of Curriculum
MICHAEL J. DeANGELIS
Supervisor of Transportation

October 7, 2011

Honorable President and Members of
the Board of Education Township of
Monroe School District County of
Gloucester, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the District's Management's Discussion and Analysis, financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the State of New Jersey Circular 04-04-OMB, "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 compliance and on internal control with applicable laws and regulations and findings and recommendations, over financial reporting and administrative findings - financial, compliance and performance, is included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Township of Monroe School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Township of Monroe Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2010-11 fiscal year with an average daily enrollment of 6,056.76 students, which is 28.64 students less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last fourteen years.

1. REPORTING ENTITY AND ITS SERVICES (Cont'd.):

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	6,056.76	-0.47%
2009-2010	6,085.4	-.27%
2008-2009	6,102.0	.61%
2007-2008	6,065.0	.29%
2006-2007	6,047.0	4.73%
2005-2006	5,774.0	6.10%
2004-2005	5,442.0	2.22%
2003-2004	5,324.0	3.85%
2002-2003	5,126.5	4.45%
2001-2002	4,902.2	.46%
2000-2001	4,879.8	2.39%
1999-2000	4,780.6	2.29%
1998-1999	4,673.4	2.81%
1997-1998	4,545.5	1.87%

2. ECONOMIC CONDITION AND OUTLOOK: The Monroe Township area is experiencing a period of moderate development and expansion which is expected to continue. The national economic conditions' slow growth results in little increase in the tax base, both residential and commercial. This condition is expected to continue which suggests that the Monroe Township area will continue to maintain the status quo.

3. DISTRICT ASSESSMENT RESULTS AND INITIATIVES: Monroe Township Public School's total population scores, for the 2010-2011 school year, on the following New Jersey assessments:

<u>Grade/Subject</u>	<u>Partially Proficient</u>	<u>Proficient</u>	<u>Advanced Proficient</u>	<u>Total % Proficient & Advance Proficient</u>
3rd Grade				
LAL	32.7	61.5	5.8	67.30%
Math	10.9	48.8	40.3	89.10%
4th Grade				
LAL	30.8	63.9	5.2	69.10%
Math	13.2	58.2	28.7	86.90%
Science	4.6	4.7	48.4	95.40%
5th Grade				
LAL	48.7	48.3	3.0	51.30%
Math	22.5	49.2	28.2	77.60%
6th Grade				
LAL	36.5	61.8	1.6	63.40%
Math	27.7	47.7	24.6	72.30%
7th Grade				
LAL	36.7	55.7	7.6	63.30%
Math	29.8	49.7	20.5	70.20%
8th Grade				
LAL	17.1	71.4	11.5	82.90%
Math	32.6	39.5	28.0	67.50%
Science	21.3	55.9	22.8	78.70%

Grade/Subject	Partially Proficient	Proficient	Advanced Proficient	Total % Proficient & Advance Proficient
HSPA				
11th Grade				
LAL	8.6	79.2	12.2	91.40%
Math	20.5	63.0	16.6	79.60%
12th Grade				
LAL	56.3	37.5	6.3	43.80%
Math	81.8	15.2	3.0	18.20%
Biology	51.8	40.9	7.3	48.20%

√ **Provide Support for School Professional Development Committees**

- Online ASCD Best Practice Research Library
- District support materials for SPDC research and study groups
- CEU district program option availability
- Teaching and Learning time devoted to each school

√ **Continued District Professional Development Focus on:**

- Integrating Literacy Across the Content Areas
- K-12 Writing Process
- Writing with Spice
- OLWEUS Bullying Program
- Differentiated Instruction
- Ongoing Integration of Technology into Instruction
- District-wide Articulation
- Character Education
- In-Class Mentoring and Coaching through Instructional Support Coaches
- Thematic Unit Expansion
- Cross Content Writing and Rubric Development
- Project Based Learning
- Improving Student Achievement

√ **NCLB Program Status**

- Increased Parent Involvement
- Anti-Bullying Awareness
- Focus on Student Achievement
- Ongoing, Sustained Professional Development

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

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

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

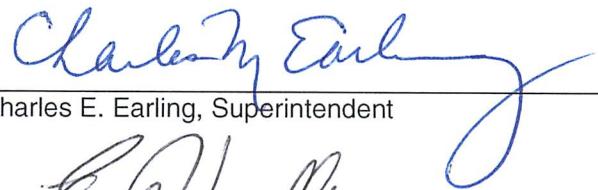
5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The Law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company LLP was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and the State of New Jersey Circular 04-04-OMB. The auditor's report on the general purpose financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Township of Monroe Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

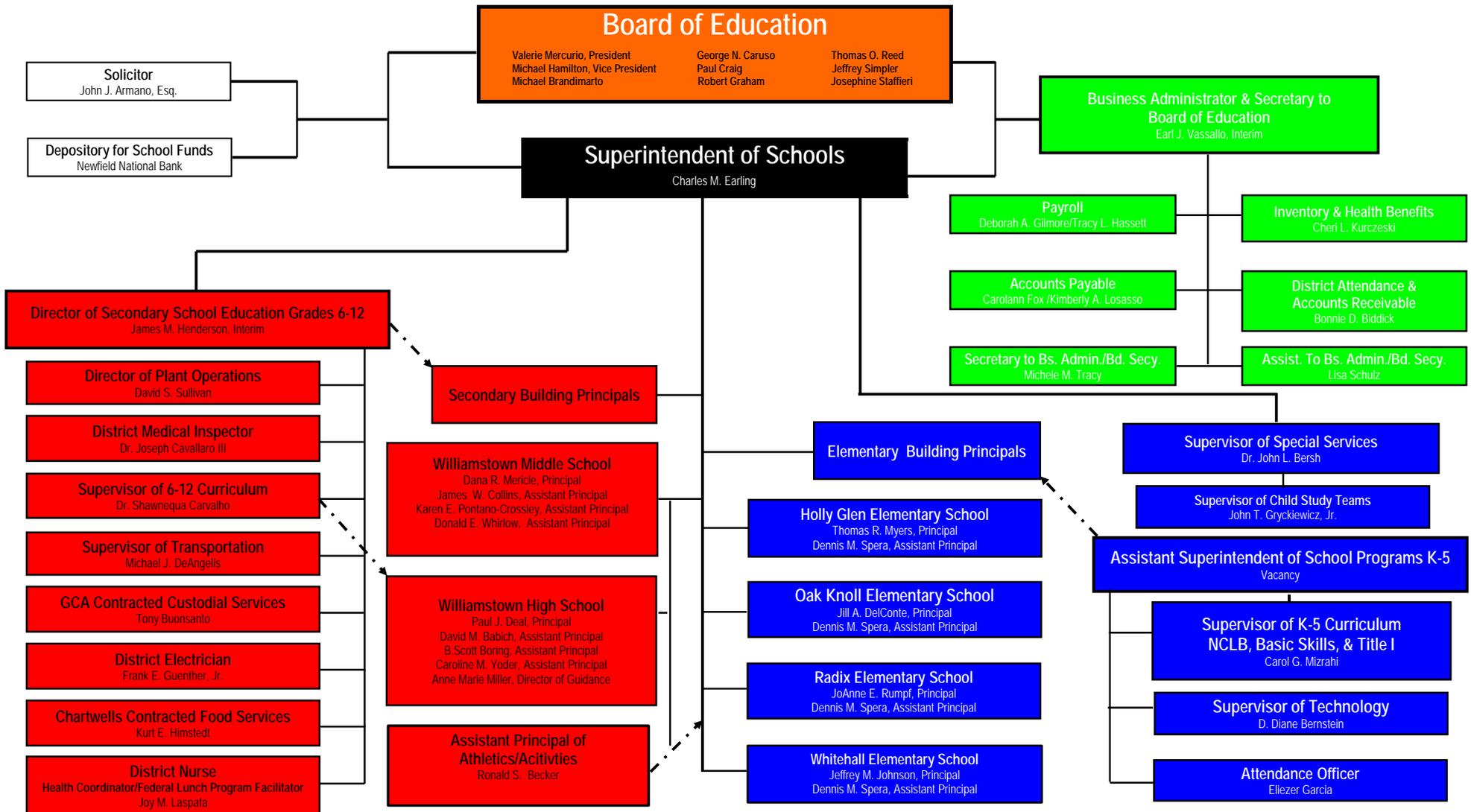


Charles E. Earling, Superintendent



Earl J. Vassallo, Interim Board Secretary/
Business Administrator

MONROE TOWNSHIP PUBLIC SCHOOLS Organization Table



**BOARD OF EDUCATION OF THE
TOWNSHIP OF MONROE
WILLIAMSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Hamilton, President	2012
George Caruso, Vice President	2013
Jeana Davi	2014
Robert Graham	2013
Vince Moore	2012
Thomas Reed	2012
Josephine Staffieri	2013
Jeff Simpler	2014
Dr. Lee Ann Van Houten- Sauter	2014

Other Officials

Charles E. Earling, Superintendent

Earl J. Vassallo, Interim School Business
Administrator/Board Secretary

Lorraine Boyer, Treasurer

John J. Armano Jr., Esq., Solicitor

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE**

Consultants and Advisors

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

Mr. John J. Armano, Jr.
Washington Professional Campus
900 Route 168
Suites B1 – B2
Turnersville, NJ 08012

Official Depository

Newfield Bank
18 West Boulevard
Newfield, NJ 08344-9599

Insurance Agent

Hardenbergh Insurance Group
PO Box 1000
Main Street Plaza 1000, Suite 100
Voorhees, NJ 08043

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Monroe School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. 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 the 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.

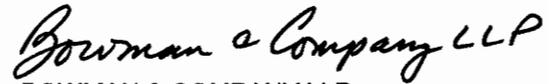
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Monroe School District in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

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2011 on our consideration of the Township of Monroe School District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

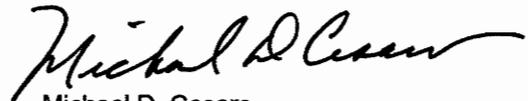
The accompanying management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Monroe School District's 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 Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
October 7, 2011

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

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 7, 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of Monroe School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Monroe School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and 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 Township of Monroe School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the management of the School District, the Division of Finance of the New Jersey 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
October 7, 2011

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF MONROE SCHOOL DISTRICT

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

The discussion and analysis of Monroe Township School District's (the School District) 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.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$4,164,090, mainly attributable to a decrease in compensated absences and lower than expected operating expenses.
- General revenues accounted for \$80,360,535 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services, and operating grants and contributions, accounted for \$9,585,507 or 11% of total revenues of \$89,946,041.
- The School District had \$85,651,072 in expenses; \$9,585,507 of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$80,436,557 in revenues and \$77,515,383.78 in expenditures. The General Fund's balance increased \$2,921,173.23 over 2010 due mainly to cost cutting efforts by the District's management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

TOWNSHIP OF MONROE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 (Unaudited-Cont'd)

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District 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 position 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 facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental and business – type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety 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, the Special Revenue Fund, Debt Service and the Capital Projects Fund; the School District has no Permanent Fund.

Governmental Funds

Most of 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 periods. These funds are reported using an accounting method called modified accrual basis of 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.

THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Assets provides the perspective of the School District as a whole.

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Unaudited-Cont'd)**

Table 1 provides a summary of the School District's net assets for 2011 and 2010.

Assets	2011	2010
Current and Other Assets	\$ 11,905,303	\$ 8,185,656
Capital Assets	99,188,790	99,968,222
Total Assets	<u>111,094,093</u>	<u>108,153,878</u>
Liabilities		
Noncurrent Liabilities	73,498,100	76,636,751
Other Liabilities	5,021,536	3,106,760
Total Liabilities	<u>78,519,636</u>	<u>79,743,511</u>
Net Assets		
Invested in Capital Assets, Net of Debt	33,586,840	32,052,982
Restricted	8,502,897	6,400,976
Unrestricted (Deficit)	(9,515,280)	(10,043,591)
Total Net Assets	<u>\$ 32,574,457</u>	<u>\$ 28,410,367</u>

Table 2 shows a summary of the School District's changes in net assets for fiscal year 2011 and 2010.

Program Revenues:	2011	2010
Charges for Services	\$ 524,301	\$ 370,346
Operating Grants and Contributions	6,642,326	8,611,555
Capital Grants and Contributions	45,323	
General Revenues:		
Property Taxes	45,367,831	42,200,832
Federal and State Aid, Not restricted	34,843,390	34,295,635
Other	149,314	324,685
Total Revenues	<u>\$ 87,572,485</u>	<u>\$ 85,803,053</u>
Program Expenses		
Governmental Activities:		
Instruction	31,429,751	32,328,157
Support Services:		
Student Administrative Services	10,698,606	10,220,473
School Administrative Services	2,983,636	3,080,612
General and Business Administrative Services	2,529,713	2,456,035
Plant Operation and Maintenance	8,025,792	7,977,816
Pupil Transportation	5,436,657	5,526,479
Unallocated Benefits	16,582,494	17,297,252
Interest on Long-term Debt	2,613,224	2,769,025
Capital Outlay Items Expensed		
Loss on Disposal of Fixed Assets	16,140	98,497
Transfers and Other	82,891	854,996
Amortization of Bond Issue Costs	16,199	2,319
Unallocated Depreciation	2,993,292	1,608,783
Total Expenses, Governmental Activities	<u>83,408,395</u>	<u>84,220,444</u>
Change in Governmental Activities Net Assets	<u>\$ 4,164,090</u>	<u>\$ 1,582,609</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Unaudited-Cont'd)**

	Changes in Net Assets (Cont'd)	
	2011	2010
Business-Type Activities Net Income:		
Food Service	\$ 2,136,507	\$ 2,253,232
Transportation	237,050	220,949
	2,373,557	2,474,181
Total Net Income, Business – type Activities	2,373,557	2,474,181
Business-Type Activities Expenses	(2,346,710)	(2,341,759)
Change in Business-Type Activities Net Assets	\$ 26,847	\$ 132,421

Governmental Activities

Municipal appropriations, state aid and federal aid made up 99% of revenues for governmental activities for the School District for fiscal year 2011.

Instruction comprises 38% of District governmental expenses. Support services expenses (excluding debt service costs) make up 59% of the governmental expenses. Debt service expenses are 3% of the governmental expenses.

The Statement of Activities shows the cost of the governmental activities' 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 for fiscal year 2011. That is, it identifies the cost of these services supported by general revenues.

Table 3

	Total Cost of Services	Net Cost of Services
Instruction	\$ 31,429,751	\$ 28,631,350
Support Services:		
Student and Instruction Related Services	10,698,606	9,525,285
School Administrative Services	2,983,636	2,983,636
General and Business Administrative Services	2,529,713	2,529,713
Plant Operation and Maintenance	8,025,792	8,025,792
Pupil Transportation	5,436,657	5,436,657
Unallocated Benefits	16,582,494	14,099,486
Unallocated Depreciation	2,993,292	2,993,292
Interest Expense	2,613,224	1,856,004
Transfers and Other	82,891	82,891
Loss on Dipsoal of Capital Assets	16,140	16,140
Amortization of Bond Issue Costs	16,199	16,199
	\$ 83,408,395	\$ 76,196,445
Total Expenses	\$ 83,408,395	\$ 76,196,445

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Unaudited-Cont'd)**

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Business and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities.

Employee benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

The dependence upon municipal appropriations and state aid is apparent. The local communities and the state, are the primary support for the Monroe Township School District.

THE SCHOOL DISTRICT'S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$87,572,485, expenditures of \$87,166,235.

GENERAL FUND BUDGETING HIGHLIGHTS

This fund is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

During the course of the 2011 fiscal year, the School District modified its General Fund budget numerous times as needed for including:

- Additional cost for health benefits
- Staffing changes based on student needs
- Additional cost for special education
- Additional cost for instructional supplies and textbooks
- Changes in appropriations to prevent budget overruns

For the General Fund, the original and final budget basis revenue estimate was \$73,463,410.

During fiscal year 2011, the School District budgeted \$41,645,856 and \$31,372,978 for municipal appropriations and state aid revenues, respectively. The School District also budgeted \$115,037 for federal aid revenues. The School District also received \$2,380,851.64 in reimbursed TPAF Social Security aid, \$2,271,950 in reimbursed TPAF pension aid, and other un-budgeted state aid of \$87,769.25 resulting in a favorable revenue variance for the fiscal year.

The final budget basis expenditure appropriation estimate was \$76,513,790 compared to the original estimate of \$75,648,848.

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Unaudited-Cont'd)**

CAPITAL ASSETS

At the end of the fiscal year 2011, the School District had \$125,763,962 invested in land, buildings, furniture and equipment.

Table 4 shows a summary of the fiscal 2011 balances.

Table 4

Capital Assets

Land	\$ 1,639,800
Construction in Progress	247,669
Buildings and Improvements	120,305,045
Furniture and Equipment	<u>3,571,448</u>
Totals	<u>\$ 125,763,962</u>

Overall capital assets increased \$808,130 from fiscal year 2010 to fiscal year 2011 due to the continued renovations and additions to the Williamstown Middle School 5-6 building and several elementary schools from proceeds from a 2007 bond issue and the purchase of new computer equipment.

DEBT ADMINISTRATION

The School District receives state aid and municipal tax levy funds for the payment of debt.

CURRENT FINANCIAL ISSUES AND CONCERNS

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey and the numerous defeated budgets by the community, the district manages to provide an excellent educational opportunity for all School District students. The School District's general fund budget has grown steadily over the past five years due to the growth of the township housing developments. The 2002-03 actual expenses were \$56,433,791 while the 2011-2012 budget contemplates spending \$86,983,054 an increase of 54%. These increases are the result of salary increases, additions to staff resulting from higher enrollments, significant increases for health benefits and transportation costs without any corresponding increase in state aid for the past five years.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Earl J. Vassallo, Interim Secretary to the Board of Education and School Business Administrator at: MONROE TOWNSHIP BOARD OF EDUCATION, 75 East Academy Street, Williamstown, New Jersey 08094.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Net Assets
As of June 30, 2011

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 7,240,430.76	\$ 531,815.68	\$ 7,772,246.44
Other Receivables		8,309.76	8,309.76
Intergovernmental Receivables	1,814,795.77	21,929.98	1,836,725.75
Internal Balances	1,358,795.04	164,078.73	1,522,873.77
Inventories		38,389.31	38,389.31
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,289,532.13		1,289,532.13
Capital Assets, net	99,188,790.31	255,545.00	99,444,335.31
Bond Issue Costs	201,749.06		201,749.06
Total Assets	111,094,093.07	1,020,068.46	112,114,161.53
LIABILITIES:			
Accounts Payable and Other Current Liabilities	2,887,758.11	375,342.05	3,263,100.16
Internal Balances	1,097,174.90	9,381.14	1,106,556.04
Intergovernmental Payable	68,173.25		68,173.25
Deferred Revenue	78,870.00	43,823.34	122,693.34
Accrued Interest Payable	889,559.91		889,559.91
Noncurrent Liabilities:			
Due within One Year	3,441,657.58		3,441,657.58
Due Beyond One Year	70,056,442.06		70,056,442.06
Total Liabilities	78,519,635.81	428,546.53	78,948,182.34
NET ASSETS:			
Invested in Capital Assets	33,586,839.53	255,545.00	33,842,384.53
Restricted for:			
Other Purposes	8,502,897.43		8,502,897.43
Unrestricted (Deficit)	(9,515,279.70)	335,976.93	(9,179,302.77)
Total Net Assets	\$ 32,574,457.26	\$ 591,521.93	\$ 33,165,979.19

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

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

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 22,834,580.07	\$ 524,301.06	\$ 2,274,100.41		\$ (20,036,178.60)		\$ (20,036,178.60)
Special Education	6,688,837.31				(6,688,837.31)		(6,688,837.31)
Other Special Instruction	126,907.04				(126,907.04)		(126,907.04)
Vocational	71,920.54				(71,920.54)		(71,920.54)
Other Instruction	1,707,506.18				(1,707,506.18)		(1,707,506.18)
Support Services:							
Student and Instruction Related Services	10,698,605.82		1,127,998.27	\$ 45,323.00	(9,525,284.55)		(9,525,284.55)
School Administrative Services	2,983,636.48				(2,983,636.48)		(2,983,636.48)
General and Business Administrative Services	2,529,712.99				(2,529,712.99)		(2,529,712.99)
Plant Operations and Maintenance	8,025,791.79				(8,025,791.79)		(8,025,791.79)
Pupil Transportation	5,436,656.88				(5,436,656.88)		(5,436,656.88)
Unallocated Benefits	16,537,268.98		2,437,782.64		(14,099,486.34)		(14,099,486.34)
Unallocated Depreciation	2,993,291.93				(2,993,291.93)		(2,993,291.93)
Interest Expense	2,613,224.04		757,219.86		(1,856,004.18)		(1,856,004.18)
Amortization of Bond Issue Costs	16,199.27				(16,199.27)		(16,199.27)
Total Governmental Activities	83,264,139.30	524,301.06	6,597,101.18	45,323.00	(76,097,414.06)	---	(76,097,414.06)
Business-Type Activities:							
Food Service	2,104,657.95	1,313,400.07	823,106.69			\$ 31,848.81	31,848.81
Transportation Service	237,049.69	237,049.69					
Total Business-Type Activities	2,341,707.64	1,550,449.76	823,106.69	---	---	31,848.81	31,848.81
Total Primary Government	\$ 85,605,846.94	\$ 2,074,750.82	\$ 7,420,207.87	\$ 45,323.00	\$ (76,097,414.06)	\$ 31,848.81	\$ (76,065,565.25)
General Revenues:							
Local Tax Levy					\$ 45,367,831.00		\$ 45,367,831.00
Federal and State Aid					34,843,389.91		34,843,389.91
Investment Earnings					48,912.59		48,912.59
Miscellaneous Income					100,401.17		100,401.17
Miscellaneous Expenses					(16,902.82)		(16,902.82)
Cancellation of Accounts Receivable					(65,987.68)		(65,987.68)
Loss on Disposal of Capital Assets					(16,140.00)	\$ (5,002.00)	(21,142.00)
Total General Revenues, Special Items, Extraordinary Items and Transfers					80,261,504.17	(5,002.00)	80,256,502.17
Change in Net Assets					4,164,090.11	26,846.81	4,190,936.92
Net Assets -- July 1					28,410,367.15	564,675.12	28,975,042.27
Net Assets -- June 30					\$ 32,574,457.26	\$ 591,521.93	\$ 33,165,979.19

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 7,240,430.76	\$ 113,111.23	\$ 1,176,420.90		\$ 8,529,962.89
Due from Other Funds	1,213,793.35			\$ 145,001.69	1,358,795.04
Intergovernmental Accounts Receivable:					
State	604,550.42	1,152.48			605,702.90
Federal		1,039,166.18			1,039,166.18
Other	169,926.69				169,926.69
Total Assets	\$ 9,228,701.22	\$ 1,153,429.89	\$ 1,176,420.90	\$ 145,001.69	\$ 11,703,553.70
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 2,724,787.14	\$ 151,533.85	\$ 11,437.12		\$ 2,887,758.11
Due to Other Funds		658,271.99	225,566.19	\$ 213,336.72	1,097,174.90
Payable to State Government		68,173.25			68,173.25
Deferred Revenue		78,870.00			78,870.00
Total Liabilities	2,724,787.14	956,849.09	237,003.31	213,336.72	4,131,976.26
Fund Balances:					
Restricted:					
Capital Reserve Account	594,046.00				594,046.00
Excess Surplus	5,801,016.49				5,801,016.49
Capital Projects			939,417.59		939,417.59
Special Revenue		196,580.80			196,580.80
Assigned:					
Other Purposes	971,836.55				971,836.55
Subsequent Year's Expenditure	541,552.93				541,552.93
Unassigned (Deficit)	(1,404,537.89)			(68,335.03)	(1,472,872.92)
Total Fund Balances	6,503,914.08	196,580.80	939,417.59	(68,335.03)	7,571,577.44
Total Liabilities and Fund Balances	\$ 9,228,701.22	\$ 1,153,429.89	\$ 1,176,420.90	\$ 145,001.69	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets are \$125,763,962.47 and the accumulated depreciation is \$26,575,172.16.	99,188,790.31
Other long-term assets, including inventories, are not available to pay for current period expenditures and, therefore, are not reported in the funds.	201,749.06
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.	(889,559.91)
Postemployment benefits other than pension are accrued during an employees tenure and not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,023,000.00)
Long-term liabilities, including compensated absences and pension deferrals, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(69,475,099.64)
Net assets of governmental activities	\$ 32,574,457.26

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 41,645,856.00			\$ 3,721,975.00	\$ 45,367,831.00
Miscellaneous Revenue	648,692.16	\$ 154,669.27	\$ 24,922.66		828,284.09
State Sources	36,334,761.89	452,975.39		1,402,259.00	38,189,996.28
Federal Sources	301,371.52	2,839,777.02			3,141,148.54
Total Revenues	78,930,681.57	3,447,421.68	24,922.66	5,124,234.00	87,527,259.91
EXPENDITURES:					
Current:					
Regular Instruction	21,128,014.38	2,289,586.87			23,417,601.25
Special Education Instruction	7,151,922.14				7,151,922.14
Other Special Instruction	155,392.63				155,392.63
Vocational Programs	90,699.51				90,699.51
Other Instruction	1,772,692.77				1,772,692.77
Support Services and Undistributed Costs:					
Student and Instruction Related Services	9,739,190.99	1,127,998.27			10,867,189.26
School Administrative Services	3,025,026.64				3,025,026.64
Other Administrative Services	2,476,014.30				2,476,014.30
Plant Operations and Maintenance	8,134,806.85				8,134,806.85
Pupil Transportation	5,527,274.44				5,527,274.44
Unallocated Benefits	16,482,268.98				16,482,268.98
Debt Service:					
Principal				2,709,473.68	2,709,473.68
Interest and Other Charges				2,687,001.14	2,687,001.14
Capital Outlay	1,720,867.47	45,323.00	857,456.21		2,623,646.68
Total Expenditures	77,404,171.10	3,462,908.14	857,456.21	5,396,474.82	87,121,010.27
Excess (Deficiency) of Revenues over Expenditures	1,526,510.47	(15,486.46)	(832,533.55)	(272,240.82)	406,249.64
OTHER FINANCING SOURCES (USES):					
Cancellation of Accounts Receivable	(65,987.68)				(65,987.68)
Operating Transfers:					
Transfers (to) from other Governmental Funds	11.31		(24,922.66)	24,911.35	
Capital Leases (Non-Budgeted)	1,460,639.13				1,460,639.13
Total Other Financing Sources and Uses	1,394,662.76	---	(24,922.66)	24,911.35	1,394,651.45
Net Change in Fund Balances	2,921,173.23	(15,486.46)	(857,456.21)	(247,329.47)	1,800,901.09
Fund Balance (Deficit) -- July 1	3,582,740.85	212,067.26	1,796,873.80	178,994.44	5,770,676.35
Fund Balance (Deficit) -- June 30	\$ 6,503,914.08	\$ 196,580.80	\$ 939,417.59	\$ (68,335.03)	\$ 7,571,577.44

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

TOWNSHIP OF MONROE 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	\$ 1,800,901.09
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which actual capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	\$ (3,370,035.16)
Disposal of Capital Assets	(16,140.00)
Capital Asset Additions	<u>2,606,743.86</u>
	(779,431.30)
<p>Repayment of capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>	
	864,599.48
<p>Proceeds from capital lease issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>	
	(1,460,639.13)
<p>In the statement of activities, postemployment benefits other than pension that are unpaid or unfunded are accrued while an employee is employed by the District. In the governmental funds, postemployment benefits other than pension are recorded as expenditures when the benefits are paid to the retirees.</p>	
	(55,000.00)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
	2,746,883.52
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>	
	20,167.99
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>	
	<u>1,026,608.46</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 4,164,090.11</u></u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Net Assets
As of June 30, 2011

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 464,299.68	\$ 67,516.00	\$ 531,815.68
Intergovernmental Accounts Receivable:			
State	1,794.75		1,794.75
Federal	20,135.23		20,135.23
Other Accounts Receivable	8,309.76		8,309.76
Due from Other Funds	153,910.00	10,168.73	164,078.73
Inventories	38,389.31		38,389.31
Total Current Assets	<u>686,838.73</u>	<u>77,684.73</u>	<u>764,523.46</u>
Plant Property & Equipment: (Net of Accumulated Depreciation)	<u>255,545.00</u>		<u>255,545.00</u>
Total Assets	<u>942,383.73</u>	<u>77,684.73</u>	<u>1,020,068.46</u>
LIABILITIES:			
Current Liabilities:			
Due to Other Funds		9,381.14	9,381.14
Accounts Payable	307,038.51	68,303.54	375,342.05
Deferred Revenue	43,823.34		43,823.34
Total Liabilities	<u>350,861.85</u>	<u>77,684.68</u>	<u>428,546.53</u>
NET ASSETS:			
Invested in Capital Assets	255,545.00		255,545.00
Unrestricted	335,976.88	0.05	335,976.93
Total Net Assets	<u>\$ 591,521.88</u>	<u>\$ 0.05</u>	<u>\$ 591,521.93</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,296,729.87		\$ 1,296,729.87
Services Provided to Other Funds		\$ 237,049.69	237,049.69
Special Functions	16,670.20		16,670.20
Total Operating Revenues	1,313,400.07	237,049.69	1,550,449.76
OPERATING EXPENSES:			
Salaries	958,681.99		958,681.99
Other Purchased Services	139,720.68	237,049.69	376,770.37
Management Fees	144,370.37		144,370.37
Cost of Sales	835,908.91		835,908.91
Depreciation	25,976.00		25,976.00
Total Operating Expenses	2,104,657.95	237,049.69	2,341,707.64
Operating Loss	(791,257.88)	---	(791,257.88)
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	22,228.68		22,228.68
Federal Sources:			
National School Lunch Program	701,843.72		701,843.72
Food Distribution Program	99,034.29		99,034.29
Loss on Disposal of Fixed Assets	(5,002.00)		(5,002.00)
Total Non-operating Revenue	818,104.69	---	818,104.69
Change in Net Assets	26,846.81	---	26,846.81
Net Assets July 1	564,675.07	0.05	564,675.12
Net Assets June 30	\$ 591,521.88	\$ 0.05	\$ 591,521.93

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 1,316,740.98	\$ 248,833.34	\$ 1,565,574.32
Payments to Employees	(958,681.99)		(958,681.99)
Payments to Suppliers	(922,679.89)	(181,317.34)	(1,103,997.23)
Net Cash Used for Operating Activities	(564,620.90)	67,516.00	(497,104.90)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	22,522.15		22,522.15
Federal Sources	815,800.85		815,800.85
Capital Acquisitions	(2,280.00)		(2,280.00)
Net Cash Provided by (Used for) Non-Capital Financing Activities	836,043.00	---	836,043.00
Net Increase (Decrease) in Cash and Cash Equivalents	271,422.10	67,516.00	338,938.10
Cash and Cash Equivalents -- July 1	192,877.58	---	192,877.58
Cash and Equivalents -- June 30	\$ 464,299.68	\$ 67,516.00	\$ 531,815.68
Reconciliation of Operating Income (Loss) to Net Cash			
Provided (Used) by Operating Activities:			
Operating Loss	\$ (791,257.88)	---	\$ (791,257.88)
Adjustments to Reconcile Operating Income (Loss) to			
Cash Provided (Used) by Operating Activities:			
Depreciation	25,976.00		25,976.00
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(4,267.95)	\$ 11,783.65	7,515.70
(Increase) Decrease in Inventory	3,478.86		3,478.86
Increase (Decrease) in Deferred Revenue	4,130.00		4,130.00
Increase (Decrease) in Accounts Payable	197,320.07	55,732.35	253,052.42
Net Cash Used for Operating Activities	\$ (564,620.90)	\$ 67,516.00	\$ (497,104.90)

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
 Statement of Fiduciary Net Assets
 As of June 30, 2011

	Trust Funds		Agency Funds	
	Unemployment Compensation <u>Trust</u>	Private- Purpose <u>Scholarship</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 143,259.50	\$ 91,990.57	\$ 369,804.61	\$ 715,120.35
Due from Other Funds				2,498.35
Total Assets	<u>143,259.50</u>	<u>91,990.57</u>	<u>369,804.61</u>	<u>717,618.70</u>
LIABILITIES:				
Due to Other Funds	2,498.35		10,168.73	406,149.00
Payable to State	28,926.29			
Payroll Deductions and Withholdings Payable to Student Groups			359,635.88	311,469.70
Total Liabilities	<u>31,424.64</u>	---	<u>\$ 369,804.61</u>	<u>\$ 717,618.70</u>
NET ASSETS:				
Reserved for Scholarships		91,990.57		
Held in Trust for Unemployment Claims and Other Purposes	<u>111,834.86</u>			
Total Net Assets	<u>\$ 111,834.86</u>	<u>\$ 91,990.57</u>		

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Private Purpose <u>Scholarship</u>	Unemployment Compensation <u>Insurance</u>
ADDITIONS:		
Local Sources:		
Interest on Investments	\$ 1,093.22	\$ 949.80
Board Contribution	2,064.55	
Deductions from Employees' Salaries		62,086.74
	3,157.77	63,036.54
DEDUCTIONS:		
Scholarship Payments	5,550.00	
Unemployment Compensation Claims		209,950.04
Total Deductions	5,550.00	209,950.04
Change in Net Assets	(2,392.23)	(146,913.50)
Net Assets, July 1	94,382.80	258,748.36
Net Assets, June 30	\$ 91,990.57	\$ 111,834.86

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Township of Monroe School District (hereafter referred to as the "School District") is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades pre-school through high school at the School District's six schools. The School District has an approximate enrollment at June 30, 2011 of 6059

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units - GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District had no component units.

Basis of Presentation - The financial statements of the School 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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this Note.

The School District's basic financial statements consist of government-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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation (Cont'd)**

District-wide Financial Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America 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 which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Governmental Funds (Cont'd)**

General Fund (Cont'd) - In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2011 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2011 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Permanent Fund - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students. The School District does not maintain a Permanent Fund.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds - The Enterprise Funds are used to account for operations:

1. That are financed and operated in a manner similar to private business enterprises -- where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. Where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's Enterprise Funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Transportation Fund - This fund accounts for the financial activity related to transportation for extra-curricular activities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Proprietary Funds (Cont'd) - All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Equipment	5 - 20 Years
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Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has four fiduciary funds, an unemployment compensation trust fund, a private-purpose scholarship fund, a student activity fund, and payroll fund.

Measurement Focus

District-wide Financial Statements - The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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 School District, available means expected to be received within thirty days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. 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 School 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 School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses / Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets / Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2.11.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets / Budgetary Control (Cont'd) - The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 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 general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal 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 one or more June state aid payments.

Encumbrances - Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2011 and 2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

In the governmental fund types, however, payments for prepaid items are fully recognized as expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfun ds receivable and / or interfun ds payable.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets (Cont'd) - Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. 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 balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and transportation services program, and tuition for the summer camps program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interfund Activity - Transfers between governmental and business-type activities on the government-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 proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2011, the School District's bank balances of \$9,819,360 were exposed to custodial credit risk as follows:

Insured	\$ 303,738
Uninsured and collateralized with securities held by pledging financial institutions	<u>9,515,622</u>
	<u><u>\$ 9,819,360</u></u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2011, the School District's deposits with the New Jersey Cash Management Fund were \$823,378.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District during the fiscal year ended June 30, 1995 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.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance July 1, 2010		\$ 20,375
Increased by:		
Interest Earnings	\$ 150	
Deposits:		
Transferred from Unexpended Budget	<u>573,521</u>	<u>573,671</u>
Ending Balance June 30, 2011		<u>\$ 594,046</u>

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Receivables:					
Intergovernmental	\$ 774,477	\$ 1,040,319		\$ 21,930	\$ 1,836,726
Other				8,310	8,310
Total	<u>\$ 774,477</u>	<u>\$ 1,040,319</u>	<u>---</u>	<u>\$ 30,240</u>	<u>\$ 1,845,036</u>

Note 5: INVENTORY

There was no inventory in the General Fund at June 30, 2011.

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

Food & Supplies	<u>\$ 38,389</u>
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Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental Activities:				
Land	\$ 1,639,800			\$ 1,639,800
Construction in Progress	---	\$ 247,669		247,669
Total Capital Assets not being Depreciated	<u>\$ 1,639,800</u>	<u>\$ 247,669</u>	<u>---</u>	<u>\$ 1,887,469</u>
Building and Improvements	\$ 118,170,268	\$ 857,456		\$ 119,027,724
Equipment	3,394,982	1,501,618	\$ 47,831	4,848,769
Total Historical Cost	<u>121,565,250</u>	<u>2,359,074</u>	<u>47,831</u>	<u>123,876,493</u>
Less Accumulated Depreciation:				
Building and Improvements	21,406,861	2,993,292		24,400,153
Equipment	1,829,967	376,743	\$ 31,691	2,175,019
Total Accumulated Depreciation	<u>23,236,828</u>	<u>3,370,035</u> *	<u>31,691</u>	<u>26,575,172</u>
Governmental Activities Capital Assets, Net	<u>\$ 99,968,222</u>	<u>\$ (1,010,961)</u>	<u>\$ 16,140</u>	<u>\$ 99,188,790</u>
Business-Type Activities:				
Equipment	\$ 492,835	\$ 2,280	\$ 12,880	\$ 482,235
Less Accumulated Depreciation:	208,592	25,976	7,878	226,690
Business-Type Activities Capital Assets, Net	<u>\$ 284,243</u>	<u>\$ (23,696)</u>	<u>\$ 5,002</u>	<u>\$ 255,545</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 233,209
Other Instruction	7,106
Support Services	9,580
School Administration	8,204
General and Business Administrative Services	94,292
Plant Operations and Maintenance	24,352
Unallocated	2,993,292
Total Depreciation Expense	<u>\$ 3,370,035</u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds & Loans	\$ 66,639,895		\$ (2,709,474)	\$ 63,930,421	\$ 2,714,474
PERS Deferral	162,225			162,225	10,815
OPEB	3,968,000	\$ 55,000		4,023,000	
Obligations under Capital Lease	837,288	1,460,639	(864,599)	1,433,328	716,369
Compensated Absences	4,685,938		(1,026,608)	3,659,330	
	<u>4,685,938</u>	<u>1,460,639</u>	<u>(1,026,608)</u>	<u>3,659,330</u>	
Governmental Activity Long-term Liabilities	<u>\$ 76,293,346</u>	<u>\$ 1,515,639</u>	<u>\$ (4,600,681)</u>	<u>\$ 73,208,304</u>	<u>\$ 3,441,658</u>

Bonds Payable - Bonds and loans 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.

On November 15, 1993, the School District issued \$15,998,000 in general obligation bonds at 5.2% interest for the new high school. The final maturity of the bonds is 2018. On June 1, 2002 the District issued \$17,897,000 for various projects in connection with the Schools Construction Corporation programs. The bonds carried interest rates ranging from 4.25% to 4.70% and were refunded in 2010 and fully matured in 2011. On March 23, 2007 the school district issued an additional \$43,639,000 in general obligation bonds for various school construction additions. The bonds carry interest rates ranging from 4.125% to 4.50% and mature in 2032. Additionally, on May 5, 2010 the school district issued \$11,995,000 in general obligation bonds to advance refund \$12,127,000 of the \$13,812,000 outstanding 2002 bonds. The bonds carry interest rates ranging from 2.00% to 5.00% and mature in 2022.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,714,474	\$ 2,683,019	\$ 5,397,493
2013	2,824,474	2,603,302	5,427,776
2014	2,959,473	2,500,010	5,459,483
2015	2,315,000	2,413,788	4,728,788
2016	2,500,000	2,310,738	4,810,738
2017-2021	14,823,000	9,804,777	24,627,777
2022-2026	14,125,000	6,582,425	20,707,425
2027-2031	17,555,000	3,347,900	20,902,900
2032	4,114,000	185,130	4,299,130
	<u>\$ 63,930,421</u>	<u>\$ 32,431,089</u>	<u>\$ 96,361,510</u>

Bonds Authorized But Not Issued - As of June 30, 2011, the Board had no authorized but not issued bonds.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 7: LONG-TERM OBLIGATIONS (CONT'D)

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability are required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a pay off amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment is only an option for the 2008-09 fiscal year. Commencing in fiscal year 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

On April 2, 2009 the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$162,225. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Deferral</u> <u>Payment</u>	<u>Interest</u>	<u>Total</u> <u>Projected</u> <u>Payment</u>
2011		\$ 13,384	\$ 13,384
2012	\$ 10,815	13,384	24,199
2013	10,815	12,491	23,306
2014	10,815	11,599	22,414
2015	10,815	10,706	21,521
2016-2020	54,075	40,151	94,226
2021-2025	54,075	17,845	71,920
2026	10,815	892	11,707
	<u>\$ 162,225</u>	<u>\$ 120,452</u>	<u>\$ 282,677</u>

Capital Leases Payable - The School District is leasing computer equipment totaling \$3,464,161 under capital leases. The capital leases are for terms of 4 years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011.

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 716,369	\$ 40,575	\$ 756,944
2013	348,394	41,512	389,906
2014	368,565	21,340	389,905
Total	<u>\$ 1,433,328</u>	<u>\$ 103,427</u>	<u>\$ 1,536,755</u>

Note 8: OPERATING LEASES

At June 30, 2011, the School District had operating lease agreements in effect for copy machines and mail machines. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2012	\$ 398,364
2013	<u>392,964</u>
	<u>\$ 791,328</u>

Rental payments under operating leases for the fiscal year ended June 30, 2011 were \$398,364.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Note 9: PENSION PLANS (CONT'D)

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Paid by District</u>
2011	\$246,767	\$328,502	\$575,269	---	\$575,269
2010	220,401	215,049	435,450	---	435,450
2009	190,774	174,007	364,781	162,225.50	202,556

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2011	\$5,778.00	---	\$5,778.00	\$ 5,778.00

Note 10: POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION EMPLOYEE BENEFITS)**Cost Sharing Multiple-Employer OPEB Plan**

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for postemployment 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 retire from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

Single-Employer OPEB Plan**Plan Description**

Administrators retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable, for life. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any administrator who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for three administrators who were grandfathered, and two administrators who will be eligible to receive dental benefits.

Secretaries retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable. Upon the death of retiree, coverage does not continue for the surviving spouse. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any secretary who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for two secretaries who were grandfathered.

Teachers retiring after twenty-five (25) years of service with the School District will have prescription drug and dental benefits provided for both the retiree and spouse, where applicable, until the retiree attains age 65 upon which they enter the New Jersey School Employees Health Benefits Program. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2009, any teacher who retires on or after July 1, 2009 will not be eligible to receive prescription drug and dental benefits from the School District.

Full-time paraprofessionals are not eligible for postretirement welfare benefits from the School District.

No benefits are payable upon pre-retirement death or disability if the employee has less than 25 years of service. As of June 30, 2011, there were 96 retirees and surviving spouses and 7 active employees who qualify for benefits. 78 of the retirees have dependents who qualified for additional benefits.

Note 10: POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION) (CONT'D)**Single-Employer OPEB Plan (Cont'd)**

Funding Policy - The contribution requirement of the District is established by the policy of the District and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. For the year fiscal year 2011, the District contributed \$965,000 to the plan for current premiums. Plan members are not required to make any contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation - The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (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) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Monroe Township Board of Education Plan, and changes in the District's net OPEB obligation to the District Plan:

Normal cost without interest	\$ 33,000
Amortization payment	<u>1,027,000</u>
Annual required contribution (expense)	1,060,000
Interest on Net OPEB Obligation	180,000
Interest on Prior Year OPEB Obligation	25,000
Adjustments to the Annual Required Contribution	<u>(245,000)</u>
Annual OPEB Cost	1,020,000
Contributions made	<u>(965,000)</u>
Net Change in OPEB Obligation	55,000
Net OPEB obligation - beginning of year	<u>3,968,000</u>
Net OPEB obligation - end of year	<u><u>\$ 4,023,000</u></u>

Funded Status and Funding Progress - As of June 30, 2011, the most recent actuarial valuation date, the District Plan was 0% funded. The actuarial accrued liability, including interest on the net OPEB obligation, for benefits was \$17,479,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$17,479,000. The covered payroll (annual payroll of active employees covered by the plan) was \$743,000, and the ratio of the UAAL to the covered payroll was 2352.49%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Monroe Township Board of Education Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Monroe Township Board of Education Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Note 10: POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION) (CONT'D)**Single-Employer OPEB Plan (Cont'd)**

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions included a 4.5 % discount rate of return and an annual healthcare cost trend rate of 9.0% initially, reducing by decrements to an ultimate rate of 5% after 10 years. The assumptions also include prescription drug cost trend rate of 10.0% initially, reducing by decrements to an ultimate rate of 5% after 12 years and a dental cost trend rate of 5.0%. The actuarial value of the Monroe Township Board of Education Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The District's Plan unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2011, was twenty-eight years.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2011, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$102,156 and \$2,169,794, respectively.

Note 12: RISK MANAGEMENT

The School 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 School District maintains commercial insurance coverage for property, liability, 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 School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Year Ending June 30,</u>	<u>Employee Contributions</u>	<u>District Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 62,087		\$ 209,950	\$ 111,835
2010	62,501	\$ 200,241	280,559	258,748
2009	68,393		82,148	276,565

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. 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 include as follows:

*Washington
Prudential
Equitable
Travelers*

Note 14: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, the estimated liability for compensated absences in the governmental activities was \$3,659,330.

Note 15: INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as of June 30, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,213,793	
Special Revenue		\$ 658,272
Capital Projects		225,566
Debt Service	145,002	213,337
Proprietary	164,079	9,381
Fiduciary	2,498	418,816
	<u>\$ 1,525,372</u>	<u>\$ 1,525,372</u>

Note 16: DEFICIT FUND BALANCES

The School District has a deficit unassigned fund balance of \$1,404,538 in the general fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the general funds of \$1,404,538 is less than the June state aid payments.

The School District had an accumulated deficit of \$68,335 in the debt service fund as of June 30, 2011. A transfer from the general fund in the fiscal year ending June 30, 2012 budget will be utilized to eliminate the deficit. This deficit does not indicate that the School District is facing financial difficulties and is a permitted practice under accounting principles generally accepted in the United States of America.

Note 17: DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2011, a deficit of \$9,460,280 existed in the Unrestricted Net Assets of the Governmental Activities. This deficit is attributable to the recording of capital assets, post employment benefits payable and long term liabilities including compensated absences, pension deferrals, bonds and capital leases payable which are not recorded in the fund financial statements

Note 18: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$5,801,016. Of this, \$1,932,598 of excess fund balance, which was generated during 2009-2010, has been restricted and designated for utilization in the 2011-2012 budget.

For Capital Reserve Account - As of June 30, 2011, the balance in the capital reserve account is \$594,046. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Note 18: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)**

Capital Projects Fund - On March 23, 2007, the School District issued \$43,639,000 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) a resolution adopted by the Board. The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the School District. The bond issuance was approved by the voters for additions and alterations to the High School, Middle School and Elementary Schools. As of June 30, 2011, the restricted fund balance amount was \$939,418.

Special Revenue Fund - of June 30, 2011, \$196,581 of special revenue fund balance was restricted.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2012 \$541,553 of general fund balance at June 30, 2011.

Other Purposes - As of June 30, 2011, the School District had \$971,837 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2011, the fund balance of the general fund was a deficit of \$1,404,538, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 16, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$1,404,538 is less than the last state aid payment.

Note 19: LITIGATION

The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 41,645,856.00		\$ 41,645,856.00	\$ 41,645,856.00	
Tuition	169,439.00		169,439.00	524,301.06	\$ 354,862.06
Miscellaneous	160,100.00		160,100.00	124,391.10	(35,708.90)
Total - Local Sources	41,975,395.00	---	41,975,395.00	42,294,548.16	319,153.16
State Sources:					
Equalization Aid	28,805,949.00	\$ (931,191.00)	27,874,758.00	27,874,758.00	
Categorical Special Education Aid	2,159,606.00	931,191.00	3,090,797.00	3,090,797.00	
Extraordinary Aid	407,423.00		407,423.00	333,914.00	(73,509.00)
Other Unrestricted Aid				87,769.25	87,769.25
On-behalf TPAF Pension Contributions - Normal Cost (non-budgeted)				102,156.00	102,156.00
On-behalf TPAF Pension Contributions - Post Retirement Costs (non-budgeted)				2,169,794.00	2,169,794.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,335,626.64	2,335,626.64
Total - State Sources	31,372,978.00	---	31,372,978.00	35,994,814.89	4,621,836.89
Federal Sources:					
Unrestricted Grants in Aid	115,037.00		115,037.00	301,371.52	186,334.52
Total Revenues	73,463,410.00	---	73,463,410.00	78,590,734.57	5,127,324.57

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES:					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 526,995.00	\$ 40,348.00	567,343.00	\$ 567,342.58	\$ 0.42
Grades 1-5	6,112,799.00	(17,359.35)	6,095,439.65	5,929,059.20	166,380.45
Grades 6-8	5,207,173.00	(54,979.79)	5,152,193.21	5,087,943.70	64,249.51
Grades 9-12	6,774,846.00	(11,147.01)	6,763,698.99	6,665,688.95	98,010.04
Regular Programs - Home Instruction:					
Salaries of Teachers	80,000.00	11,897.00	91,897.00	90,987.60	909.40
Purchased Professional/Educational Services	50,000.00	25,000.00	75,000.00	59,033.10	15,966.90
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	161,301.00	65,895.53	227,196.53	176,806.78	50,389.75
Purchased Professional/Educational Services	80,557.00	73,849.48	154,406.48	141,172.68	13,233.80
Purchased Technical Services	140,262.00	(20,809.40)	119,452.60	112,969.57	6,483.03
Other Purchased Services	1,258,401.00	(25,673.82)	1,232,727.18	1,177,796.12	54,931.06
General Supplies	735,994.00	419,221.62	1,155,215.62	972,709.25	182,506.37
Textbooks	130,082.00	31,834.83	161,916.83	141,024.76	20,892.07
Other Objects	10,352.00	1,261.57	11,613.57	5,480.09	6,133.48
Total Regular Programs	21,268,762.00	539,338.66	21,808,100.66	21,128,014.38	680,086.28
Learning Disabilities:					
Salaries of Teachers	665,551.00	(110,842.85)	554,708.15	549,410.15	5,298.00
Other Salaries for Instruction	248,706.00	(41,093.56)	207,612.44	168,080.73	39,531.71
General Supplies	10,515.00	2,069.83	12,584.83	10,312.91	2,271.92
Textbooks	9,450.00	(1,668.42)	7,781.58	993.42	6,788.16
Total Learning Disabilities	934,222.00	(151,535.00)	782,687.00	728,797.21	53,889.79

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 497,670.00	\$ (147,959.92)	\$ 349,710.08	\$ 308,969.84	\$ 40,740.24
Other Salaries for Instruction	100,988.00	14,992.33	115,980.33	115,023.33	957.00
General Supplies	347.00		347.00		347.00
Textbooks	7,000.00		7,000.00	1,366.87	5,633.13
Total Behavioral Disabilities	606,005.00	(132,967.59)	473,037.41	425,360.04	47,677.37
Multiple Disabilities:					
Salaries of Teachers	243,603.00	25,691.96	269,294.96	259,596.65	9,698.31
Other Salaries for Instruction	264,996.00	42,962.04	307,958.04	303,004.32	4,953.72
General Supplies	6,668.00	(158.84)	6,509.16	6,460.57	48.59
Total Multiple Disabilities	515,267.00	68,495.16	583,762.16	569,061.54	14,700.62
Resource Room/Center:					
Salaries of Teachers	4,177,292.00	(34,122.00)	4,143,170.00	4,106,273.09	36,896.91
Other Salaries for Instruction	523,667.00	(34,397.90)	489,269.10	420,609.47	68,659.63
Other Purchased Services	515.00		515.00		515.00
General Supplies	35,409.00	3,992.67	39,401.67	36,262.26	3,139.41
Textbooks	14,422.00	(4,694.67)	9,727.33	5,711.88	4,015.45
Total Resource Room/Center	4,751,305.00	(69,221.90)	4,682,083.10	4,568,856.70	113,226.40
Autism:					
Salaries of Teachers	237,397.00	78,998.00	316,395.00	303,162.97	13,232.03
Other Salaries for Instruction	298,632.00		298,632.00	266,610.69	32,021.31
General Supplies	11,782.00	8,232.81	20,014.81	17,973.16	2,041.65
Textbooks	9,119.00	(8,257.81)	861.19	90.00	771.19
Total Autism	556,930.00	78,973.00	635,903.00	587,836.82	48,066.18

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 331,930.00	\$ (129,634.86)	\$ 202,295.14	\$ 148,179.07	\$ 54,116.07
Other Salaries for Instruction	241,748.00	(25,694.34)	216,053.66	123,134.74	92,918.92
General Supplies	1,500.00	(70.57)	1,429.43	696.02	733.41
	<hr/>				
Total Preschool Disabilities - Part-Time	575,178.00	(155,399.77)	419,778.23	272,009.83	147,768.40
	<hr/>				
Total Special Education	7,938,907.00	(361,656.10)	7,577,250.90	7,151,922.14	425,328.76
	<hr/>				
Basic Skills					
Salaries of Teachers	622,202.00	247,836.39	870,038.39	869,167.32	871.07
	<hr/>				
Bilingual Education:					
Salaries of Teachers	147,303.00		147,303.00	131,801.98	15,501.02
Other Salaries for Instruction	20,288.00		20,288.00	19,501.90	786.10
General Supplies	4,789.00		4,789.00	3,897.00	892.00
Textbooks	424.00		424.00	191.75	232.25
	<hr/>				
Total Bilingual Education	172,804.00		172,804.00	155,392.63	17,411.37
	<hr/>				
Vocational Programs - Instruction					
Salaries of Teachers	56,513.00	10,887.04	67,400.04	67,400.04	
Other Salaries for Instruction	31,100.00		31,100.00	22,186.97	8,913.03
Other Purchased Services	2,000.00	(20.00)	1,980.00	1,022.50	957.50
General Supplies	255.00	20.00	275.00	90.00	185.00
	<hr/>				
Total Vocational Programs - Instruction	89,868.00	10,887.04	100,755.04	90,699.51	10,055.53
	<hr/>				

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	Adopted <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
School Sponsored Co Curricular Activities:					
Salaries	\$ 317,170.00	\$ (20,486.00)	\$ 296,684.00	\$ 252,197.64	\$ 44,486.36
Other Purchased Services	22,695.00	702.86	23,397.86	19,553.55	3,844.31
Supplies and Materials	22,344.00	4,967.45	27,311.45	25,784.62	1,526.83
Other Objects	37,130.00	3,714.87	40,844.87	38,240.65	2,604.22
Total School Sponsored Co curricular Activities	399,339.00	(11,100.82)	388,238.18	335,776.46	52,461.72
School Sponsored Athletics:					
Salaries	285,441.00	36,253.00	321,694.00	321,694.00	
Purchased Services	163,766.00	(7,281.00)	156,485.00	97,073.36	59,411.64
Supplies and Materials	82,432.00	(15,892.00)	66,540.00	47,121.36	19,418.64
Other Objects	48,829.00	(712.50)	48,116.50	38,283.59	9,832.91
Total School Sponsored Athletics	580,468.00	12,367.50	592,835.50	504,172.31	88,663.19
Summer School :					
Salaries		40,330.00	40,330.00	33,204.25	7,125.75
Supplies and Materials		2,783.00	2,783.00	212.40	2,570.60
Other Objects		520.00	520.00		520.00
Total Summer School		43,633.00	43,633.00	33,416.65	10,216.35
Community Services :					
Salaries		3,425.00	3,425.00	3,425.00	
Other Instructional Programs :					
Salaries	40,000.00		40,000.00	26,735.03	13,264.97
Total Instruction	31,112,350.00	484,730.67	31,597,080.67	30,298,721.43	1,298,359.24

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 103,418.00	\$ 35,722.62	\$ 139,140.62	\$ 133,383.11	\$ 5,757.51
Tuition to Other LEAs Within the State-Special	117,220.00	46,232.72	163,452.72	108,393.14	55,059.58
Tuition to County Voc School Dist - Regular	174,000.00	23,000.00	197,000.00	195,000.00	2,000.00
Tuition to CSSD & Regional Day Schools	2,090,571.00	(62,050.99)	2,028,520.01	1,352,656.46	675,863.55
Tuition to Private School for the Handicapped-State	1,610,339.00	(432,707.35)	1,177,631.65	1,001,779.97	175,851.68
Tuition to Private School and Other LEAs - Outside State	332,780.00	(213,128.63)	119,651.37		119,651.37
Tuition - State Facilities	81,931.00		81,931.00	81,931.00	
Tuition - Other	236,138.00		236,138.00	154,616.00	81,522.00
Total Undistributed Expenditures - Instruction	4,746,397.00	(602,931.63)	4,143,465.37	3,027,759.68	1,115,705.69
Undistributed Expenditures - Attendance and Social Work:					
Salaries	30,200.00		30,200.00	28,141.16	2,058.84
Other Purchased Services	3,000.00	(20.95)	2,979.05	480.91	2,498.14
Total Attendance and Social Work	33,200.00	(20.95)	33,179.05	28,622.07	4,556.98
Undistributed Expenditures - Health Services:					
Salaries	573,079.00	47,773.94	620,852.94	612,899.39	7,953.55
Purchased Professional and Technical Services.	474.00	35,150.00	35,624.00	13,977.00	21,647.00
Other Purchased Services	70.00		70.00		70.00
Supplies and Materials	13,531.00	10,565.95	24,096.95	21,763.36	2,333.59
Total Undistributed Expenditures - Health Services	587,154.00	93,489.89	680,643.89	648,639.75	32,004.14

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Other Support -Students - Other Related Services					
Salaries	\$ 865,857.00	\$ (89,406.00)	\$ 776,451.00	\$ 711,393.68	\$ 65,057.32
Purchased Professional Educational Services	30,000.00	(16,500.00)	13,500.00	13,236.00	264.00
Supplies and Materials	30,000.00	(5,428.68)	24,571.32	1,847.62	22,723.70
Other Objects		5,000.00	5,000.00	1,743.98	3,256.02
Total Other Support -Student - Related Services	925,857.00	(106,334.68)	819,522.32	728,221.28	91,301.04
Undistributed Expenditures - Other Support Student-Regular:					
Salaries of Other Professional Staff	821,933.00	(4,203.95)	817,729.05	731,256.35	86,472.70
Salaries of Secretarial and Clerical Assistants	254,628.00	4,666.67	259,294.67	254,384.58	4,910.09
Other Salaries	40,610.00	6,762.51	47,372.51	30,655.82	16,716.69
Purchased Professional Educational Services	2,000.00		2,000.00	1,364.06	635.94
Other Purchased Professional and Technical Services	1,861.00	(310.55)	1,550.45	480.00	1,070.45
Other Purchased Services	500.00	54.78	554.78	356.74	198.04
Supplies and Materials	46,770.00	(7,223.74)	39,546.26	39,071.43	474.83
Other Objects	630.00	825.00	1,455.00	1,330.00	125.00
Total Other Support Student-Regular	1,168,932.00	570.72	1,169,502.72	1,058,898.98	110,603.74
Undistributed Expenditures - Other Support Student-Special:					
Salaries of Other Professional Staff	810,279.00	263,947.86	1,074,226.86	1,064,856.18	9,370.68
Salaries of Secretarial and Clerical Assistants	194,532.00	(3,467.00)	191,065.00	179,093.89	11,971.11
Other Salaries		45,428.68	45,428.68	45,428.68	
Residential Costs		213,128.63	213,128.63	206,621.40	6,507.23
Other Purchased Services	64,000.00	(5,000.00)	59,000.00	30,003.51	28,996.49
Supplies and Materials	21,000.00	5,000.00	26,000.00	12,385.11	13,614.89
Other Objects	22,800.00		22,800.00	2,234.08	20,565.92
Total Other Support Student-Special	1,112,611.00	519,038.17	1,631,649.17	1,540,622.85	91,026.32

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Improvement Instructional Services:					
Salaries of Supervisors of Instruction		\$ 242,376.49	\$ 242,376.49	\$ 242,376.49	
Salaries of Secretarial and Clerical Assistants	\$ 56,132.00	52,467.51	108,599.51	80,632.72	\$ 27,966.79
Purchased Professional Educational Services	756,000.00	249,649.49	1,005,649.49	962,429.25	43,220.24
Other Purchased Professional & Technical Services	184,050.00	(140,000.00)	44,050.00		44,050.00
Other Purchased Services		665.76	665.76	665.76	
Total Improvement Instructional Services	996,182.00	405,159.25	1,401,341.25	1,286,104.22	115,237.03
Undistributed Expenditures - Educational Media/Library:					
Salaries	929,383.00	16,588.61	945,971.61	938,763.50	7,208.11
Salaries of Tech Coordinators	231,927.00	16,370.12	248,297.12	248,297.12	
Purchased Professional & Technical Services	26,693.00	(9,282.75)	17,410.25	8,240.67	9,169.58
Supplies and Materials	129,096.00	-8531.64	120,564.36	117,459.25	3,105.11
Total Educational Media/Library	1,317,099.00	15,144.34	1,332,243.34	1,312,760.54	19,482.80
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	248,465.00	(248,465.00)			
Salaries of Secretarial and Clerical Assistants	46,379.00	(46,019.00)	360.00	348.00	12.00
Other Salaries	76,245.00	8,748.00	84,993.00	53,414.75	31,578.25
Purchased Professional Educational Services	58,600.00	(7,663.00)	50,937.00	29,813.92	21,123.08
Other Purchased Professional & Technical Services	21,365.00	(8,079.96)	13,285.04	1,000.00	12,285.04
Other Purchased Services	4,000.00	(2,165.76)	1,834.24	1,012.61	821.63
Supplies and Materials	6,995.00	17,827.03	24,822.03	19,767.49	5,054.54
Other Objects	5,500.00		5,500.00	2,204.85	3,295.15
Total Instructional Staff Training Services	467,549.00	(285,817.69)	181,731.31	107,561.62	74,169.69

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Support Services-General Admin.:					
Salaries	\$ 486,672.00	\$ 15,650.00	\$ 502,322.00	\$ 497,332.84	\$ 4,989.16
Legal Services	210,000.00	983.59	210,983.59	183,462.16	27,521.43
Audit Fees	61,250.00		61,250.00	58,000.00	3,250.00
Other Purchased Professional Services	62,745.00	107,250.00	169,995.00	131,757.41	38,237.59
Purchased Technical Services	54,780.00	(26,039.37)	28,740.63	8,017.26	20,723.37
Communications/Telephone	280,900.00	(18,317.35)	262,582.65	199,911.36	62,671.29
BOE Other Purchased Services	1,975.00	23.63	1,998.63	42.93	1,955.70
Other Purchased Services	8,600.00	130,523.46	139,123.46	134,123.46	5,000.00
General Supplies	98,563.00	(15,173.11)	83,389.89	30,049.22	53,340.67
Miscellaneous Expenditures	41,904.00	3,771.55	45,675.55	37,297.06	8,378.49
BOE Membership Dues and Fees	37,800.00		37,800.00	31,187.70	6,612.30
Total Support Services-General Admin.	1,345,189.00	198,672.40	1,543,861.40	1,311,181.40	232,680.00
Undistributed Expenditures - Support Services-School Admin.:					
Salaries of Principals/Assistant Principals	1,715,342.00	18,693.99	1,734,035.99	1,732,896.23	1,139.76
Salaries of Secretarial and Clerical Assistants	1,090,333.00	(30,175.20)	1,060,157.80	1,003,152.97	57,004.83
Other Salaries	136,462.00	(7,500.50)	128,961.50	123,777.36	5,184.14
Purchased Professional & Technical Services	85,313.00	(76,189.97)	9,123.03	761.19	8,361.84
Other Purchased Services	13,865.00	(869.94)	12,995.06	4,525.63	8,469.43
Supplies and Materials	106,407.00	13,374.66	119,781.66	98,112.30	21,669.36
Other Objects	68,854.00	10,062.62	78,916.62	61,800.96	17,115.66
Total Support Services-School Admin.	3,216,576.00	(72,604.34)	3,143,971.66	3,025,026.64	118,945.02

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Central Services					
Salaries	\$ 525,579.00	\$ (106,525.00)	\$ 419,054.00	\$ 412,628.30	\$ 6,425.70
Purchased Technical Services	1,500.00	22,888.00	24,388.00	20,656.00	3,732.00
Supplies and Materials	12,786.00	6,464.73	19,250.73	17,672.63	1,578.10
Interest on Lease Purchases Agreements	64,381.00	10,884.41	75,265.41	75,265.41	
Miscellaneous Expenditures	1,000.00	(142.29)	857.71	857.71	
Total Central Services	605,246.00	(66,430.15)	538,815.85	527,080.05	11,735.80
Undistributed Expenditures - Administration Information Technology					
Salaries	390,453.00	47,153.17	437,606.17	437,265.63	340.54
Purchased Professional Services	9,000.00	350.00	9,350.00	9,350.00	
Purchased Professional and Technical Services	137,850.00	17,796.14	155,646.14	143,439.14	12,207.00
Other Purchased Services	4,200.00	(542.50)	3,657.50	3,277.11	380.39
Supplies and Materials	37,050.00	9,600.00	46,650.00	41,737.43	4,912.57
Other Objects	5,085.00	(1,947.00)	3,138.00	2,683.54	454.46
Total Administration Information Technology	583,638.00	72,409.81	656,047.81	637,752.85	18,294.96
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	119,836.00	(2,580.18)	117,255.82	116,922.26	333.56
Cleaning, Repair, and Maintenance Service	536,738.00	(131,788.07)	404,949.93	329,217.38	75,732.55
General Supplies	25,000.00	(10,607.37)	14,392.63	8,492.51	5,900.12
Total Required Maintenance for School Facilities	681,574.00	(144,975.62)	536,598.38	454,632.15	81,966.23

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Operations of Plant Services:					
Salaries	\$ 71,011.00		\$ 71,011.00	\$ 69,283.90	\$ 1,727.10
Salaries of Non Instructional Aides	173,153.00	\$ 14,873.78	188,026.78	184,207.71	3,819.07
Cleaning, Repair, and Maintenance Service	3,716,941.00	44,374.47	3,761,315.47	3,387,070.79	374,244.68
Other Purchased Property Services	417,949.00	(11,617.14)	406,331.86	401,483.10	4,848.76
Insurance	264,970.00	(137,181.32)	127,788.68	127,208.34	580.34
Misc Purchased Services		3,305.00	3,305.00	3,305.00	
General Supplies	374,180.00	113,338.47	487,518.47	448,415.73	39,102.74
Energy (Natural Gas)	956,135.00	(52,271.02)	903,863.98	799,804.71	104,059.27
Energy (Electricity)	1,888,000.00	(175,538.58)	1,712,461.42	1,699,539.09	12,922.33
Energy (Oil)	2,000.00	4,254.11	6,254.11	4,659.74	1,594.37
Other Objects	1,079.00	15,287.42	16,366.42	15,770.60	595.82
Total Operations of Plant Services	7,865,418.00	(181,174.81)	7,684,243.19	7,140,748.71	543,494.48
Undistributed Expenditures - Care/Upkeep of Grounds					
Cleaning, Repair, and Maintenance Service		263,825.37	263,825.37	243,008.40	20,816.97
General Supplies		36,264.61	36,264.61	30,240.63	6,023.98
Total Care/Upkeep of Grounds		300,089.98	300,089.98	273,249.03	26,840.95
Undistributed Expenditures - Security					
Other Purchased Services		140,000.00	140,000.00	140,000.00	
Cleaning, Repair, and Maintenance Service		98,926.73	98,926.73	93,740.37	5,186.36
General Supplies		46,497.62	46,497.62	32,436.59	14,061.03
Total Security		285,424.35	285,424.35	266,176.96	19,247.39

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Student Transportation:					
Salaries for Pupil Transportation	\$ 187,319.00	\$ (187,319.00)			
Salaries for Pupil Transportation (Other Than Between Home & School)	5,625.00	189,617.00	\$ 195,242.00	\$ 186,600.04	\$ 8,641.96
Purchased Professional & Technical Services	15,330.00	24,577.00	39,907.00	30,850.00	9,057.00
Cleaning, Repair, and Maintenance Service	8,500.00	(7,000.00)	1,500.00		1,500.00
Contracted Services (Between Home & School) -Vendors	2,973,408.00	99,840.71	3,073,248.71	3,021,746.47	51,502.24
Contr'ed Services (Other Than Between Home & School) Vendors	217,113.00	40,175.61	257,288.61	185,446.03	71,842.58
Contracted Services (Home & School) - Joint Agreements	30,973.00		30,973.00	1,390.00	29,583.00
Contracted Services (Special Ed. Students) - Vendors	2,135,820.00	3,108.00	2,138,928.00	1,905,555.02	233,372.98
Contracted Services (Special Ed. Students) - Joint Agreements	62,042.00	(10,783.71)	51,258.29	42,873.24	8,385.05
Contracted Services - Aid in Lieu Payments	174,970.00	1,362.00	176,332.00	147,608.60	28,723.40
Contracted Services - Aid in Lieu Payments - Charter	920.00	(920.00)			
Supplies and Materials	4,000.00	15.73	4,015.73	4,015.72	0.01
Other Objects	1,895.00	(14.73)	1,880.27	1,189.32	690.95
Total Undistributed Expenditures - Student Transportation	5,817,915.00	152,658.61	5,970,573.61	5,527,274.44	443,299.17
Undistributed Expenditures - Unallocated Benefits					
Social Security Contributions	764,691.00		764,691.00	645,943.76	118,747.24
Other Retirement Contributions - Regular	455,395.00	127,874.00	583,269.00	581,047.02	2,221.98
Unemployment Compensation	400,000.00	(260,511.23)	139,488.77	912.38	138,576.39
Workman's Compensation	283,457.00	(11,250.00)	272,207.00	230,865.22	41,341.78
Health Benefits	10,427,153.00	(303,323.28)	10,123,829.72	9,814,152.78	309,676.94
Tuition Reimbursement	197,000.00	(8,986.56)	188,013.44	116,285.96	71,727.48
Other Employee Benefits	428,165.00	61,185.95	489,350.95	485,485.22	3,865.73
Total - Other Support Services	12,955,861.00	(395,011.12)	12,560,849.88	11,874,692.34	686,157.54

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
On-behalf TPAF Pension Contributions (non-budgeted):					
Normal				\$ 102,156.00	\$ (102,156.00)
Post Retirement Costs				2,169,794.00	(2,169,794.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,335,626.64	(2,335,626.64)
Total Undistributed Expenditures	\$ 44,426,398.00	\$ 187,356.53	\$ 44,613,754.53	45,384,582.20	(770,827.67)
Total General Current Expense	75,538,748.00	672,087.20	76,210,835.20	75,683,303.63	527,531.57
Capital Outlay:					
Interest deposit to Capital Reserve	100.00	(100.00)			
Equipment--Undistributed:					
Instruction	15,000.00	(45.00)	14,955.00	12,558.69	2,396.31
Facilities Acquisition and Construction Services:					
Construction Services	95,000.00	178,080.00	273,080.00	247,669.65	25,410.35
Assets Acquired Under Capital Leases (Non-Budgeted)					
Undistributed Expenditures - Equipment				1,460,639.13	(1,460,639.13)
Total Capital Outlay	110,100.00	177,935.00	288,035.00	1,720,867.47	(1,432,832.47)
Total Expenditures	75,648,848.00	850,022.20	76,498,870.20	77,404,171.10	(905,300.90)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,185,438.00)	(850,022.20)	(3,035,460.20)	1,186,563.47	4,222,023.67

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2011

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Other Financing Sources (Uses):					
Transfer from Capital Fund				\$ 11.31	\$ 11.31
Transfer to Charter Schools		\$ (14,920.00)	\$ (14,920.00)		14,920.00
Capital Leases (Non-Budgeted)				1,460,639.13	1,460,639.13
Cancellation of Prior Year Receivables				(65,987.68)	(65,987.68)
Total Other Financing Sources (Uses)		(14,920.00)	(14,920.00)	1,394,662.76	1,409,582.76
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (2,185,438.00)	(864,942.20)	(3,050,380.20)	2,581,226.23	5,631,606.43
Fund Balances - July 1,	6,843,033.85		6,843,033.85	6,843,033.85	
Fund Balances - June 30,	\$ 4,657,595.85	\$ (864,942.20)	\$ 3,792,653.65	\$ 9,424,260.08	\$ 5,631,606.43
Recapitulation of Fund Balance:					
Restricted Fund Balances:					
Capital Reserve				\$ 594,046.00	
Excess Surplus - Designated for Subsequent Year Expenditures				1,932,598.07	
Excess Surplus - Current Year				3,868,418.42	
Assigned Fund Balance:					
Reserved for Encumbrances				971,836.55	
Designated for Subsequent Year's Expenditure				541,552.93	
Unassigned Fund Balance				1,515,808.11	
				9,424,260.08	
Reconciliation to Governmental Funds Statements (GAAP):					
Last FY 2011 State Aid Payment not recognized on GAAP basis				(2,920,346.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,503,914.08	

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	---	\$ 43,233.71	\$ 43,233.71	\$ 169,767.54	\$ 126,533.83
Total - Local Sources	---	43,233.71	43,233.71	169,767.54	126,533.83
State Sources:					
Youth Transition to Work		\$ 1,782.50	1,782.50	1,782.50	
Home Instruction	\$ 412,094.00	(412,048.34)	45.66	1,152.48	1,106.82
Nonpublic Textbooks	36,742.10	(990.00)	35,752.10	32,664.69	(3,087.41)
Nonpublic Auxiliary Services		271,518.00	271,518.00	222,118.68	(49,399.32)
Nonpublic Handicapped Services		168,535.00	168,535.00	152,848.44	(15,686.56)
Nonpublic Nursing Services	43,572.00	(1,209.00)	42,363.00	42,362.94	(0.06)
Other State Aid	20,635.00	(20,243.00)	392.00		(392.00)
Total - State Sources	513,043.10	7,345.16	520,388.26	452,929.73	(67,458.53)
Federal Sources:					
Title I	462,525.80	239,190.59	701,716.39	519,760.20	(181,956.19)
Title I (ARRA)		221,102.82	221,102.82	144,411.96	(76,690.86)
Title II	208,318.00	95,543.90	303,861.90	208,796.15	(95,065.75)
Title III	9,561.48	6,523.70	16,085.18	9,556.60	(6,528.58)
Title IV	13,299.10	(9,799.00)	3,500.10		(3,500.10)
I.D.E.A.	1,266,879.42	683,439.89	1,950,319.31	1,392,154.33	(558,164.98)
I.D.E.A. (ARRA)		933,596.98	933,596.98	349,641.19	(583,955.79)
Carl D. Perkins Vocational and Technical Education Act	24,094.10	6,840.00	30,934.10	30,828.00	(106.10)
Total - Federal Sources	1,984,677.90	2,176,438.88	4,161,116.78	2,655,148.43	(1,505,968.35)
Total Revenues	2,497,721.00	2,227,017.75	4,724,738.75	3,277,845.70	(1,446,893.05)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual (Continued)
EXPENDITURES:					
Instruction:					
Salaries	\$ 693,704.38	\$ 60,038.18	\$ 753,742.56	\$ 727,254.05	\$ 26,488.51
Purchased Professional Educational Services		310,978.62	310,978.62	150,334.12	160,644.50
Other Purchased Services		22,578.29	22,578.29	22,578.29	
Tuition	1,266,879.42	(345,619.07)	921,260.35	702,980.83	218,279.52
General Supplies	44,729.10	533,562.17	578,291.27	134,300.22	443,991.05
Textbooks	36,742.10	41,373.00	78,115.10	32,664.69	45,450.41
Misc Expenditures	412,094.00	28,004.66	440,098.66	418,482.54	21,616.12
Total Instruction	2,454,149.00	650,915.85	3,105,064.85	2,188,594.74	916,470.11
Support Services:					
Salaries		456,777.60	456,777.60	330,330.20	126,447.40
Personnel Services-Employee Benefits		300,972.38	300,972.38	99,322.60	201,649.78
Other Purchased Services		716,152.90	716,152.90	468,221.27	247,931.63
General Supplies		77,827.02	77,827.02	171,588.89	(93,761.87)
Misc Expenditures	43,572.00	(42,491.00)	1,081.00	985.00	96.00
Total Support Services	43,572.00	1,509,238.90	1,552,810.90	1,070,447.96	482,362.94
Facilities Acquisition and Construction Services:					
Instructional Equipment		66,863.00	66,863.00	18,803.00	48,060.00
Total Expenditures	\$ 2,497,721.00	\$ 2,227,017.75	\$ 4,724,738.75	\$ 3,277,845.70	\$ 1,446,893.05
Excess (Deficiency) of Revenues Over (Under) Expenditures	---	---	---	---	---

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 78,590,734.57	\$ 3,277,845.70
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis.		(15,486.46)
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		185,062.44
The last 2009-10 State aid payment was 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.	3,260,293.00	
The last two 2010-11 State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.	(2,920,346.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 78,930,681.57	\$ 3,447,421.68
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 77,404,171.10	\$ 3,277,845.70
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		185,062.44
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 77,404,171.10	\$ 3,462,908.14

REQUIRED SUPPLEMENTARY INFORMATION
PART III

MONROE TOWNSHIP BOARD OF EDUCATION
 Required Supplementary Information
 Schedule of Funding Progress for the OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2011	\$ 0	\$17,479,000	\$17,479,000	0 %	\$ 743,000	2352.49%
6/30/2009	\$ 0	29,780,000	29,780,000	0 %	Not Available	Not Available

Schedule RSI-2

MONROE TOWNSHIP BOARD OF EDUCATION
 Required Supplementary Information
 Schedule of Employer Contributions to the OPEB Plan

Year Ended June 30.	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	\$ 1,060,000	91.04%
2009	2,727,000	27.25%

MONROE TOWNSHIP BOARD OF EDUCATION

Note to Required Supplementary Information
For the Year Ended June 30, 2011

Other Postemployment Benefits

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent open
Remaining Amortization Period	28 years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Discount Rate	4.5%
Health Care Cost Rates:	
Medical	9.0% grading to 5.0% over 10 years
Prescription Drug	10.0% grading to 5.0% over 13 years
Dental	5.0%

For determining the ARC, the rate of employer contributions to the Authority Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2011

REVENUES:	
Local Sources	\$ 169,767.54
State Sources	452,929.73
Federal Sources	<u>2,655,148.43</u>
 Total Revenues	 <u><u>\$ 3,277,845.70</u></u>
 EXPENDITURES:	
Instruction:	
Salaries of Teachers	\$ 727,254.05
Purchased Educational Services	150,334.12
Other Purchased Services	22,578.29
Tuition	702,980.83
General Supplies	134,300.22
Textbooks	32,664.69
Misc Expenditure	<u>418,482.54</u>
 Total Instruction	 <u>2,188,594.74</u>
 Support Services:	
Salaries	330,330.20
Personnel Services-Employee Benefits	99,322.60
Other Purchased Services	468,221.27
General Supplies	171,588.89
Misc Expenditure	<u>985.00</u>
 Total Support Services	 <u>1,070,447.96</u>
 Facilities Acquisition and Construction Services:	
Instructional Equipment	<u>18,803.00</u>
 Total Expenditures	 <u><u>\$ 3,277,845.70</u></u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total	NCLB					Total Brought Forward
		Title I Part A 2010-2011	ARRA Title I, Part A 2009-2011	Title II Part A 2010-2011	Title II Part D 2010-2011	Title III 2010-2011	
REVENUES:							
Local Sources	\$ 169,767.54						\$ 169,767.54
State Sources	452,929.73						452,929.73
Federal Sources	2,655,148.43	\$ 519,760.20	\$ 144,411.96	\$ 207,450.15	\$ 1,346.00	\$ 9,556.60	1,772,623.52
Total Revenues	\$ 3,277,845.70	\$ 519,760.20	\$ 144,411.96	\$ 207,450.15	\$ 1,346.00	\$ 9,556.60	\$ 2,395,320.79
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 727,254.05	\$ 347,177.00	\$ 80,714.66	\$ 129,380.00		\$ 6,505.00	\$ 163,477.39
Purchased Educational Services	150,334.12	92,833.52	2,100.60				55,400.00
Other Purchased Services	22,578.29						22,578.29
Tuition	702,980.83						702,980.83
General Supplies	134,300.22	7,191.91	24,711.17	9,816.72		641.89	91,938.53
Textbooks	32,664.69						32,664.69
Misc Expenditure	418,482.54						418,482.54
Total Instruction	2,188,594.74	447,202.43	107,526.43	139,196.72	---	7,146.89	1,487,522.27
Support Services:							
Salaries	330,330.20	12,644.50	4,306.50	9,273.00		775.50	303,330.70
Personnel Services-Employee Benefits	99,322.60	54,974.77	32,579.03	327.65	\$ 1,071.00	34.08	10,336.07
Other Purchased Services	468,221.27	441.00		52,503.98	275.00	1,600.13	413,401.16
General Supplies	171,588.89	4,497.50		5,973.80			161,117.59
Misc Expenditure	985.00			175.00			810.00
Total Support Services	1,070,447.96	72,557.77	36,885.53	68,253.43	1,346.00	2,409.71	888,995.52
Facilities Acquisition and Construction Services:							
Instructional Equipment	18,803.00	---	---	---	---	---	18,803.00
Total Expenditures	\$ 3,277,845.70	\$ 519,760.20	\$ 144,411.96	\$ 207,450.15	\$ 1,346.00	\$ 9,556.60	\$ 2,395,320.79

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	I.D.E.A.				Carl D. Perkins Grant	Total Brought Forward
		Basic 2010-2011	ARRA Basic 2009-2011	Preschool 2010-2011	ARRA Preschool 2009-2011		
REVENUES:							
Local Sources	\$ 169,767.54						\$ 169,767.54
State Sources	452,929.73						452,929.73
Federal Sources	1,772,623.52	\$ 1,358,338.75	\$ 348,568.68	\$ 33,815.58	\$ 1,072.51	\$ 30,828.00	
Total Revenues	\$ 2,395,320.79	\$ 1,358,338.75	\$ 348,568.68	\$ 33,815.58	\$ 1,072.51	\$ 30,828.00	\$ 622,697.27
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 163,477.39	\$ 46,209.47	\$ 105,171.66				\$ 12,096.26
Purchased Educational Services	55,400.00		55,400.00				
Other Purchased Services	22,578.29					\$ 5,990.00	16,588.29
Tuition	702,980.83	600,000.00	76,202.35	\$ 26,778.48			
General Supplies	91,938.53	8,127.35	55,401.70	1,869.10	\$ 1,072.51	24,160.00	1,307.87
Textbooks	32,664.69						32,664.69
Misc Expenditure	418,482.54						418,482.54
Total Instruction	1,487,522.27	654,336.82	292,175.71	28,647.58	1,072.51	30,150.00	481,139.65
Support Services:							
Salaries	303,330.70	303,330.70					
Personnel Services-Employee Benefits	10,336.07	9,689.72	646.35				
Other Purchased Services	413,401.16	353,193.92	55,746.62	540.00			3,920.62
General Supplies	161,117.59	23,612.59				678.00	136,827.00
Misc Expenditure	810.00						810.00
Total Support Services	888,995.52	689,826.93	56,392.97	540.00	---	678.00	141,557.62
Facilities Acquisition and Construction Services:							
Instructional Equipment	18,803.00	14,175.00	---	4,628.00	---	---	---
Total Expenditures	\$ 2,395,320.79	\$ 1,358,338.75	\$ 348,568.68	\$ 33,815.58	\$ 1,072.51	\$ 30,828.00	\$ 622,697.27

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	N.J. Nonpublic Nursing	N.J. Nonpublic Textbook Aid, Ch. 194, L. 1979	N.J. Nonpublic Auxiliary Services, Ch. 192, L.1977			Total Brought Forward
				Compensatory Education	Home Instruction	Transportation	
REVENUES:							
Local Sources	\$ 169,767.54						\$ 169,767.54
State Sources	452,929.73	\$ 42,362.94	\$ 32,664.69	\$ 154,057.68	\$ 1,152.48	\$ 68,061.00	154,630.94
Federal Sources							
Total Revenues	\$ 622,697.27	\$ 42,362.94	\$ 32,664.69	\$ 154,057.68	\$ 1,152.48	\$ 68,061.00	\$ 324,398.48
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 12,096.26						\$ 12,096.26
Purchased Educational Services							
Other Purchased Services	16,588.29						16,588.29
Tuition							
General Supplies	1,307.87						1,307.87
Textbooks	32,664.69		\$ 32,664.69				
Misc Expenditure	418,482.54	\$ 42,362.94		\$ 154,057.68	\$ 1,152.48	\$ 68,061.00	152,848.44
Total Instruction	481,139.65	42,362.94	32,664.69	154,057.68	1,152.48	68,061.00	182,840.86
Support Services:							
Salaries							
Personnel Services-Employee Benefits							
Other Purchased Services	3,920.62						3,920.62
General Supplies	136,827.00						136,827.00
Misc Expenditure	810.00						810.00
Total Support Services	141,557.62	---	---	---	---	---	141,557.62
Facilities Acquisition and Construction Services:							
Instructional Equipment	---	---	---	---	---	---	---
Total Expenditures	\$ 622,697.27	\$ 42,362.94	\$ 32,664.69	\$ 154,057.68	\$ 1,152.48	\$ 68,061.00	\$ 324,398.48

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	N.J. Auxiliary Ch. 192, L.1977 E.S.L.	N.J. Handicapped Services, Ch. 193, L.1977			Youth Transition to Work	Local Grants
			Corrective Speech	Examination and Classification	Supplemental Instruction		
REVENUES:							
Local Sources	\$ 169,767.54						\$ 169,767.54
State Sources	154,630.94	\$ 4,183.00	\$ 67,279.52	\$ 53,592.72	\$ 27,793.20	\$ 1,782.50	
Federal Sources							
Total Revenues	\$ 324,398.48	\$ 4,183.00	\$ 67,279.52	\$ 53,592.72	\$ 27,793.20	\$ 1,782.50	\$ 169,767.54
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 12,096.26					\$ 1,782.50	\$ 10,313.76
Purchased Educational Services							
Other Purchased Services	16,588.29						16,588.29
Tuition							
General Supplies	1,307.87						1,307.87
Textbooks							
Misc Expenditure	152,848.44	\$ 4,183.00	\$ 67,279.52	\$ 53,592.72	\$ 27,793.20		
Total Instruction	182,840.86	4,183.00	67,279.52	53,592.72	27,793.20	1,782.50	28,209.92
Support Services:							
Salaries							
Personnel Services-Employee Benefits							
Other Purchased Services	3,920.62						3,920.62
General Supplies	136,827.00						136,827.00
Misc Expenditure	810.00						810.00
Total Support Services	141,557.62	---	---	---	---	---	141,557.62
Facilities Acquisition and Construction Services:							
Instructional Equipment	---	---	---	---	---	---	---
Total Expenditures	\$ 324,398.48	\$ 4,183.00	\$ 67,279.52	\$ 53,592.72	\$ 27,793.20	\$ 1,782.50	\$ 169,767.54

CAPITAL PROJECTS FUND

Township of Monroe School District
CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2011

Project Title	Original Date	Appropriation	Expenditures to Date			Total Expenditures	Unexpended Balance June 30, 2011
			Prior Years	Current Year	Reclassification		
(a) Additions & Alterations to the Williamstown High School	03/23/07	\$ 10,167,755.51	\$ 9,535,549.50	\$ 56,415.47	\$ (129,832.36)	\$ 9,462,132.61	\$ 705,622.90
i Additions & Alterations to the Williamstown Middle School	03/23/07	8,715,707.38	8,648,984.52	22,753.78	(39,801.45)	8,631,936.85	83,770.53
ii Additions & Alterations to the Holly Glen Elementary School	03/23/07	4,278,136.49	4,075,727.49	27,202.49	(7,177.96)	4,095,752.02	182,384.47
iii Additions & Alterations to the Oak Knoll Elementary School	03/23/07	12,329,727.45	11,424,312.10	746,959.47	58,199.12	12,229,470.69	100,256.76
iv Additions & Alterations to the Radix Elementary School	03/23/07	4,693,300.18	4,802,427.93	4,125.00	74,862.13	4,881,415.06	(188,114.88)
v Additions & Alterations to the White Hall Elementary School	03/23/07	3,454,372.99	3,355,124.66		43,750.52	3,398,875.18	55,497.81
		<u>\$ 43,639,000.00</u>	<u>\$ 41,842,126.20</u>	<u>\$ 857,456.21</u>	<u>---</u>	<u>\$ 42,699,582.41</u>	<u>\$ 939,417.59</u>
Reserved for Encumbrances							\$ 160,647.10
Designated for Subsequent Years' Expenditures							<u>778,770.49</u>
							<u>\$ 939,417.59</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Summary Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

Revenues and Other Financing Sources	---
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	\$ 81,711.36
Construction Services	775,744.85
Total Expenditures and Other Financing Uses	857,456.21
Deficiency of Revenues Under Expenditures	(857,456.21)
Fund Balance -- July 1	1,796,873.80
Fund Balance -- June 30	\$ 939,417.59

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at the Williamstown High School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 9,402,198.00		\$ 765,557.51	\$ 10,167,755.51	\$ 10,167,755.51
Total Revenues	9,402,198.00	---	765,557.51	10,167,755.51	10,167,755.51
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	787,360.40		56,282.00	843,642.40	866,875.04
Construction Services	8,748,189.10	\$ 56,415.47	(186,114.36)	8,618,490.21	9,300,880.47
Total Expenditures	9,535,549.50	56,415.47	(129,832.36)	9,462,132.61	10,167,755.51
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (133,351.50)	\$ (56,415.47)	\$ 895,389.87	\$ 705,622.90	---

Additional Project Information:

Project Number	3280-050-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 10,202,198.00
Bonds Issued	10,202,198.00
Original Authorized Cost	10,202,198.00
Additional Authorized Cost	(34,442.49)
Revised Authorized Cost	10,167,755.51
Percentage Increase over Original Authorized Cost	-0.34%
Percentage Completion	93.06%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Addition and Alterations to the Williamstown Middle School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 9,054,207.00		\$ (338,499.62)	\$ 8,715,707.38	\$ 8,715,707.38
Total Revenues	9,054,207.00	---	(338,499.62)	8,715,707.38	8,715,707.38
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	612,686.90	\$ 953.34	251,671.63	865,311.87	944,279.93
Construction Services	8,036,297.62	21,800.44	(291,473.08)	7,766,624.98	7,771,427.45
Total Expenditures	8,648,984.52	22,753.78	(39,801.45)	8,631,936.85	8,715,707.38
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 405,222.48	\$ (22,753.78)	\$ (298,698.17)	\$ 83,770.53	---

Additional Project Information:

Project Number	3280-110-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 11,054,207.00
Bonds Issued	11,054,207.00
Original Authorized Cost	11,054,207.00
Additional Authorized Cost	(2,338,499.62)
Revised Authorized Cost	8,715,707.38
Percentage Increase over Original Authorized Cost	-21.15%
Percentage Completion	99.04%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at Holly Glen Elementary School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 4,346,136.00		\$ (67,999.51)	\$ 4,278,136.49	\$ 4,278,136.49
Total Revenues	4,346,136.00	---	(67,999.51)	4,278,136.49	4,278,136.49
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	381,750.50		29,348.87	411,099.37	378,363.53
Construction Services	3,693,976.99	\$ 27,202.49	(36,526.83)	3,684,652.65	3,899,772.96
Total Expenditures	4,075,727.49	27,202.49	(7,177.96)	4,095,752.02	4,278,136.49
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 270,408.51	\$ (27,202.49)	\$ (60,821.55)	\$ 182,384.47	---

Additional Project Information:

Project Number	3280-075-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 4,343,136.00
Bonds Issued	4,343,136.00
Original Authorized Cost	4,343,136.00
Additional Authorized Cost	(64,999.51)
Revised Authorized Cost	4,278,136.49
Percentage Increase over Original Authorized Cost	---
Percentage Completion	95.74%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations to the Oak Knoll Elementary School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 12,594,728.00		\$ (265,000.55)	\$ 12,329,727.45	\$ 12,329,727.45
Total Revenues	12,594,728.00	---	(265,000.55)	12,329,727.45	12,329,727.45
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	463,783.25	\$ 80,758.02	274,350.32	818,891.59	840,022.09
Construction Services	10,960,528.85	666,201.45	(216,151.20)	11,410,579.10	11,489,705.36
Total Expenditures	11,424,312.10	746,959.47	58,199.12	12,229,470.69	12,329,727.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,170,415.90	\$ (746,959.47)	\$ (323,199.67)	\$ 100,256.76	---

Additional Project Information:

Project Number	3280-090-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 9,794,728.00
Bonds Issued	9,794,728.00
Original Authorized Cost	9,794,728.00
Additional Authorized Cost	2,534,999.45
Revised Authorized Cost	12,329,727.45
Percentage Increase over Original Authorized Cost	25.88%
Percentage Completion	99.19%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at Radix Elementary School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 4,745,358.00		\$ (52,057.82)	\$ 4,693,300.18	\$ 4,693,300.18
Total Revenues	4,745,358.00	---	(52,057.82)	4,693,300.18	4,693,300.18
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	406,664.00		28,488.00	435,152.00	414,808.29
Construction Services	4,395,763.93	\$ 4,125.00	46,374.13	4,446,263.06	4,278,491.89
Total Expenditures	4,802,427.93	4,125.00	74,862.13	4,881,415.06	4,693,300.18
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (57,069.93)	\$ (4,125.00)	\$ (126,919.95)	\$ (188,114.88)	---

Additional Project Information:

Project Number	3280-095-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 4,745,358.00
Bonds Issued	4,745,358.00
Original Authorized Cost	4,745,358.00
Additional Authorized Cost	(52,057.82)
Revised Authorized Cost	4,693,300.18
Percentage Increase over Original Authorized Cost	---
Percentage Completion	100.00%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at the White Hall Elementary School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 3,496,373.00		\$ (42,000.01)	\$ 3,454,372.99	\$ 3,454,372.99
Total Revenues	3,496,373.00	---	(42,000.01)	3,454,372.99	3,454,372.99
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	250,846.88		71,344.00	322,190.88	305,949.05
Construction Services	3,104,277.78		(27,593.48)	3,076,684.30	3,148,423.94
Total Expenditures	3,355,124.66	---	43,750.52	3,398,875.18	3,454,372.99
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 141,248.34	---	\$ (85,750.53)	\$ 55,497.81	---

Additional Project Information:

Project Number	3280-100-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 3,496,373.00
Bonds Issued	3,496,373.00
Original Authorized Cost	3,496,373.00
Additional Authorized Cost	(42,000.01)
Revised Authorized Cost	3,454,372.99
Percentage Increase over Original Authorized Cost	---
Percentage Completion	98.39%

PROPRIETARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
 Combining Statement of Net Assets
 As of June 30, 2011

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 464,299.68	\$ 67,516.00	\$ 531,815.68
Intergovernmental Accounts Receivable:			
State	1,794.75		1,794.75
Federal	20,135.23		20,135.23
Other Accounts Receivable	8,309.76		8,309.76
Due from Other Funds	153,910.00	10,168.73	164,078.73
Inventories	38,389.31		38,389.31
Total Current Assets	<u>686,838.73</u>	<u>77,684.73</u>	<u>764,523.46</u>
Plant Property & Equipment: (Net of Accumulated Depreciation)	<u>255,545.00</u>		<u>255,545.00</u>
Total Assets	<u>942,383.73</u>	<u>77,684.73</u>	<u>1,020,068.46</u>
LIABILITIES:			
Current Liabilities:			
Due to Other Funds		9,381.14	9,381.14
Accounts Payable	307,038.51	68,303.54	375,342.05
Deferred Revenue	43,823.34		43,823.34
Total Liabilities	<u>350,861.85</u>	<u>77,684.68</u>	<u>428,546.53</u>
NET ASSETS:			
Invested in Capital Assets	255,545.00		255,545.00
Unrestricted	335,976.88	0.05	335,976.93
Total Net Assets	<u>\$ 591,521.88</u>	<u>\$ 0.05</u>	<u>\$ 591,521.93</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,296,729.87		\$ 1,296,729.87
Services Provided to Other Funds		\$ 237,049.69	237,049.69
Special Functions	16,670.20		16,670.20
Total Operating Revenues	1,313,400.07	237,049.69	1,550,449.76
OPERATING EXPENSES:			
Salaries	958,681.99		958,681.99
Other Purchased Services	139,720.68	237,049.69	376,770.37
Management Fees	144,370.37		144,370.37
Cost of Sales	835,908.91		835,908.91
Depreciation	25,976.00		25,976.00
Total Operating Expenses	2,104,657.95	237,049.69	2,341,707.64
Operating Loss	(791,257.88)	---	(791,257.88)
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	22,228.68		22,228.68
Federal Sources:			
National School Lunch Program	701,843.72		701,843.72
Food Distribution Program	99,034.29		99,034.29
Loss on Disposal of Fixed Assets	(5,002.00)		(5,002.00)
Total Non-operating Revenue	818,104.69	---	818,104.69
Change in Net Assets	26,846.81	---	26,846.81
Net Assets July 1	564,675.07	0.05	564,675.12
Net Assets June 30	\$ 591,521.88	\$ 0.05	\$ 591,521.93

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 1,316,740.98	\$ 248,833.34	\$ 1,565,574.32
Payments to Employees	(958,681.99)		(958,681.99)
Payments to Suppliers	(922,679.89)	(181,317.34)	(1,103,997.23)
Net Cash Used for Operating Activities	<u>(564,620.90)</u>	<u>67,516.00</u>	<u>(497,104.90)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	22,522.15		22,522.15
Federal Sources	815,800.85		815,800.85
Capital Acquisitions	(2,280.00)		(2,280.00)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>836,043.00</u>	<u>---</u>	<u>836,043.00</u>
Net Increase (Decrease) in Cash and Cash Equivalents	271,422.10	67,516.00	338,938.10
Cash and Cash Equivalents -- July 1	<u>192,877.58</u>	<u>---</u>	<u>192,877.58</u>
Cash and Equivalents -- June 30	<u>\$ 464,299.68</u>	<u>\$ 67,516.00</u>	<u>\$ 531,815.68</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (791,257.88)	---	\$ (791,257.88)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:			
Depreciation	25,976.00		25,976.00
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(4,267.95)	\$ 11,783.65	7,515.70
(Increase) Decrease in Inventory	3,478.86		3,478.86
Increase (Decrease) in Deferred Revenue	4,130.00		4,130.00
Increase (Decrease) in Accounts Payable	197,320.07	55,732.35	253,052.42
Net Cash Used for Operating Activities	<u>\$ (564,620.90)</u>	<u>\$ 67,516.00</u>	<u>\$ (497,104.90)</u>

FIDUCIARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 As of June 30, 2011

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Trust</u>	<u>Private- Scholarship</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and Cash Equivalents	\$ 143,259.50	\$91,990.57	\$369,804.61	\$715,120.35	\$ 1,320,175.03
Due from Other Funds				2,498.35	2,498.35
Total Assets	<u>143,259.50</u>	<u>91,990.57</u>	<u>369,804.61</u>	<u>717,618.70</u>	<u>1,322,673.38</u>
LIABILITIES:					
Due to Other Funds	2,498.35		10,168.73	406,149.00	418,816.08
Payable to State	28,926.29				28,926.29
Payroll Deductions and Withholdings				311,469.70	311,469.70
Payable to Student Groups			359,635.88		359,635.88
Total Liabilities	<u>31,424.64</u>	---	<u>\$ 369,804.61</u>	<u>\$ 717,618.70</u>	<u>1,118,847.95</u>
NET ASSETS:					
Reserved for Scholarships		91,990.57			91,990.57
Held in Trust for Unemployment Claims and Other Purposes	<u>111,834.86</u>				<u>111,834.86</u>
Total Net Assets	<u>\$ 111,834.86</u>	<u>\$91,990.57</u>			<u>\$ 203,825.43</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Private Purpose Scholarship</u>	<u>Unemployment Compensation Insurance</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Interest on Investments	\$ 1,093.22	\$ 949.80	\$ 2,043.02
Donations	2,064.55		2,064.55
Deductions from Employees' Salaries		62,086.74	62,086.74
Total Additions	3,157.77	63,036.54	66,194.31
DEDUCTIONS:			
Scholarship Payments	5,550.00		5,550.00
Unemployment Compensation Claims		209,950.04	209,950.04
Total Deductions	5,550.00	209,950.04	215,500.04
Change in Net Assets	(2,392.23)	(146,913.50)	(149,305.73)
Net Assets, July 1	94,382.80	258,748.36	353,131.16
Net Assets, June 30	\$ 91,990.57	\$ 111,834.86	\$ 203,825.43

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

<u>School</u>	<u>Balance June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Radix	\$ 4,271.06	\$ 956.00	\$ 854.58	\$ 4,372.48
Oak Knoll	1,491.00	880.72	1,261.05	1,110.67
Holly Glen	4,027.76	12,999.48	14,439.62	2,587.62
Whitehall	2,759.95	18,476.47	18,469.25	2,767.17
Williamstown Middle School	110,686.94	231,223.70	226,061.47	115,849.17
Williamstown High School	152,322.48	641,254.60	611,168.12	182,408.96
Athletic Account	39,427.04	93,572.33	72,290.83	60,708.54
	<u>\$ 314,986.23</u>	<u>\$ 999,363.30</u>	<u>\$ 944,544.92</u>	<u>\$ 369,804.61</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS:				
Cash and Cash Equivalents	\$ 313,559.14	\$ 40,524,480.25	\$ 40,122,919.04	\$ 715,120.35
Due from Other Funds	2,494.14	62,090.95	62,086.74	2,498.35
Total Assets	<u>\$ 268,689.70</u>	<u>\$ 40,586,571.20</u>	<u>\$ 40,185,005.78</u>	<u>\$ 717,618.70</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 258,236.67	\$ 15,054,725.69	\$ 15,001,492.66	\$ 311,469.70
Due to Other Funds	57,816.61	348,332.39		406,149.00
Net Payroll		25,183,513.12	25,183,513.12	
Total Liabilities	<u>\$ 268,689.70</u>	<u>\$ 40,586,571.20</u>	<u>\$ 40,185,005.78</u>	<u>\$ 717,618.70</u>

LONG-TERM DEBT

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Serial Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
Construction of New High School	11/15/93	\$15,998,000	08/01/11	\$ 725,000.00	5.20%			
			08/01/12	750,000.00	5.20%			
			08/01/13	775,000.00	5.20%			
			08/01/14	825,000.00	5.20%			
			08/01/15	825,000.00	5.20%			
			08/01/16	875,000.00	5.20%			
			08/01/17	875,000.00	5.20%			
			08/01/18	898,000.00	5.20%			
				<u>6,548,000.00</u>		\$ 7,273,000.00	\$ 725,000.00	\$ 6,548,000.00
New Jersey Economic Development Authority Loan - Construction of New High School	08/15/93	15,000,000	07/15/11	789,473.68	1.50%			
			07/15/12	789,473.68	1.50%			
			07/15/13	789,473.68	1.50%			
				<u>2,368,421.04</u>		3,157,894.72	789,473.68	2,368,421.04
Construction of Addition to High School, and Various Improvements to the Four Elementary Schools	06/01/02	17,897,000				865,000.00	865,000.00	---
Construction of Additions to Various Schools	03/01/07	43,639,000	03/01/12	260,000.00	4.125%			
			03/01/13	320,000.00	4.125%			
			03/01/14	390,000.00	4.125%			
			03/01/15	440,000.00	4.125%			
			03/01/16	600,000.00	4.125%			
			03/01/17	710,000.00	4.125%			
			03/01/18	900,000.00	4.125%			
			03/01/19	1,060,000.00	4.125%			
			03/01/20	1,830,000.00	4.125%			
03/01/21	2,020,000.00	4.125%						

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Serial Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>			
Construction of Additions to Various Schools (Cont'd)	03/01/07	\$43,639,000	03/01/22	\$ 2,180,000.00	4.250%						
			03/01/23	2,450,000.00	4.250%						
			03/01/24	2,590,000.00	4.250%						
			03/01/25	2,770,000.00	4.250%						
			03/01/26	2,950,000.00	4.250%						
			03/01/27	3,150,000.00	4.250%						
			03/01/28	3,350,000.00	4.250%						
			03/01/29	3,560,000.00	4.500%						
			03/01/30	3,630,000.00	4.500%						
			03/01/31	3,865,000.00	4.500%						
			03/01/32	4,114,000.00	4.500%						
							43,139,000.00		\$ 43,349,000.00	\$ 210,000.00	\$ 43,139,000.00
			Refunding Bonds, Series 2010	05/12/10	11,995,000	03/01/12	940,000.00	2.00%			
03/01/13	965,000.00	4.00%									
03/01/14	1,005,000.00	2.25%									
03/01/15	1,050,000.00	4.00%									
03/01/16	1,075,000.00	3.00%									
03/01/17	1,100,000.00	4.00%									
03/01/18	1,125,000.00	4.25%									
03/01/19	1,135,000.00	5.00%									
03/01/20	1,145,000.00	4.50%									
03/01/21	1,150,000.00	5.00%									
03/01/22	1,185,000.00	5.00%									
				11,875,000.00		11,995,000.00	120,000.00	11,875,000.00			
						\$ 66,639,894.72	\$ 2,709,473.68	\$ 63,930,421.04			
					Add: Premium		\$ 699,627.06				
					Less: Deferred Loss on Defeasance		(409,831.36)				
								\$ 64,220,216.74			

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2011

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2010</u>	<u>Additions Current Year</u>	<u>Reductions Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
			<u>Principal</u>	<u>Interest</u>					
Hewlett Packard Computer	7/1/2008	4 Years	\$ 1,170,691.90	\$ 129,502.42	7.23%	\$ 583,827.35		\$ 281,393.15	\$ 302,434.20
Compass Learning	7/1/2008	4 Years	150,081.00	17,879.80	5.80%	78,456.00		38,334.80	40,121.20
Apple Computer	7/1/2008	4 Years	682,748.80	55,769.88	5.37%	175,004.53		175,004.53	---
Eplus	7/12/2010	4 Years	1,460,639.13	78,943.56	5.69%	---	\$ 1,460,639.13	369,867.00	1,090,772.13
						<u>\$ 837,287.88</u>	<u>\$ 1,460,639.13</u>	<u>\$ 864,599.48</u>	<u>\$ 1,433,327.53</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 3,721,975.00	\$ 3,721,975.00	
State Sources:			
Debt Service Aid Type II	1,402,259.00	1,402,259.00	
Total Revenues	5,124,234.00	5,124,234.00	---
EXPENDITURES:			
Regular Debt Service:			
Interest	2,732,451.32	2,687,001.14	\$ 45,450.18
Redemption of Principal	2,709,473.68	2,709,473.68	
Total Regular Debt Service	5,441,925.00	5,396,474.82	45,450.18
Total Expenditures	5,441,925.00	5,396,474.82	45,450.18
Excess (Deficiency) of Revenues Over Expenditures	(317,691.00)	(272,240.82)	(45,450.18)
Other Financing Sources:			
Transfer from Capital Fund		24,911.35	24,911.35
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(317,691.00)	(247,329.47)	(20,538.83)
Fund Balance July 1, 2010	178,994.44	178,994.44	
Fund Balance June 30, 2011 -- Unreserved Designated for Subsequent Year	\$ (138,696.56)	\$ (68,335.03)	\$ (20,538.83)
Recapitulation of Fund Balance:			
Unreserved - Designated for Subsequent Year's Expenditure		\$ (68,335.03)	
Unreserved Fund Balance		---	
Total Fund Balance		\$ (68,335.03)	

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1, J-2, J-3 and J-4 are only presented for the last seven fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2004; thus, ten year comparative financial information is unavailable.

Township of Monroe Board of Education
 Net Assets by Component
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 33,736,995	\$ 32,052,982	\$ 22,859,005	\$ 31,997,727	\$ 34,523,971	\$ 32,376,220	\$ 61,645,012	\$ 12,060,383
Restricted	8,502,897	6,400,976	2,113,885	1,593,775	1,992,071	3,476,815	5,978,669	23,152,191
Unrestricted (Deficit)	(9,665,435)	(10,043,591)	1,854,868	(2,717,481)	(3,634,106)	(2,929,321)	(2,383,514)	(972,477)
Total Governmental Activities Net Assets	\$ 32,574,457	\$ 28,410,367	\$ 26,827,758	\$ 30,874,022	\$ 32,881,936	\$ 32,923,714	\$ 65,240,168	\$ 34,240,097
Business-type Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 255,545	\$ 284,243	\$ 138,157	\$ 138,157	\$ 153,632	\$ 149,881	\$ 218,707	\$ 148,480
Unrestricted	335,977	280,432	294,097	335,430	316,467	16,858	15,323	83,035
Total Business-type Activities Net Assets	\$ 591,522	\$ 564,675	\$ 432,254	\$ 473,587	\$ 470,099	\$ 166,739	\$ 234,030	\$ 231,515
District-wide:								
Invested in Capital Assets, Net of Related Debt	\$ 33,992,540	\$ 32,337,225	\$ 22,997,162	\$ 32,135,884	\$ 34,677,603	\$ 32,526,101	\$ 61,863,720	\$ 12,208,863
Restricted	8,502,897	6,400,976	2,113,885	1,593,775	1,992,071	3,476,815	5,978,669	23,152,191
Unrestricted	(9,329,458)	(9,763,159)	2,148,965	(2,382,050)	(3,317,640)	(2,912,463)	(2,368,191)	(889,442)
Total District-wide Net Assets	\$ 33,165,979	\$ 28,975,042	\$ 27,260,012	\$ 31,347,609	\$ 33,352,035	\$ 33,090,453	\$ 65,474,198	\$ 34,471,612

Source: District Records (Exhibit A-1)

Township of Monroe Board of Education
 Changes in Net Assets
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses:								
Governmental Activities:								
Instruction:								
Regular	\$ 22,834,580	\$ 24,185,844	\$ 23,684,838	\$ 23,789,884	\$ 22,662,294	\$ 21,933,942	\$ 18,770,149	\$ 18,135,953
Special Education	6,688,837	6,491,757	7,071,804	6,604,007	6,037,375	6,414,697	5,565,576	3,977,496
Other Special Instruction	126,907	124,038	96,779	127,193	167,165	84,111	27,017	27,347
Vocational	71,921	51,373	35,875	66,190	125,134	93,812	90,587	74,502
Other Instruction	1,707,506	1,475,145	1,979,439	1,520,893	858,607	828,082	707,587	726,154
Support Services:								
Tuition								3,189,117
Student and Instruction Related Services	10,698,606	10,220,473	9,982,333	9,649,091	8,866,873	7,744,772	7,964,382	5,697,390
School Administrative Services	2,983,636	3,080,612	3,405,484	3,155,515	3,311,850	3,101,872	2,992,929	3,156,445
General and Business Administrative Services	2,529,713	2,456,035	2,321,711	2,472,561	2,346,489	2,469,274	2,313,769	1,432,185
Plant Operations and Maintenance	8,025,792	7,977,816	7,694,982	7,133,599	6,389,645	6,039,492	5,140,369	4,985,908
Pupil Transportation	5,436,657	5,526,479	5,417,884	5,439,734	4,800,555	4,385,100	3,924,235	3,677,251
Business and Other Support Services								303,964
Employee Benefits	16,582,494	17,297,252	16,639,661	14,737,600	13,876,066	10,884,205	12,517,729	8,675,540
Amortization of Debt Issue Costs	16,199	2,319	2,319	2,319	4,617	3,825	3,825	3,850
Capital Outlay Expensed		80,936	2,003,522					
Interest Expense	2,613,224	2,769,025	3,564,543	2,329,942	2,103,438	2,515,786	1,455,741	2,108,719
Unallocated Depreciation	2,993,292	1,608,783	2,035,612	1,912,966	1,932,313	440,758	39,174	1,445,479
Total Governmental Activities Expenses	83,309,364	83,347,887	85,936,786	78,941,494	73,482,420	66,939,730	61,513,069	57,617,300
Business-type Activities:								
Food Service	2,104,658	2,119,545	2,079,704	2,311,067	1,983,783	2,174,218	1,945,673	1,676,138
Other	237,050	220,949	220,544	245,665	231,689	141,757	118,784	
Total Business-type Activities Expense	2,341,708	2,340,493	2,300,248	2,556,733	2,215,472	2,315,975	2,064,457	1,676,138
Total District Expenses	\$ 85,651,072	\$ 85,688,381	\$ 88,237,034	\$ 81,498,227	\$ 75,697,893	\$ 69,255,705	\$ 63,577,526	\$ 59,293,438

(Continued)

Township of Monroe Board of Education
 Changes in Net Assets
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues:								
Governmental Activities:								
Charges for Services:								
Instruction: Tuition	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298	\$ 63,413	\$ 150,976	\$ 49,931	\$ 70,486
Operating Grants and Contributions	8,709,964	8,611,555	9,579,948	10,850,064	10,029,252	7,999,289	7,617,924	3,831,250
Capital Grants and Contributions	45,323			9,022	171,683	29,463	25,324	
Total Governmental Activities Program Revenues	<u>9,279,588</u>	<u>8,981,901</u>	<u>9,855,321</u>	<u>10,980,385</u>	<u>10,264,348</u>	<u>8,179,728</u>	<u>7,693,179</u>	<u>3,901,736</u>
Business-type activities:								
Charges for services								
Food Service	1,313,400	1,318,729	1,332,495	1,371,604	1,382,495	1,342,584	1,193,776	1,172,813
Other	237,050	220,949	287,497	291,660	231,673	141,757	118,554	
Operating Grants and Contributions	823,107	934,939	798,064	745,051	642,443	636,170	514,772	490,373
Total Business-type Activities Program Revenues	<u>2,373,557</u>	<u>2,474,617</u>	<u>2,418,057</u>	<u>2,408,315</u>	<u>2,256,611</u>	<u>2,120,512</u>	<u>1,827,103</u>	<u>1,663,186</u>
Total District Program Revenues	<u>\$ 11,653,145</u>	<u>\$ 11,456,518</u>	<u>\$ 12,273,378</u>	<u>\$ 13,388,700</u>	<u>\$ 12,520,959</u>	<u>\$ 10,300,239</u>	<u>\$ 9,520,281</u>	<u>\$ 5,564,922</u>
Net (Expense)/Revenue:								
Governmental Activities	\$ (74,029,776)	\$ (74,365,986)	\$ (76,081,465)	\$ (67,961,109)	\$ (63,218,072)	\$ (58,760,002)	\$ (53,819,890)	\$ (53,715,564)
Business-type Activities	31,849	134,123	117,809	(148,417)	41,138	(195,464)	(237,354)	(12,952)
Total District-wide Net Expense	<u>\$ (73,997,927)</u>	<u>\$ (74,231,863)</u>	<u>\$ (75,963,656)</u>	<u>\$ (68,109,527)</u>	<u>\$ (63,176,933)</u>	<u>\$ (58,955,466)</u>	<u>\$ (54,057,245)</u>	<u>\$ (53,728,516)</u>

(Continued)

Township of Monroe Board of Education
 Changes in Net Assets
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596	\$ 36,770,924	\$ 33,865,573	\$ 29,367,845	\$ 27,084,055
Unrestricted Grants and Contributions	32,775,752	34,295,635	31,429,531	26,487,778	25,714,865	25,324,919	25,216,600	28,253,318
Investment Earnings	48,913	105,442	788,385	1,820,498	688,473	185,560	120,385	184,126
Miscellaneous Income	100,401	219,243	941,689	131,050	356,631	342,740	299,730	260,530
Miscellaneous Expenses	(16,903)							
Loss on Disposal of Capital Assets	(65,988)	(98,497)		(368,199)	(51,558)	(528,334)		
Cancellation of Accounts Receivable/Duplicate Payables	(16,140)	(716,558)	(1,669)	(687,632)				
Transfers		(57,502)	113,342	(194,896)	(303,041)	(181,620)	(185,790)	(11,103)
Total Governmental Activities	78,193,866	75,948,595	72,035,201	65,953,195	63,176,294	59,008,838	54,818,769	55,770,926
Business-type Activities:								
Investment Earnings			1,381	4,264	902			
Cancellation of Accounts Receivable/Duplicate Payables		(1,266)						
Loss on Disposal of Capital Assets	(5,002)							
Transfers		(436)	(160,524)	147,643	261,319	181,620	147,013	11,103
Total Business-type Activities	(5,002)	(1,702)	(159,142)	151,906	262,221	181,620	147,013	11,103
Total District-wide	\$ 78,188,864	\$ 75,946,893	\$ 71,876,058	\$ 66,105,101	\$ 63,438,515	\$ 59,190,458	\$ 54,965,782	\$ 55,782,029
Change in Net Assets:								
Governmental Activities	\$ 4,164,090	\$ 1,582,610	\$ (4,046,264)	\$ (2,007,914)	\$ (41,778)	\$ 248,836	\$ 998,879	\$ 2,055,362
Business-type Activities	26,847	132,421	(41,333)	3,489	303,360	(13,843)	(90,341)	(1,849)
Total District	\$ 4,190,937	\$ 1,715,031	\$ (4,087,598)	\$ (2,004,425)	\$ 261,582	\$ 234,992	\$ 908,538	\$ 2,053,513

Source: District Records (Exhibit A-2)

Township of Monroe Board of Education
Fund Balances, Governmental Funds
Last Eight Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:								
Restricted:								
Capital Reserve Account	\$ 594,046	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375
Excess Surplus	5,801,016	3,410,057	1,477,459	1,234,289	2,160,027	2,100,866	1,163,644	1,576,093
Assigned:								
Other Purposes	971,837							
Subsequent Year's Expenditure	541,553							
Unassigned (Deficit)	(1,404,538)	(1,021,361)	(1,704,253)	330,777	1,475,942	1,438,551	2,233,481	422,098
Reserved								
Other		1,173,670	616,051	117,773	214,206		111,325	
Total General Fund	\$ 6,503,914	\$ 3,582,741	\$ 409,632	\$ 1,703,214	\$ 3,870,550	\$ 3,559,793	\$ 3,528,825	\$ 2,018,566
All Other Governmental Funds:								
Restricted:								
Capital Projects Fund	\$ 939,417	1,796,874	11,141,484	32,846,842	43,610,522	\$ 1,373,399	4,794,650	21,347,568
Special Revenue Fund	196,581	212,067	218,308	67,109	82,101			
Debt Service Fund		178,994	224,082	1,643,352	4	3	1	1
Permanent Fund								117,528
Unassigned (Deficit) - Debt Service Fund	(68,335)							
Unassigned (Deficit) - Special Revenue Fund							\$ (26,101)	\$ (26,101)
Total All Other Governmental Funds	\$ 1,067,663	\$ 2,187,936	\$ 11,583,875	\$ 34,557,303	\$ 43,692,627	\$ 1,373,401	\$ 4,768,551	\$ 21,438,996

Source: District Records (Exhibit B-1)

Township of Monroe Board of Education
 Changes in Fund Balances, Governmental Funds
 Last Eight Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues:								
Tax Levy	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596	\$ 36,770,924	\$ 33,865,573	\$ 29,367,845	\$ 27,084,055
Miscellaneous	828,284	764,222	2,009,545	2,077,294	45,009,896	727,147	587,726	515,142
State Sources	38,235,221	34,767,652	38,671,344	34,883,050	33,297,671	30,698,389	30,015,639	29,283,548
Federal Sources	3,141,149	8,070,348	2,334,037	2,459,367	2,470,718	2,607,411	2,689,273	2,801,020
Total Revenue	87,572,485	85,803,054	81,778,849	78,184,306	117,549,209	67,898,520	62,660,483	59,683,765
Expenditures:								
Instruction								
Regular Instruction	23,417,601	24,444,586	24,376,422	23,308,504	22,374,821	20,095,175	18,570,932	18,135,953
Special Education Instruction	7,151,922	6,549,798	7,221,994	6,646,826	5,987,028	6,414,697	5,565,576	3,977,496
Other Special Instruction	155,393	153,058	146,843	141,466	116,817	84,111	27,017	27,347
Vocational	90,699	80,394	85,938	80,463	74,787	93,812	90,587	74,502
Other Instruction	1,772,693	1,465,040	1,966,319	1,496,371	780,842	799,065	707,587	726,154
Support Services:								
Student and Instruction Related Services	10,867,189	10,211,163	9,971,001	9,646,530	8,751,832	8,288,185	8,251,633	8,886,507
School Administrative Services	3,025,027	3,073,330	3,399,253	3,159,859	3,181,625	3,081,492	2,980,973	3,156,445
Other Administrative Services	2,476,014	2,391,131	2,288,386	2,428,299	2,202,270	2,404,803	2,314,206	1,432,185
Plant Operations and Maintenance	8,134,807	7,947,870	7,668,271	7,138,672	6,316,738	6,009,282	5,115,956	4,985,908
Pupil Transportation	5,527,274	5,526,479	5,417,884	5,466,917	4,800,105	4,384,650	3,923,679	3,981,215
Unallocated Benefits	16,527,494	15,422,348	14,150,971	14,737,600	13,871,716	11,175,259	9,706,342	8,608,929
Capital Outlay	2,623,647	8,574,363	24,157,460	10,931,586	2,725,642	4,816,181	17,025,398	11,732,376
Debt Service:								
Principal	2,709,474	2,469,474	2,399,474	2,194,474	2,129,474	2,059,474	2,034,474	2,009,474
Interest and Other Charges	2,687,001	2,942,792	4,910,839	1,226,871	1,302,488	1,374,893	1,445,586	2,108,719
Total Expenditures	87,166,235	91,251,824	108,161,054	88,604,438	74,616,186	71,081,081	77,759,944	69,843,210

(Continued)

Township of Monroe Board of Education
 Changes in Fund Balances, Governmental Funds
 Last Eight Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures(Cont'd):								
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 406,250	\$ (5,448,770)	\$ (26,382,205)	\$ (10,420,132)	\$ 42,933,024	\$ (3,182,561)	\$ (15,099,461)	\$ (10,159,445)
Other Financing Sources (Uses):								
Premiums on Bond Anticipation Notes							37,255	
Accounts Receivable/Payable Canceled	(65,988)	(716,558)	(1,669)	(687,632)				
Capital Leases	1,460,639		2,003,522					576,273
Transfers In			160,524				20,516	123,704
Transfers Out		(57,502)	(47,182)	(194,896)	(303,041)	(181,620)	(206,307)	(134,807)
Total Other Financing Sources (Uses)	1,394,651	(774,060)	2,115,194	(882,528)	(303,041)	(181,620)	(148,536)	565,170
Net Change in Fund Balances	<u>\$ 1,800,901</u>	<u>\$ (6,222,830)</u>	<u>\$ (24,267,010)</u>	<u>\$ (11,302,659)</u>	<u>\$ 42,629,982</u>	<u>\$ (3,364,182)</u>	<u>\$ (15,247,997)</u>	<u>\$ (9,594,275)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.4%	6.5%	8.7%	4.4%	4.8%	5.2%	5.7%	7.1%

Source: District Records (Exhibit B-2)

Revenue Capacity

Revenue Capacity is intended to assist users in understanding the revenue environment within which the School District operates. Please refer to the following exhibits for a historical view revenue statistics and factors prevalent in the location in which the School District operates.

Township of Monroe Board of Education
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Tuition	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298	\$ 63,413	\$ 150,976	\$ 49,931	\$ 75,372	\$ 38,027	\$ 142,547
South Jersey Tax Rebate							151,800			
Interest on Investments	48,913	46,481	77,654	177,151	803,441	185,560	99,868	60,422	64,422	163,690
Refund of Prior Year Expenditures	10,523	21,121	15,681	40,257	12,439	1,454	150,652	45,333	2,322	24,372
Athletic Gate Receipts	4,950			3,223	235	16,373	15,656	12,481	10,462	8,637
Building Rental							46,211			1,234
Lost Book Fees	5,342	4,879	6,151	5,918	6,449	6,005	6,463	6,863	5,792	5,982
Liquidation of Prior Year Orders								27,189		12,492
Insurance and Claims			358,019					85,380		
Miscellaneous	54,663	193,243	113,257	81,652	337,508	167,932	43,493	138		1,300
	<u>\$ 648,692</u>	<u>\$ 636,071</u>	<u>\$ 846,136</u>	<u>\$ 429,499</u>	<u>\$ 1,223,485</u>	<u>\$ 528,300</u>	<u>\$ 564,073</u>	<u>\$ 313,178</u>	<u>\$ 121,025</u>	<u>\$ 360,254</u>

Source: District Records

Township of Monroe Board of Education
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
Unaudited

Year Ended <u>Dec. 31</u>	Total Assessed <u>Value</u>	Public Utilities (1)	Net Valuation <u>Taxable</u>	Tax-Exempt <u>Property</u>	Estimated (County Equalized) <u>Value</u>	Total Direct School Tax <u>Rate (2)</u>
2011	\$ 2,871,410,400	\$ 10,446,211	\$ 2,881,856,611	\$ 203,351,100	\$ 2,885,341,969	1.59
2010	2,888,020,100	9,728,263	2,898,748,363	203,898,700	3,033,060,120	1.51
2009	2,874,088,300	9,293,958	2,881,250,038	200,961,400	3,105,787,267	1.41
2008	2,842,526,900	9,878,892	2,852,405,792	199,862,900	2,892,526,900	1.36
2007	1,430,956,860	5,158,349	1,436,115,209	122,471,150	2,646,265,600	2.63
2006	1,369,209,660	5,813,908	1,375,023,568	120,450,750	2,196,426,660	2.57
2005	1,308,058,020	7,027,276	1,315,085,296	117,809,250	1,835,470,068	2.36
2004	1,260,705,060	7,879,158	1,268,584,218	106,676,750	1,618,341,751	2.23
2003	1,204,931,492	8,398,657	1,213,330,149	106,113,460	1,430,463,566	1.76
2002	1,158,655,460	8,795,361	1,167,450,821	105,281,250	1,298,598,158	1.76

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

(2) Tax rates are per \$100

Source: Gloucester County Board of Taxation

Township of Monroe Board of Education
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	District Direct Rate			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	<u>Special Districts</u>	Township of <u>Monroe</u>	Gloucester <u>County</u>	
2011	\$ 1.455	\$ 0.134	\$ 1.589	N/A	\$ 0.704	\$ 0.537	\$ 2.830
2010	1.386	0.125	1.511	N/A	0.691	0.576	2.778
2009	1.309	0.096	1.405	N/A	0.678	0.592	2.675
2008	1.271	0.088	1.359	N/A	0.628	0.562	2.549
2007	2.460	0.170	2.630	N/A	1.123	1.015	4.768
2006	2.445	0.124	2.569	N/A	1.098	0.943	4.610
2005	2.253	0.105	2.358	N/A	1.065	0.895	4.318
2004	2.094	0.131	2.225	N/A	0.907	0.795	3.927
2003	1.694	0.065	1.759	N/A	0.795	0.693	3.247
2002	1.759	N/A	1.759	N/A	0.795	0.673	3.227

Source: Municipal Tax Collector

Township of Monroe Board of Education
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Valuation Taxable	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Sam's Club	\$ 13,270,200		0.46%			
Verizon	11,714,311		0.41%			
Nationwide Mobile Home Sales & Park	11,411,400		0.40%			
Meadowview (Nursing Home)	10,450,000		0.36%			
Jefferson Village (Apartments)	10,250,000		0.36%			
Williamstown Friendly Village	9,768,000		0.34%			
Shoprite	9,001,900		0.31%			
Laurelton Village	8,339,100		0.29%			
AMC Self Storage	6,413,800		0.22%			
Cordia Commons	6,327,000		0.22%			
Total	<u>\$ 96,945,711</u>		<u>3.36%</u>	<u>\$ -</u>		

Source: District CAFR & County Tax Assessor

Township of Monroe Board of Education
 Property Tax Levies and Collections
 Last Ten Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2011	\$ 45,367,831	\$ 45,367,831	100.00%
2010	42,200,832	42,200,832	100.00%
2009	38,763,293	38,763,293	100.00%
2008	38,764,596	38,764,596	100.00%
2007	36,770,919	36,770,919	100.00%
2006	31,426,526	31,426,526	100.00%
2005	31,002,406	31,002,406	100.00%
2004	28,225,950	28,225,950	100.00%
2003	24,733,471	24,733,471	100.00%
2002	20,530,061	20,530,061	100.00%

(1) 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.

Debt Capacity

Debt Capacity information is intended present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. Please refer to the following exhibits for a historical view of the debt capacity statistics and factors prevalent in the location in which the School District operates.

Township of Monroe Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income (2)	Per Capita Personal Income (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2011	\$ 63,930,421	-	\$ 1,433,328	-	-	\$ 65,363,749	Unavailable	Unavailable
2010	66,639,895	-	837,288	-	-	67,477,183	Unavailable	Unavailable
2009	69,241,368	-	1,301,613	-	-	70,542,981	5.35%	2,120
2008	71,640,842	-	299,361	-	-	71,940,203	5.52%	2,176
2007	73,835,316	-	584,821	-	-	74,420,137	6.03%	2,275
2006	32,970,787	-	1,183,805	-	-	34,154,592	2.94%	1,069
2005	35,005,261	-	602,091	-	-	35,607,352	3.30%	1,136
2004	37,039,735	-	970,797	-	-	38,010,532	3.74%	1,229
2003	38,429,209	-	810,286	-	-	39,239,495	4.13%	1,293
2002	39,793,683	-	378,019	-	-	40,171,702	4.43%	1,362

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

Township of Monroe Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 63,930,421	\$ -	\$ 63,930,421	2.22%	Unavailable
2010	66,639,895	-	66,639,895	2.30%	Unavailable
2009	69,241,368	-	69,241,368	2.40%	2,081
2008	71,640,842	-	71,640,842	2.51%	2,167
2007	73,835,316	-	73,835,316	5.14%	2,257
2006	32,970,787	-	32,970,787	2.40%	1,032
2005	35,005,261	-	35,005,261	2.66%	1,116
2004	37,039,735	-	37,039,735	2.92%	1,197
2003	38,429,209	-	38,429,209	3.17%	1,266
2002	39,793,683	-	39,793,683	3.41%	1,349

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor

Township of Monroe Board of Education
 Legal Debt Margin Information
 Last Eight Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis (1)

2010	\$ 2,886,710,731
2009	3,000,058,581
2008	<u>3,059,770,614</u>

\$ 8,946,539,926

Average equalized valuation of taxable property

\$ 2,982,179,975

Debt limit (4% of average equalization value) (2)

119,287,199

Total Net Debt Applicable to Limit

45,908,304

Legal Debt Margin

\$ 73,378,895

	Fiscal Year Ended June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 119,287,199	\$ 118,751,621	\$ 112,390,289	\$ 99,445,110	\$ 86,423,140	\$ 71,766,979	\$ 62,092,343	\$ 55,333,233
Total net debt applicable to limit (3)	<u>63,930,421</u>	<u>66,639,895</u>	<u>69,241,368</u>	<u>71,640,842</u>	<u>73,835,316</u>	<u>30,886,313</u>	<u>32,970,787</u>	<u>35,005,261</u>
Legal debt margin	<u>\$ 55,356,778</u>	<u>\$ 52,111,726</u>	<u>\$ 43,148,920</u>	<u>\$ 27,804,268</u>	<u>\$ 12,587,824</u>	<u>\$ 40,880,666</u>	<u>\$ 29,121,556</u>	<u>\$ 20,327,972</u>
Total net debt applicable to the limit as a percentage of debt limit	53.59%	56.12%	61.61%	72.04%	85.43%	43.04%	53.10%	63.26%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

Township of Monroe Board of Education
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	Unavailable	Unavailable	Unavailable	Unavailable
2010	Unavailable	Unavailable	Unavailable	11.40%
2009	33,276	1,317,430,116	39,591	10.80%
2008	33,057	1,302,578,028	39,404	5.50%
2007	32,707	1,234,820,078	37,754	5.40%
2006	31,956	1,163,230,356	36,401	5.40%
2005	31,356	1,077,799,788	34,373	5.40%
2004	30,940	1,017,554,720	32,888	4.20%
2003	30,347	950,376,999	31,317	4.70%
2002	29,496	906,294,096	30,726	4.50%

Source:

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

MONROE TOWNSHIP BOARD OF EDUCATION
Principal Employers (Gloucester County)
Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2011 (1)</u>			<u>2002 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Underwood Memorial Hospital	1,825	1	1.17%			
Washington Township School District	1,648	2	1.06%			
County of Gloucester	1,500	3	0.96%			
Rowan University	1,300	4	0.83%			
Kennedy Memorial Hospital	1,200	5	0.77%			
Missa Bay, LLC	950	6	0.61%		N/A	
Monroe Township School District	741	7	0.48%			
U.S. Foodservices	725	8	0.46%			
DGI Services	600	9	0.38%			
Delaware Valley Wholesale Florist	500	10	0.32%			
			7.05%			

(1) County Wide Information

(2) Unavailable

Source: County of Gloucester

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

Township of Monroe Board of Education
 Full-time Equivalent District Employees by Function/Program
 Last Seven Fiscal Years
Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>						
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction							
Regular	344.9	325.7	338.0	331.0	314.6	322.0	295.0
Special education	96.4	94.0	93.0	92.0	88.0	81.0	71.0
Other special education	85.8	35.0	35.0	8.0	6.5	6.0	6.0
Vocational	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other instruction	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Nonpublic school programs				5.0	5.0		
Adult/continuing education programs							
Support Services:							
Solicitor	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Student & instruction related services	91.1	50.8	63.5	42.0	39.0	43.0	35.0
General administrative services	6.8	8.0	9.0	8.0	13.0	50.0	46.0
School administrative services	65.7	191.0	203.5	218.0	203.0	142.0	119.0
Business administrative services	9.0	10.0	10.0	9.0	7.0	26.0	29.0
Plant operations and maintenance	12.2	2.0	2.0	2.0	2.0	2.0	2.0
Pupil transportation	4.6	4.0	4.0	5.0	5.0	2.0	2.0
Admin Info Tech	8.0	15.0	12.0	11.0	10.0	9.0	9.0
Total	<u>729.4</u>	<u>740.5</u>	<u>775.0</u>	<u>737.0</u>	<u>699.1</u>	<u>689.0</u>	<u>620.0</u>

Source: District Records

Township of Monroe Board of Education
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2011	6,059	\$87,166,235	\$14,386	-4.07%	443	1:15	1:13	1:12	6,056.8	5,758.9	1.38%	95.08%
2010	6,085	91,251,824	14,996	-18.43%	490	1:9	1:13	1:10	5,974.1	5,697.5	1.55%	95.37%
2009	5,883	108,161,054	18,385	25.85%	443	1:15	1:13	1:12	5,883.1	5,601.0	-3.00%	95.21%
2008	6,065	88,604,438	14,609	17.61%	468	1:15	1:13	1:12	6,065.0	5,601.4	0.30%	92.36%
2007	6,007	74,616,186	12,422	2.19%	452	1:15	1:13	1:12	6,047.0	5,441.0	4.73%	89.98%
2006	5,848	71,081,081	12,155	-16.31%	445	1:13	1:13	1:12	5,774.0	5,593.0	6.10%	96.87%
2005	5,354	77,759,944	14,524	11.34%	445	1:13	1:13	1:12	5,442.0	5,271.0	2.22%	96.86%
2004	5,354	69,843,210	13,045	10.10%	445	1:13	1:13	1:12	5,324.0	5,011.5	3.85%	94.13%
2003	4,906	58,126,240	11,848	N/A	416	1:14	1:16	1:12	5,126.5	4,822.6	4.58%	94.07%
2002	4,906	N/A	N/A	N/A	416	1:14	1:16	1:12	4,902.2	4,617.1	0.46%	94.18%

Sources: District Records

Township of Monroe Board of Education
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Elementary</u>										
Oak Knoll 1917 (1954, 1970)										
Square Feet	51,775	51,775								
Capacity (students)	363	363								
Enrollment	518	505	522	503	530	520	576	583	459	337
Whitehall 1967 (1970)										
Square Feet	44,823	44,823								
Capacity (students)	321	321								
Enrollment ^a	391	394	409	376	413	381	435	418	402	415
Holly Glen 1967 (1978,1991)										
Square Feet	60,500	60,500								
Capacity (students)	488	488								
Enrollment	680	697	673	692	645	576	660	631	681	703
Radix 1981										
Square Feet	75,500	75,500								
Capacity (students)	560	560								
Enrollment	760	676	760	753	714	708	818	837	874	873
<u>Williamstown Middle School (1958)</u>										
Square Feet	277,820	277,820								
Capacity (students)	1,598	1,598								
Enrollment	1,914	1,879	1,877	1,834	1,857	1,857	1,373	1,339	1,303	1,213
<u>Williamstown High School (1997)</u>										
Square Feet	305,000	305,000								
Capacity (students)	1,443	1,443								
Enrollment	1,796	1,772	1,756	1,879	1,811	1,732	1,580	1,546	1,417	1,366
<u>Other</u>										
Maple Grove Administration Building										
Square Feet	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281
Number of Schools at June 30, 2011										
Elementary = 4										
Middle School = 1										
High School = 1										
Other = 1										

Source: District Records

Township of Monroe Board of Education
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES (11-000-261-XXX)

<u>School Facilities</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Williamstown HS	\$ 104,485	\$ 80,852	\$ 129,430	\$219,207	\$228,048	\$104,343	\$ 114,751	\$ 127,611	\$ 108,849	\$ 81,627
Holly Glen Elementary	243,064	43,433	43,547	59,249	34,913	23,910	22,763	25,313	21,537	16,192
Oak Knoll Elementary	61,296	36,629	22,693	37,133	23,513	16,728	19,480	21,663	18,336	13,857
Radix Elementary	17,323	29,605	13,582	36,147	57,091	29,644	28,409	31,589	27,057	20,206
Whitehall Elementary	20,763	23,463	17,019	44,459	21,083	10,121	16,866	18,754	16,007	11,996
Williamstown MS	7,701	101,529	128,429	213,888	121,400	77,411	104,553	116,239	99,245	74,353
Total School Facilities	454,632	315,510	354,701	\$ 610,082	\$ 486,049	\$ 262,157	\$ 306,822	\$ 341,169	\$ 291,031	\$ 218,231

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

Source: District Records

Township of Monroe Board of Education
 Insurance Schedule
 June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductable</u>
General & Auto Insurance - School Alliance Insurance Fund (SAIF)	\$5,000,000	\$1,000
Property and Auto Physical Damage - SAIF	250,000,000	1,000
Boiler and Machinery - SAIF	100,000,000	1,000
Comprehensive Crime Coverage - School Alliance Insurance Fund		
Money and Securities	50,000.00	1,000
Blanket Dishonesty Bond		
Including Faithful Performance	100,000 / 500,000	1,000
Computer Fraud	50,000	1,000
Forgery and Alteration	50,000	1,000
Environmental Impairment Liability - SCIA	1,000,000 / 25,000,000	1,000
Excess Liability - SCIA	5,000,000	1,000
Professional Liability - SCIA	5,000,000 / 5,000,000	1,000
Workers Compensation - NJSBA Insurance	40,000,953	
Employer's Liability	2,000,000	
Board Designee	100,000	
Business Administrator/ Board Secretary	100,000	

Source: District Records

SINGLE AUDIT SECTION

**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
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

Compliance

We have audited the Township of Monroe School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2011. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Township of Monroe School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. The results of our auditing procedures disclosed no instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB.

Internal Control Over Compliance

Management of the Township of Monroe School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, 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 School District's internal control over compliance.

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

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

This report is intended solely for the information and use of the management of the School District, the Division of Finance of the New Jersey 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
October 7, 2011

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2011

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Program or</u> <u>Award</u> <u>Amount</u>	<u>Local</u> <u>Match</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
General Fund:						
Federal Emergency Management Agency						
Passed - Through New Jersey State Police,						
Office of Emergency Managemnt, Public Assistance Office:						
Public Assistance Grant	97.036	FEMA-1889-DR-NJ	\$ 117,869.50	\$ 29,467.37	2-5-10	2-6-10
Public Assistance Grant	97.036	FEMA-1873-DR-NJ	122,629.01	30,657.25	12-19-09	12-20-09
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Special Education--Medicaid Initiative	93.778	N/A	176,543.81	N/A	7-1-09	6-30-10
Special Education--Medicaid Initiative	93.778	N/A	120,997.63	N/A	7-1-10	6-30-11
Total General Fund						
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010	NCLB540011	641,564.00	N/A	9-1-10	8-31-11
ARRA Title I	84.389	ARRA540011	379,777.00	N/A	9-1-09	8-31-11
Title II - Part A	84.367	NCLB540011	270,784.00	N/A	9-1-10	8-31-11
Title II - Part D	84.318	NCLB540011	3,347.00	N/A	9-1-10	8-31-11
Title III	84.365	NCLB540011	14,785.00	N/A	9-1-10	8-31-11
Title IV	84.186	NCLB540011	15,646.00	N/A	9-1-09	8-31-10
I.D.E.A. Part B:						
Basic	84.027	IDEA540011	1,338,585.00	N/A	9-1-10	8-31-11
ARRA Basic	84.391	ARRA552011	1,473,993.00	N/A	9-1-09	8-31-11
Pre-School	84.173	IDEA540011	56,938.00	N/A	9-1-10	8-31-11
ARRA Pre School	84.392	ARRA552011	53,175.00	N/A	9-1-09	8-31-11
Carl D. Perkins - Secondary	84.048	PERK328-011	30,934.00	N/A	7-1-10	6-30-11
Total Special Revenue Fund						
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Food Distribution Program	10.550	N/A	164,554.12	N/A	7-1-09	6-30-10
Food Distribution Program	10.550	N/A	96,173.25	N/A	7-1-10	6-30-11
School Breakfast Program	10.553	N/A	75,301.00	N/A	7-1-09	6-30-10
School Breakfast Program	10.553	N/A	85,496.42	N/A	7-1-10	6-30-11
National School Lunch Program	10.555	N/A	578,138.79	N/A	7-1-09	6-30-10
National School Lunch Program	10.555	N/A	609,773.56	N/A	7-1-10	6-30-11
Special Milk Program	10.556	N/A	5,850.48	N/A	7-1-09	6-30-10
Special Milk Program	10.556	N/A	6,573.74	N/A	7-1-10	6-30-11
Total Enterprise Fund:						
Total Federal Financial Assistance						

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

Balance June 30, 2010				Balance at June 30, 2011				
Deferred Revenue (Accounts Receivable)	Due to Grantor	Local Match Provided	Cash Received	Adjustments	Budgetary Expenditures	Accounts Receivable	Deferred Revenue	Due to Grantor
		\$ 29,467.37	\$ 88,402.13		\$ 117,869.50			
		30,657.25	91,971.76		122,629.01			
\$ (26,785.27)			26,785.27					
			120,997.63		120,997.63			
(26,785.27)	---	60,124.62	328,156.79	---	361,496.14	---	---	---
(147,071.27)			448,978.00		519,760.20	\$ (217,853.47)		
(139,619.36)			189,350.00		144,411.96	(94,681.32)		
(93,780.60)			231,580.00		207,450.15	(69,650.75)		
(2,146.50)			2,942.00		1,346.00	(550.50)		
(5,236.48)			5,566.00	\$ 0.52	9,556.60	(9,227.60)		
(12,482.00)			12,482.00					
(478,484.31)			1,312,150.00		1,358,338.75	(524,673.06)		
(296,862.79)			570,414.00		348,568.68	(75,017.47)		
(8,031.42)			7,847.00		33,815.58	(34,000.00)		
(26,520.00)			26,520.00		1,072.51	(1,072.51)		
(10,517.12)			28,906.00	(0.88)	30,828.00	(12,438.24)		
(1,220,751.85)	---	---	2,836,735.00	(0.36)	2,655,148.43	(1,039,164.92)	---	---
32,112.58					32,112.58			
(4,981.88)			96,173.25		66,921.71		\$ 29,251.54	
			4,981.88					
(32,626.17)			68,376.36		85,496.42	(17,120.06)		
			32,626.17					
(311.06)			607,074.50		609,773.56	(2,699.06)		
			311.06					
			6,257.63		6,573.74	(316.11)		
(5,806.53)	---	---	815,800.85	---	800,878.01	(20,135.23)	29,251.54	---
\$ (1,253,343.65)	---	\$ 60,124.62	\$ 3,980,692.64	\$ (0.36)	\$ 3,817,522.58	\$ (1,059,300.15)	\$ 29,251.54	---

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2011

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Program or Award Amount</u>	<u>Matching</u>	<u>Grant Period</u>		<u>Balance at June 30, 2010</u>	
				<u>From</u>	<u>To</u>	<u>Deferred Revenue/ (Accounts Receivable)</u>	<u>Due to Grantor</u>
General Fund:							
State Department of Education:							
Equalization Aid	10-495-034-5120-078	\$ 21,837,083.00	N/A	7-1-09	6-30-10	\$ (2,564,000.77)	
Equalization Aid	11-495-034-5120-078	27,874,758.00	N/A	7-1-10	6-30-11		
Special Education Categorical Aid	10-495-034-5120-089	3,125,293.00	N/A	7-1-09	6-30-10	(366,956.23)	
Special Education Categorical Aid	11-495-034-5120-089	3,090,797.00	N/A	7-1-10	6-30-11		
Security Aid	10-495-034-5120-084	806,045.00	N/A	7-1-09	6-30-10	(94,641.76)	
Extraordinary Aid	10-100-034-5120-473	407,423.00	N/A	7-1-09	6-30-10	(407,423.00)	
Extraordinary Aid	11-100-034-5120-473	333,914.00	N/A	7-1-10	6-30-11		
Transportation Aid	10-495-034-5120-014	1,998,844.00	N/A	7-1-09	6-30-10	(234,694.24)	
Additional Nonpublic School Transporta	10-495-034-5120-014	34,533.00	N/A	7-1-09	6-30-10	(34,533.00)	
Additional Nonpublic School Transporta	11-495-034-5120-014	42,544.25	N/A	7-1-10	6-30-11		
T.P.A.F. Social Security Aid	10-495-034-5095-002	2,378,070.30	N/A	7-1-09	6-30-10	(266,282.34)	
T.P.A.F. Social Security Aid	11-495-034-5095-002	2,380,851.64	N/A	7-1-10	6-30-11		
Total General Fund						(3,968,531.34)	---
Special Revenue Fund:							
State Department of Education:							
Nonpublic Aid:							
Nursing Services	10-100-034-5120-070	102,290.20	N/A	7-1-09	6-30-10		3,628.60
Nursing Services	11-100-034-5120-070	42,363.00	N/A	7-1-10	6-30-11		
Textbook Aid (Ch. 194, L. 1977)	10-100-034-5120-064	43,226.00	N/A	7-1-09	6-30-10		11,498.39
Textbook Aid (Ch. 194, L. 1977)	11-100-034-5120-064	35,752.00	N/A	7-1-10	6-30-11		
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	10-100-034-512a-067	235,989.60	N/A	7-1-09	6-30-10		42,226.00
Compensatory Education	11-100-034-512a-067	203,457.00	N/A	7-1-10	6-30-11		
English as a Second Language	11-100-034-512b-067	4,185.00	N/A	7-1-10	6-30-11		
Transportation	11-100-034-5120-068	68,061.00	N/A	7-1-10	6-30-11		
Home Instruction	11-100-034-5120-066	1,152.48	N/A	7-1-10	6-30-11		
Handicapped Services (Ch. 193, L. 1977)							
Corrective Speech	10-100-034-512a-066	82,408.00	N/A	7-1-09	6-30-10		2,600.81
Corrective Speech	11-100-034-512a-066	76,665.60	N/A	7-1-10	6-30-11		
Examination and Classification	10-100-034-512b-066	56,494.00	N/A	7-1-09	6-30-10		6,393.66
Examination and Classification	11-100-034-512b-066	55,028.00	N/A	7-1-10	6-30-11		
Supplementary Instruction	10-100-034-512c-066	35,839.00	N/A	7-1-09	6-30-10		4,778.23
Supplementary Instruction	11-100-034-512c-066	32,656.40	N/A	7-1-10	6-30-11		
Youth Transition to Work	N/A	1,782.50	N/A	7-1-10	6-30-11		
Total Special Revenue Fund						---	71,125.69
Debt Service Fund:							
State Department of Education:							
Debt Service Aid	11-495-034-5120-017	1,402,259.00	N/A	7-1-10	6-30-11	---	---
Enterprise Fund:							
State School Breakfast Program	10-100-010-3350-021	5,776.20	N/A	7-1-09	6-30-10	(380.90)	
State School Lunch Aid	10-100-010-3350-023	30,673.02	N/A	7-1-09	6-30-10	(1,707.32)	
State School Lunch Aid	11-100-010-3350-023	22,228.68	N/A	7-1-10	6-30-11		
Total Enterprise Fund						(2,088.22)	---
Total State Financial Assistance						\$ (3,970,619.56)	\$ 71,125.69

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

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011			Memo	
				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2011	Cumulative Total Expenditures
\$ 2,564,000.77								\$ 21,837,083.00
25,245,903.52		\$ 27,874,758.00		\$ (2,628,854.48)			\$ (2,628,854.48)	27,874,758.00
366,956.23								3,125,293.00
2,799,305.48		3,090,797.00		(291,491.52)			(291,491.52)	3,090,797.00
94,641.76								806,045.00
407,423.00								407,423.00
		333,914.00		(333,914.00)			(333,914.00)	333,914.00
234,694.24								1,998,844.00
34,533.00								34,533.00
		42,544.25		(42,544.25)			(42,544.25)	42,544.25
266,282.34								2,378,070.30
2,152,759.47		2,380,851.64		(228,092.17)			(228,092.17)	2,380,851.64
34,166,499.81	---	33,722,864.89	---	(3,524,896.42)	----	---	(3,524,896.42)	6,834,843.19
			3,628.60					98,661.60
42,363.00		42,362.94				0.06		42,362.94
35,752.00		32,664.69	11,498.39			3,087.31		31,727.61
			42,226.00					32,664.69
								193,763.60
203,457.00		154,057.68				49,399.32		154,057.68
4,185.00		4,183.00				2.00		4,183.00
68,061.00		68,061.00						68,061.00
		1,152.48		(1,152.48)				1,152.48
			2,600.81					79,807.19
76,665.60		67,279.52				9,386.08		67,279.52
55,028.00		53,592.72	6,393.66			1,435.28		50,100.34
			4,778.23					53,592.72
32,656.40		27,793.20				4,863.20		31,060.77
1,782.50		1,782.50						27,793.20
519,950.50	----	452,929.73	71,125.69	(1,152.48)	----	68,173.25	---	1,782.50
								938,050.84
1,402,259.00	---	1,402,259.00	---	---	---	---	---	1,402,259.00
380.90								
1,707.32								30,673.02
20,433.93		22,228.68		(1,794.75)				22,228.68
22,522.15	---	22,228.68	---	(1,794.75)	---	---	---	52,901.70
\$ 36,111,231.46	---	\$ 35,600,282.30	\$ 71,125.69	\$ (3,527,843.65)	---	\$ 68,173.25	\$ (3,524,896.42)	\$ 9,228,054.73

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Monroe School District (hereafter referred to as the "School District"). The School District is defined in Note 1 to the School District'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.

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two state June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$399,947 for the general fund and \$169,576 for the special revenue fund. See Exhibit C-3, 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.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 301,371	\$ 36,334,762	\$ 36,636,133
Special Revenue	2,839,777	452,975	3,292,752
Debt Service		1,402,259	1,402,259
Food Service	<u>800,878</u>	<u>22,229</u>	<u>823,107</u>
	<u>\$ 3,942,026</u>	<u>\$ 38,212,225</u>	<u>\$ 42,154,251</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent rounding differences between actual amounts spent and the amounts reported to the grantor.

Note 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2011.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes X no

Were significant deficiencies identified that were not considered to be a material weakness? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes X no

Were significant deficiencies identified that were not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>NCLB - Title I</u>
<u>84.389</u>	<u>ARRA - NCLB - Title I</u>
<u>84.027</u>	<u>IDEA Part B--Basic</u>
<u>84.173</u>	<u>ARRA - IDEA Part B--Basic</u>
<u>84.392</u>	<u>IDEA Part B--Preschool</u>
<u>84.391</u>	<u>ARRA - IDEA Part B--Preschool</u>
<u>10.550</u>	<u>Food Distribution Program</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>

Dollar threshold used to determine Type A programs \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

None.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 4- Schedule of State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

None.

