

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE  
COUNTY OF MIDDLESEX, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Prepared by**

**Michael C. Gorski, CPA, Board Secretary/School Business Administrator  
and  
The School Business Administrator's Staff  
Of the Monroe Township Board of Education**

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## INTRODUCTORY SECTION

# MONROE TOWNSHIP BOARD OF EDUCATION

423 Buckelew Avenue  
Monroe Township, NJ 08831  
732-521-1500

DR. KENNETH R. HAMILTON  
Superintendent  
of Schools

MICHAEL C. GORSKI, CPA  
Board Secretary/  
School Business Administrator

November 9, 2012

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Monroe Township School District (District) for the fiscal year ended June 30, 2012. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement (GASB) 34. The District is required to adopt this financial reporting model which we believe will provide all users of this document with useful financial and statistical information. 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 ("The 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 District. This report will provide the taxpayers of the Monroe Township School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Managements Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Tables (Section) includes selected data on Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information and Operating Information of the School District, generally presented on a multi-year basis.

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" information related to this single audit, including the independent auditors report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1) SCHOOL DISTRICT ORGANIZATION: Located in Middlesex County, the Monroe Township School District receives children from Monroe Township grades Pre K through 12 and Jamesburg Borough for grades 9 through 12. The district provides education to 5,867 students. Regarding Monroe Township, the municipality contains a land area of approximately 41.94 square miles.

An elected 10 member Board of Education including the Jamesburg representative member (The "Board") serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

The Superintendent is the Chief Executive Officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the Chief Financial Officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

2) REPORTING ENTITY: Monroe Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement 14. All funds of the District are included in this report. The Monroe Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education. The District completed the 2011-2012 fiscal year with an average daily enrollment of 5,867 students which is 206 students above the previous year's average daily enrollment. The following details the changes in the average daily enrollment of the District over the last eight (8) years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2011 - 12	5,867	3.64%
2010 - 11	5,661	2.83%
2009 - 10	5,505	2.30%
2008 - 09	5,381	4.74%
2007 - 08	5,137	4.05%
2006 - 07	4,937	5.69%
2005 - 06	4,671	7.68%
2004 - 05	4,338	7.16%

3) MAJOR INITIATIVES: The Monroe Township Board of Education commits itself to all children by preparing them to reach their full potential and to function in a global society through a preeminent education. The Monroe Public Schools in collaboration with the members of the community shall ensure that all children receive an exemplary education by well-trained committed staff in a safe and orderly environment. Our belief is that all decision are made on the premise that children come first.

The district continues to evolve from a rural to suburban school district, and thus preparation continues for the implementation of the adoption of the Common Core Curriculum Content National standards. We have rewritten many curriculum documents in the areas of English Language Arts, Mathematics, Science and Social Studies to prepare for the new standards and the new PARCC assessments set to be administered during the 2014-2015 school year. Running congruent to the standards and assessment driven by the state and federal level is the onset of a new teacher evaluation system set for implementation during the 2013-2014 school year. Monroe Township is one of 10 districts in the state to partake in a pilot to flush out this new system and to provide the NJDOE with valuable input as they guide this new reform model. To meet the academic rigors of college and career readiness, Monroe Township has adopted additional Advanced Placement (AP) courses, an eclectic balanced literacy initiative, a continuous formative assessment system inclusive of quarterly benchmarking, and the full implementation of a 1:1 iPad learning device environment at our high school. The focus of this initiative is to prepare students for a rigorous learning environment that addresses the creation and sharing of content, the usage of digital content, and a personalized learning plan for all students. This initiative helps to enforce a level playing field for all students regardless of their background. The Gifted and Talented program for grades K-8 will continue during the 2011-2012 school year.

The Monroe Township School District hires new teachers each year primarily due to growing enrollment. During the 2011-2012 school year the district expanded the mentoring/induction program for new teachers. The mentoring/induction program provides five tiers of support: 1) All new novice teachers attend a structured four-day New Teacher Orientation and receive instruction in planning, preparation, classroom management, instructional strategies, and district policies; 2) All novice teachers receive an experienced mentor and all mentors receive formal training on adult learning theory and mentoring techniques; 3) New teachers attend the district-wide New Teacher Roundtables once a month; 4) The district staff developers conduct informal classroom observations and feedback sessions for every new teacher; 5) All new novice teachers participate in a five-day structured professional development program throughout the year that addresses specific concerns related to the first year of teaching; All Alternate Route teachers attend a 5-day Alternate Route Academy. All teachers stay together as a professional learning community cohort for their first three years in the district.

The district is continuing a major initiative in the form of AVID, which stands for Advancement Via Individual Determination. Each word is an integral part of guiding our students towards being ready for a rich college experience if they choose this path in their lives. The program focuses heavily on literacy skills that will enable students to become stronger learners. There are several specific strategies that can be used by all teachers with our students that will be in place throughout the school year. These include the use of Cornell Note-Taking, WICR (Writing, Inquiry, Collaboration, Reading) strategies, and Costa's levels of questioning (comparable to bloom's taxonomy of how people learn). The success of the program is based on 11 essentials that need to be implemented for AVID to be successful in a school district. They are as follows:

- i. Students are selected from the middle and would benefit from AVID support to improve their academic records and begin college preparation.
- ii. Student and teacher participation is voluntary.

- iii. The school is committed to full implementation: AVID is scheduled as an academic elective.
- iv. AVID students are enrolled in a rigorous curriculum.
- v. A strong, relevant writing and reading curriculum is a basis for learning in the AVID elective class.
- vi. Inquiry is used as a basis for instruction in the AVID classroom.
- vii. Collaboration is used as a basis for instruction in the AVID classroom.
- viii. Trained tutors regularly facilitate student access to rigorous curriculum using AVID methodologies.
- ix. Program implementation and student progress are monitored through the AVID Data System and results are analyzed to ensure success.
- x. The school or district identifies resources for program costs, supports the Essentials, participates in certification, and commits to AVID staff development.
- xi. Active, interdisciplinary site teams collaborate on issues of access to and success in rigorous college preparatory classes.

We have currently become certified at both of our sites as we begin to look at school wide implementation over the next several years at the elementary, middle and high school levels.

During the 2011-2012 school year, the Monroe Township School District continued its' professional development program for all staff. The program is differentiated to meet the needs of teachers at different career stages. The program included 21 year-long structured courses for our teachers and a strong induction program for our first and second year teachers. Teaching staff with four or more years experience are allowed to develop classroom-based, instructionally focused projects. Project structures include Peer-Coaching, Lesson Study, Action Research, and self-created projects. They complete a summary form at the end of the year to describe what they learned, how it impacted their students, and any changes they plan for the coming school year. Coaching and ongoing professional development for our administrative team is critical towards the successful implementation of the above-mentioned initiatives. We were fortunate to receive a 3-year national grant from Results Coaching, primarily focused on academic coaching and increasing instructional leadership and capacity within the organization.

4) FINANCIAL INFORMATION: *Internal Accounting and Budgetary Control*: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control system 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 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system 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 system, including that portion related to major federal and state awards, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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

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

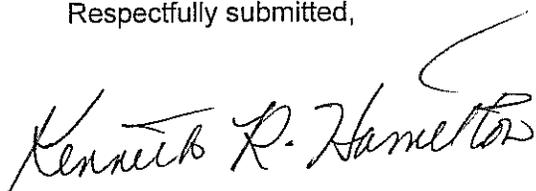
5) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statutes as detailed in "Notes to Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the 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.

6) 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. A schedule of insurance coverage is found in J-20.

7) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants. Gerard Stankiewicz CPA, PSA of the firm of Samuel Klein and Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1996, as amended, and related U.S. Office of Management and Budget Circular, "Audits of State, Local Governments and Non-Profit Organizations" A-133 and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



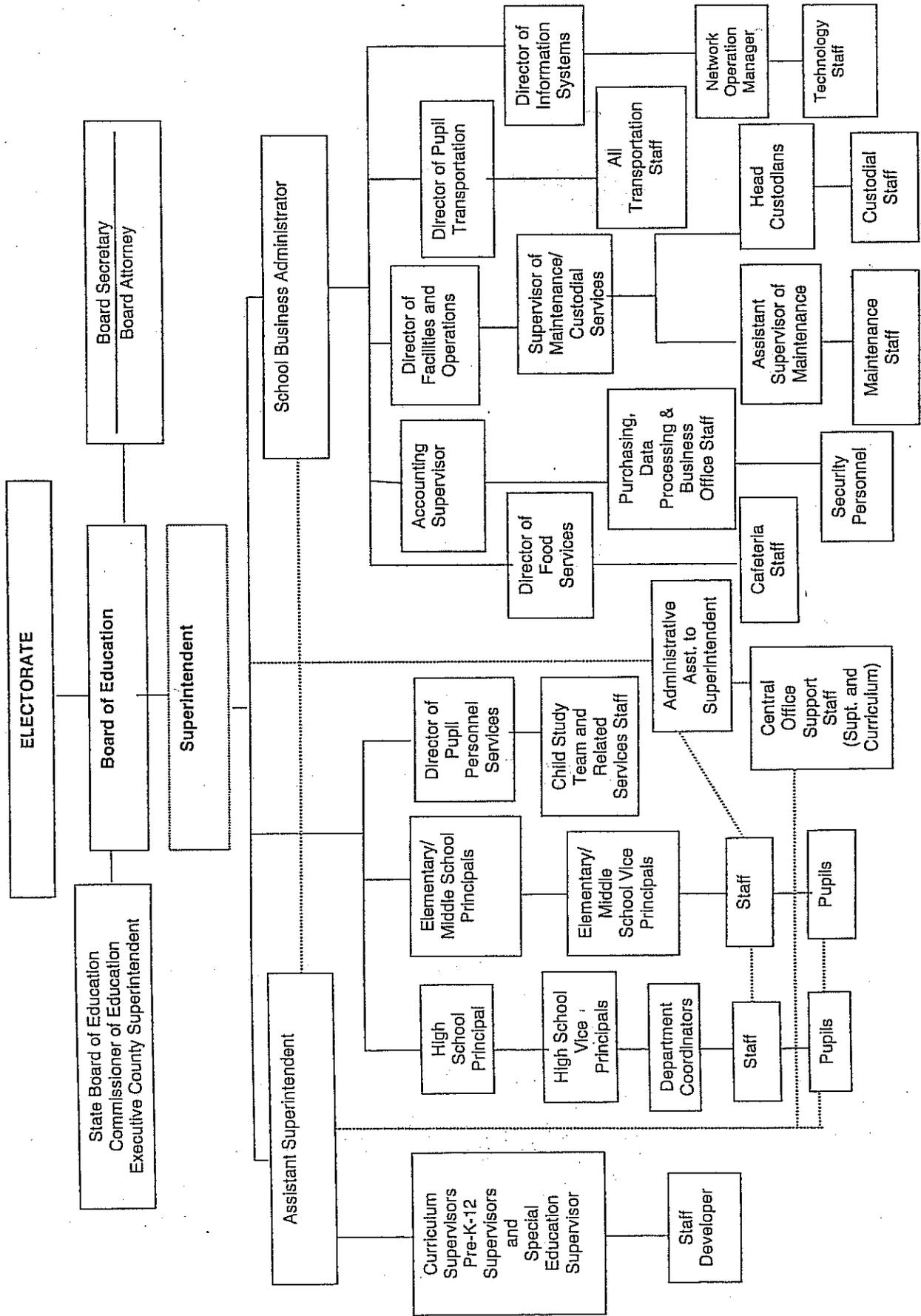
Dr. Kenneth R. Hamilton  
Superintendent of Schools



Michael C. Gorski, CPA  
Board Secretary/School Business Administrator

**POLICY**  
1110 Organizational Chart

**MONROE TOWNSHIP SCHOOL DISTRICT**  
Administrative Organizational Chart



BOARD OF EDUCATION  
TOWNSHIP OF MONROE  
COUNTY OF MIDDLESEX, NEW JERSEY  
ROSTER OF OFFICIALS

JUNE 30, 2012

<u>Members of the Board of Education *</u>	<u>Term Expires</u>
Kathy Kolupanowich, President	2014
Ken Chiarella, Vice President	2014
Amy Antelis	2014
Marvin I. Braverman	2012
Lew Kaufman	2013
Mark Klein	2012
John Leary	2012
Louis C. Masters	2013
Ira Tessler	2013
Patrice Faraone (Borough of Jamesburg Representative)	2012

Other Officials

Dr. Kenneth R. Hamilton, Superintendent of Schools

Michael C. Gorski, CPA, Board Secretary/Business Administrator

LuAnn McGraw-Russell, Treasurer of School Monies

\* On January 18, 2012, as authorized under Public Law 2012 Chapter 202 (Senate Bill 3148), the District passed a resolution moving the annual school election for board members to November 2012 and therefore, as of June 30, 2012 the list of members of the board of education remains the same as June 30, 2011.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE**  
**COUNTY OF MIDDLESEX, NEW JERSEY**  
**JUNE 30, 2012**

**CONSULTANTS AND ADVISORS**

**Architects**

Design Ideas Group  
15 Bethany Street  
New Brunswick, NJ 08901

**Independent Auditor**

Gerard Stankiewicz, CPA  
of the Firm  
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Freehold, NJ 07728-2291

**Attorney**

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90 Woodbridge Center Drive  
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Woodbridge, NJ 07095-0958

**Special Counsel**

McCarter and English  
Four Gateway Center  
100 Mulberry Street  
Newark, NJ 07101-0652

**Official Depositories**

Wells Fargo  
40 Main Street  
Toms River, NJ 08753

Provident Bank  
P.O. Box 1001  
Iselin, NJ 08830-1001

NJARM  
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Princeton, NJ 08540

**FINANCIAL SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Monroe Township Board of Education  
County of Middlesex, 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 Board of Education of the Monroe Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2012 which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Board of Education of the Monroe Township School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Monroe Township School District, as of June 30, 2012, and the respective changes in financial position and cash flows where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012, on our consideration of the Board of Education of the Monroe Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 21 and 66 through 78 are not a required part of the 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 Monroe Township School District Board of Education's financial statements. The accompanying introductory section, other supplementary information such as the combining fund and individual financial fund statements, long term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and long term debt schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in the relation to the financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 9, 2012

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

# MONROE TOWNSHIP BOARD OF EDUCATION

423 Buckelew Avenue  
Monroe Township, NJ 08831  
732-521-1500

DR. KENNETH R. HAMILTON  
Superintendent  
of Schools

MICHAEL C. GORSKI, CPA  
Board Secretary/  
School Business Administrator

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED

#### Management's Discussion and Analysis

The discussion and analysis of Monroe Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. 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 basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34- Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

#### Financial Highlights

Key financial highlights for 2011-2012 are as follows:

- The District was awarded \$1,125,818 in State Aid revenue which is an increase of \$887,122 from the 2010-2011 award. This amount was reduced by \$77,372 for mandatory withholding for Debt Service on SDA funding.
- In July 2011 the District received notification that it was awarded an additional \$887,122 in State Aid revenue which by resolution the District increased appropriations in 2011-2012 by \$647,133 and reserved \$239,989 for tax relief in 2012-2013.
- In March of 2012 the District refunded \$62,175,000 of 2003 Series Bonds resulting in a net present value savings of \$2,001,605 and a net present value benefit of 3.185%.
- The District opened in September of 2011, the new 382,699 square foot Monroe Township High School for students in grades 9-12. This project was completed ahead of schedule and significantly under budget.

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

- The District temporarily closed Applegarth Middle School in July 2011 for various capital projects budgeted to be \$352,275 and the school reopened in September 2012 as an elementary school for grades 4 and 5.
- The District entered into a cooperative purchasing management program which produced total District savings of \$323,828 in the year.
- The District is in compliance with S-1701 in regards to designated and undesignated reserves.

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

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

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

### Reporting the School District as a Whole

#### Comparative Statement of Net Assets and Comparative Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?". The Comparative Statement of Net Assets and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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 to 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 property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

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

**Governmental Activities** — All of the School District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business Type Activities** — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity.

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

#### **Fund Financial Statement**

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

#### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

#### **Enterprise Fund**

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

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 33 to 66 of this report.

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

#### The School District as a Whole

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

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

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

Table 1 provides a comparative summary of the School District's net assets for 2012 and 2011.

**Table 1 – Comparative Summary of Net Assets**

Assets	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 23,450,151	\$ 32,126,393
Capital Assets, Net	<u>188,439,649</u>	<u>183,379,313</u>
Total Assets	<u>\$ 211,889,800</u>	<u>\$ 215,505,706</u>
Liabilities		
Long-Term Liabilities	\$ 152,234,178	\$ 156,438,476
Other Liabilities	<u>9,728,356</u>	<u>11,588,814</u>
Total Liabilities	<u>\$ 161,962,534</u>	<u>\$ 168,027,290</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 41,459,662	\$ 39,070,690
Restricted	7,865,714	7,910,720
Unrestricted	<u>601,889</u>	<u>497,006</u>
Total Net Assets	<u>\$ 49,927,265</u>	<u>\$ 47,478,416</u>

The District's combined net assets were \$49,927,265 on June 30, 2012. This is an increase of \$2,448,849 or 5.15% from the prior year and is primarily related to increases in Capital Assets, Net mostly from the new high school construction and a decrease in available overall fund balance caused by a decrease in state aid that occurred during the fiscal year.

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net assets from fiscal year 2012 and 2011.

**Table 2 – Comparative Changes in Net Assets**

	2012	2011	Change	
			Amount	Percent
Revenues:				
Program Revenues:				
Charges for Services	\$ 2,006,724	\$ 1,732,554	\$ 274,170	15.82%
Operating Grants and Contributions	2,704,724	3,113,056	(408,332)	-13.12%
General Revenues:				
Property Taxes	89,705,222	87,200,495	2,504,727	2.87%
Grants and Entitlements:				
Operating	8,686,480	6,467,980	2,218,500	34.30%
Construction		1,786,926	(1,786,926)	NM
Tuition	3,300,719	3,264,403	36,316	1.11%
Other	1,028,306	622,513	405,793	65.19%
Total Revenues	\$ 107,432,175	\$ 104,187,927	\$ 3,244,248	3.11%
Program Expenses:				
Instruction	\$ 54,983,733	\$ 52,232,048	\$ 2,751,685	5.27%
Support Services:				
Tuition	1,976,136	2,899,842	(923,706)	-31.85%
Pupils and Instructional Staff	11,369,266	11,000,114	369,152	3.36%
School Administration	5,138,028	4,682,320	455,708	9.73%
General Administration	4,205,258	3,773,899	431,359	11.43%
Operations and maintenance of Facilities	10,716,498	9,473,114	1,243,384	13.13%
Pupil Transportation	8,396,899	7,679,903	716,996	9.34%
Interest on Debt	6,018,896	6,968,976	(950,080)	-13.63%
Food Service	2,095,513	1,860,674	234,839	12.62%
Special Schools	83,099	109,737	(26,638)	-24.27%
Other		116,714	(116,714)	NM
Total Expense	\$ 104,983,326	\$ 100,797,341	\$ 4,185,985	4.15%
(Decrease)/Increase in Net Assets	2,448,849	3,390,586	(941,737)	NM
Beginning Net Assets	47,478,416	44,087,830	3,390,586	7.69%
Ending Net Assets	\$ 49,927,265	\$ 47,478,416	\$ 2,448,849	5.16%

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

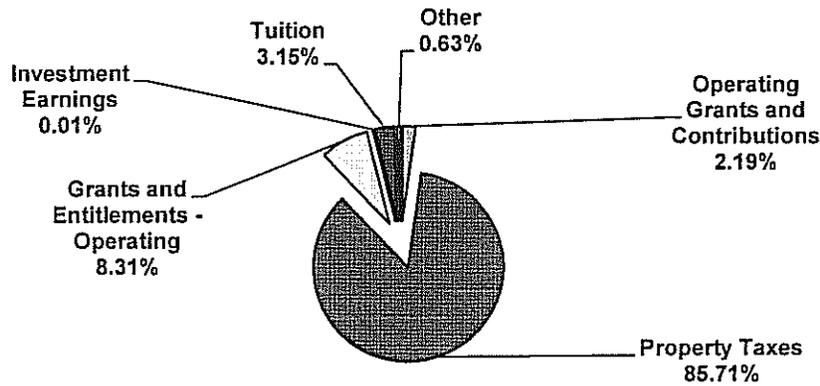
UNAUDITED – (CONTINUED)

### Governmental Activities

#### Revenues for Fiscal Year 2012

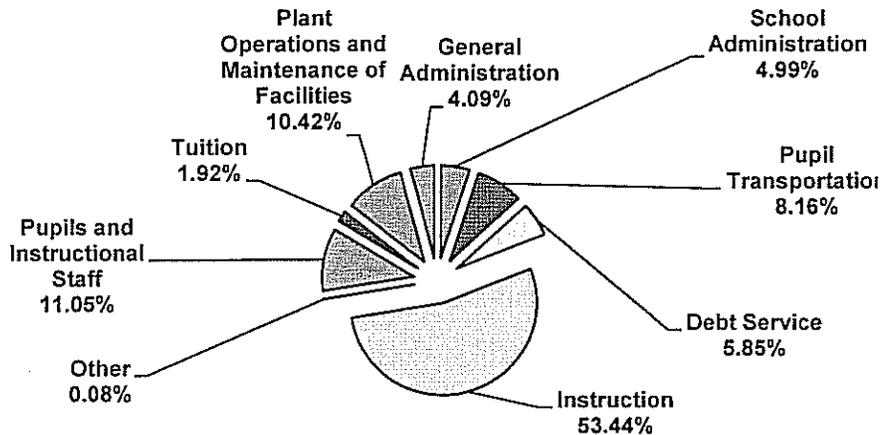
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes made up 85.70% of revenue for governmental activities for the Monroe School District for fiscal year 2012. Federal, state and local grants for operating purposes accounted for another 10.65% of revenue.

The District's total revenues were \$104,503,441 for the year ended June 30, 2012.



#### Expenses for Fiscal Year 2012

The District's total cost of all programs and services was \$102,887,813 for the year ended June 30, 2012.



# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

#### Business-Type Activities

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

Food service revenues exceeded expenses by \$72,688. In addition, the food service fund benefited from the capital projects fund by purchasing new equipment for the high school cafeteria in the amount of \$760,000.

Charges for services represent \$1,756,731, or 87.54% of revenue. This represents amounts paid by Patrons for daily food service, as well as special functions.

Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$411,470.

#### Governmental Activities

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

**Table 3 - Comparative Statement of Activities**

	Total Cost of Services			Net Cost of Services		
	2011-2012	2010-2011	Percent Change	2011-2012	2010-2011	Percent Change
Instruction	\$ 54,983,733	\$ 52,232,048	5.27%	\$ 53,747,461	\$ 50,616,257	6.19%
Support Services:						
Tuition	1,976,136	2,899,842	-31.85%	1,976,136	2,899,842	-31.85%
Pupils and Instructional Staff	11,369,266	11,000,114	3.36%	11,001,008	10,540,692	4.37%
General Administration	4,205,258	3,773,899	11.43%	4,205,258	3,773,899	11.43%
School Administration	5,138,028	4,682,320	9.73%	5,138,028	4,682,320	9.73%
Operation and Maintenance of Facilities	10,716,498	9,473,114	13.13%	10,716,498	9,473,114	13.13%
Pupil Transportation	8,396,899	7,679,903	9.34%	8,146,906	7,468,626	9.08%
Interest and Fiscal Charges	6,018,896	6,968,976	-13.63%	5,330,171	6,280,341	-15.13%
Other	83,099	109,738	-24.28%	83,099	109,738	-24.28%
<b>Total Expenses</b>	<b>\$ 102,887,813</b>	<b>\$ 98,819,954</b>	<b>4.12%</b>	<b>\$ 100,344,565</b>	<b>\$ 95,844,829</b>	<b>4.69%</b>

Tuition relates to expenses related to placing special needs student in out of district private schools.

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

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

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

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

Operation and maintenance of facilities 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, as well as to school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School district.

"Other" includes special schools.

#### The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$105,008,196 and expenditures exclusive of capital projects were \$105,681,619.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2012 and June 30, 2011, and the amount of increase and decreases in relation to prior year revenues.

#### Comparative Summary of Revenues

Revenue	2011-2012		2010-2011		Increase/(Decrease) from 2010-2011 to 2011-2012
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 93,852,311	89.37%	\$ 91,283,461	90.82%	\$ 2,568,850
State Sources	9,174,943	8.74%	7,132,835	7.10%	2,042,108
Federal Sources	1,980,892	1.89%	2,098,992	2.08%	(118,100)
	<u>\$ 105,008,146</u>	<u>100.00%</u>	<u>\$ 100,515,288</u>	<u>100.00%</u>	<u>\$ 4,492,858</u>

Local revenues increased by \$2,568,850 which was caused by a tax levy increase for the purpose of providing for additional expenditures of the school district associated with a continued increase in enrollment, higher operating costs and debt service with the intent to offset a significant decrease in state aid; however, offset by lower interest income on invested funds.

Federal revenues decreased due to a reduction in ARRA IDEA funds for special education students and other small grant reduced expenditures; however, Education Jobs Funds were received.

State revenue increased by \$2,042,108 or 28.63% compared with 2011 due to on behalf pension payment increases and an increase in Categorical Special Education Aid.

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2012 and June 30, 2011, and the increases and decreases in relation to prior year amounts.

#### Comparative Summary of Expenditures

<u>Expenditures</u>	<u>2011-2012</u>		<u>2010-2011</u>		Increase/ (Decrease) from 2010-2011 to 2011-2012
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Current Expense:					
Instruction	\$ 38,468,450	36.40%	\$ 36,473,087	35.89%	\$ 1,995,363
Undistributed Expenditures	54,436,550	51.50%	51,833,934	51.01%	2,602,616
Capital Outlay	806,230	0.76%	683,236	0.67%	122,994
Special Schools	59,325	0.06%	79,025	0.08%	(19,700)
Special Revenues	1,604,529	1.52%	2,090,912	2.06%	(486,383)
Debt Service:					
Principal	3,651,589	3.46%	3,318,921	3.27%	332,668
Interest	6,654,946	6.30%	7,130,119	7.02%	(475,173)
	<u>\$ 105,681,619</u>	<u>100.00%</u>	<u>\$ 101,609,234</u>	<u>100.00%</u>	<u>\$ 4,072,385</u>

Changes in expenditures were the results of varying factors. Current expense increased due to additional staffing, students, and increased health benefits and utility costs. Capital outlay decreased due to lower levels of planned purchases.

#### General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law, and is based on accounting for certain transactions on a cash basis of receipts, disbursements and encumbrances. The most significant fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. These significant revisions include the special education, personnel services and transportation accounts due to increased student classifications, benefits cost increases, volatile petroleum prices and increased fleet.

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

#### Capital Assets

At the end of the fiscal year 2012, the School District had \$216,087,953 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

**Table 4 - Capital Assets (Net of Depreciation) at June 30**

	<u>2012</u>	<u>2011</u>
Land	\$ 368,806	\$ 368,806
Construction in Progress		108,007,780
Site Improvements	10,596,067	2,257,947
Buildings and Improvements	167,591,828	68,171,040
Machinery and Equipment	<u>8,864,362</u>	<u>4,283,492</u>
Totals	<u>\$ 187,421,063</u>	<u>\$ 183,089,065</u>

Overall capital assets (net) increased by \$4,331,988 from fiscal year 2011 to fiscal year 2012. The increase in capital assets is due primarily to significant progress in the construction phase of a new high school which opened in September of 2011, site improvements and budgeted expenditures for capital outlay.

#### Debt Administration

At June 30, 2012, the School District had \$155,702,767 of outstanding debt. Of this amount \$2,948,917 is for compensated absences; \$1,087,333 is for various capital leases and \$151,666,517 is for serial bonds for school construction.

#### For the Future

The Monroe Township School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District and the dramatic reduction in State aid, which has directly resulted in an increased local tax levy and increased tax rate jeopardizing the community support for future budgets. However, future finances are not without challenges as the community continues to grow and the funding from the State continues to be unsure.

# MONROE TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### UNAUDITED – (CONTINUED)

The Monroe Township School District has committed itself to financial excellence for many years. In addition, the School district's system for financial planning, budgeting and internal financial controls are well regarded. The School district plans to continue to manage precious financial resources in order to best provide lifelong opportunities for Monroe students.

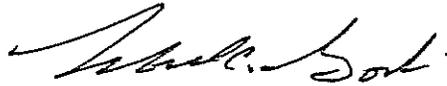
#### Contacting The School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Mr. Michael C. Gorski, CPA, School Business Administrator/Board Secretary, at the Monroe Township School District, 423 Buckelew Avenue, Monroe Township, NJ 08831.

Respectfully submitted,



Dr. Kenneth R. Hamilton  
Superintendent of Schools



Michael C. Gorski, CPA  
Board Secretary/School Business Administrator

November 9, 2012

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 12,476,347.37	\$ 715,431.61	\$ 13,191,778.98
Receivables - Net	923,506.57	26,806.01	950,312.58
Interfund Receivable		533.12	533.12
Inventory		30,891.38	30,891.38
Prepaid Expenses		4,554.28	4,554.28
Restricted Assets:			
Cash and Cash Equivalents	6,560,999.03		6,560,999.03
Receivables - Construction Grant	1,882,731.40		1,882,731.40
Deferred Bond Issuance Costs, Net	828,350.08		828,350.08
Capital Assets, Net	<u>187,421,063.36</u>	<u>1,018,585.51</u>	<u>188,439,648.87</u>
Total Assets	<u>\$ 210,092,997.81</u>	<u>\$ 1,796,801.91</u>	<u>\$ 211,889,799.72</u>
<u>LIABILITIES</u>			
Accrued Interest on Long - Term Debt	\$ 1,807,114.64		\$ 1,807,114.64
Accounts Payable	2,066,409.11	\$ 11,327.89	2,077,737.00
Retained Percentage Due Contractor	153,887.98		153,887.98
Interfund Payable	533.12	165,000.00	165,533.12
Deferred Revenue	3,346.74		3,346.74
Noncurrent Liabilities:			
Due Within One Year	5,520,737.34		5,520,737.34
Due Beyond One Year	<u>152,234,177.70</u>		<u>152,234,177.70</u>
Total Liabilities	<u>\$ 161,786,206.63</u>	<u>\$ 176,327.89</u>	<u>\$ 161,962,534.52</u>
<u>NET ASSETS</u>			
Invested in Capital Assets - Net of Related Debt	\$ 40,441,076.26	\$ 1,018,585.51	\$ 41,459,661.77
Restricted for:			
Capital Projects	1,770.48		1,770.48
Other Purposes	7,863,944.44		7,863,944.44
Unrestricted		<u>601,888.51</u>	<u>601,888.51</u>
Total Net Assets	<u>\$ 48,306,791.18</u>	<u>\$ 1,620,474.02</u>	<u>\$ 49,927,265.20</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 40,454,835.76		\$ 1,236,271.78	\$ (39,218,563.98)		\$ (39,218,563.98)
Special Education	11,328,098.91			(11,328,098.91)		(11,328,098.91)
Other Special Education	1,246,003.53			(1,246,003.53)		(1,246,003.53)
Other Instruction	1,954,794.45			(1,954,794.45)		(1,954,794.45)
<b>Support Services:</b>						
Tuition	1,976,135.58			(1,976,135.58)		(1,976,135.58)
Student and Instruction Related Services	11,369,266.07		368,257.65	(11,001,008.42)		(11,001,008.42)
Other Administrative Services	4,205,258.00			(4,205,258.00)		(4,205,258.00)
School Administrative Services	5,138,027.91			(5,138,027.91)		(5,138,027.91)
Plant Operations and Maintenance	10,716,497.57			(10,716,497.57)		(10,716,497.57)
Pupil Transportation	8,395,899.00	\$ 249,992.50		(8,146,906.50)		(8,146,906.50)
Special Schools	83,099.38			(83,099.38)		(83,099.38)
Interest on Long Term Debt	6,018,896.43		688,725.00	(5,330,171.43)		(5,330,171.43)
<b>Total Governmental Activities</b>	<b>\$ 102,887,812.59</b>	<b>\$ 249,992.50</b>	<b>\$ 2,293,254.43</b>	<b>\$ (100,344,565.66)</b>		<b>\$ (100,344,565.66)</b>
<b>Business-Type Activities:</b>						
Food Service	\$ 2,095,513.27	\$ 1,756,731.36	\$ 411,469.53		\$ 72,687.62	\$ 72,687.62
<b>Total Business -Type Activities</b>	<b>\$ 2,095,513.27</b>	<b>\$ 1,756,731.36</b>	<b>\$ 411,469.53</b>		<b>\$ 72,687.62</b>	<b>\$ 72,687.62</b>
<b>Total Primary Government</b>	<b>\$ 104,983,325.86</b>	<b>\$ 2,006,723.86</b>	<b>\$ 2,704,723.96</b>	<b>\$ (100,344,565.66)</b>	<b>\$ 72,687.62</b>	<b>\$ (100,271,878.04)</b>
<b>General Revenues</b>						
<b>Property Taxes Levied for:</b>						
General Purposes				\$ 80,061,747.00		\$ 80,061,747.00
Debt Service				9,643,475.00		9,643,475.00
Tuition Received				3,300,718.66		3,300,718.66
Federal and State Aid Not Restricted				8,686,480.10		8,686,480.10
Investment Earnings				13,367.04	\$ 533.12	13,900.16
Miscellaneous Income				759,111.01		759,111.01
Special and Extraordinary Items, Net				(504,704.43)	760,000.00	255,295.57
<b>Total General Revenues</b>				<b>\$ 101,950,194.38</b>	<b>\$ 760,533.12</b>	<b>\$ 102,720,727.50</b>
<b>Change in Net Assets</b>				<b>\$ 1,615,628.72</b>	<b>\$ 833,220.74</b>	<b>\$ 2,448,849.46</b>
<b>Net Assets - Beginning</b>				<b>\$ 46,691,162.46</b>	<b>\$ 787,253.28</b>	<b>\$ 47,478,415.74</b>
<b>Net Assets - Ending</b>				<b>\$ 48,306,791.18</b>	<b>\$ 1,620,474.02</b>	<b>\$ 49,927,265.20</b>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

	x General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 11,945,143.00	\$ 319,194.54	\$ 6,559,228.55	\$ 212,009.83	\$ 19,035,575.92
Intergovernmental Accounts Receivable	287,052.01	106,269.29	2,972,738.31		3,366,059.61
Interfunds Receivable	642,813.91		744,355.33	8,512.56	1,395,581.80
Other Receivables	365,185.27				365,185.27
Restricted Cash and Cash Equivalents	1,770.48				1,770.48
Total Assets	<u>\$ 13,241,964.67</u>	<u>\$ 425,463.83</u>	<u>\$ 10,276,322.19</u>	<u>\$ 220,522.39</u>	<u>\$ 24,164,273.08</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 764,292.17	\$ 22,117.09	\$ 379,999.85		\$ 1,166,409.11
Accrued Liability for Health Benefits	900,000.00				900,000.00
Retained Percentage Due Contractors			153,887.98		153,887.98
Interfunds Payable	4,798.76	400,000.00	826,416.16		1,231,214.92
Deferred Revenue		3,346.74			3,346.74
Total Liabilities	<u>\$ 1,669,090.93</u>	<u>\$ 425,463.83</u>	<u>\$ 1,360,303.99</u>		<u>\$ 3,454,858.75</u>
Fund Balances					
Committed for Year End Encumbrances:			\$ 879,453.75		\$ 879,453.75
Restricted:					
Capital Reserve Account	\$ 1,770.48		6,888.86		1,770.48
Payment of Capital Leases					6,888.86
Assigned Excess Surplus -					
Designated for Subsequent Year's Expenditures	5,560,544.91				5,560,544.91
Unassigned - Reserved for Excess Surplus	3,952,959.10				3,952,959.10
Assigned - Designated for Subsequent Year's Expenditures	239,999.00		8,029,675.59	\$ 173,735.30	8,443,399.89
Unassigned, Reported in:					
General Fund	1,817,610.25				1,817,610.25
Debt Service Fund				46,787.09	46,787.09
Total Fund Balances	<u>\$ 11,572,873.74</u>		<u>\$ 8,916,018.20</u>	<u>\$ 220,522.39</u>	<u>\$ 20,709,414.33</u>
Total Liabilities and Fund Balance	<u>\$ 13,241,964.67</u>	<u>\$ 425,463.83</u>	<u>\$ 10,276,322.19</u>	<u>\$ 220,522.39</u>	<u>\$ 24,164,273.08</u>

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2012

	Total Governmental Funds
Total Fund Balances above	\$ 20,709,414.33
Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:	
The costs associated with the issuance of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance cost are \$1,149,200.65 and the accumulated amortization is \$320,850.57.	828,350.08
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$216,087,952.69 and the accumulated depreciation is \$28,666,889.33. (see Note 5)	187,421,063.36
Long-term liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 8)	(157,754,915.04)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Accrued Interest Payable	(1,807,114.64)
(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)	
Construction Grants are reported in governmental funds as revenues, however, in the Statement of Activities grant awards are not recognized as revenue until related expenditures are incurred.	
(SCC Grant of \$15,244,658.00 less Cumulative Expenditures of \$14,154,651.09).	(1,090,006.91)
Net assets of governmental activities (A-1)	\$ 48,306,791.18

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Government Funds</u>
<b><u>REVENUES</u></b>					
Local sources:					
Local tax levy	\$ 80,061,747.00			\$ 9,643,475.00	\$ 89,705,222.00
Tuition	3,300,718.66				3,300,718.66
Transportation Fees	249,992.50				249,992.50
Interest on Investments			\$ 8,512.56		8,512.56
Interest earned on capital reserve funds	288.00				288.00
Miscellaneous	<u>763,677.49</u>	<u>\$ 1,625.00</u>			<u>765,302.49</u>
Total - Local Sources	\$ 84,376,423.65	\$ 1,625.00	\$ 8,512.56	\$ 9,643,475.00	\$ 94,030,036.21
State Sources	8,486,218.08			688,725.00	9,174,943.08
Federal Sources	<u>200,262.02</u>	<u>\$ 1,602,904.43</u>			<u>1,803,166.45</u>
Total Revenues	\$ <u>93,062,903.75</u>	\$ <u>1,604,529.43</u>	\$ <u>8,512.56</u>	\$ <u>10,332,200.00</u>	\$ <u>105,008,145.74</u>
<b><u>EXPENDITURES</u></b>					
Current:					
Regular Instruction	\$ 28,096,210.83	\$ 1,215,170.81			\$ 29,311,381.64
Special Education Instruction	8,087,176.30				8,087,176.30
Other Special Instruction	889,527.03				889,527.03
Other Instruction	1,395,535.78				1,395,535.78
Support Services and Undistributed Costs:					
Tuition	1,976,135.58				1,976,135.58
Student and Instruction Related Services	7,989,898.58	361,972.15			8,351,870.73
Other Administrative Services	3,002,150.94				3,002,150.94
School Administrative Services	3,668,059.21				3,668,059.21
Plant Operations and Maintenance	7,692,732.76				7,692,732.76
Pupil Transportation	6,035,619.94				6,035,619.94
Debt Service:					
Principal				\$ 3,651,588.53	3,651,588.53
Interest				6,654,946.04	6,654,946.04
Capital Outlay	806,230.28		\$ 7,855,436.45		8,661,666.73
Special Schools	59,324.99				59,324.99
Employee Benefits	<u>24,071,952.85</u>	<u>27,386.47</u>			<u>24,099,339.32</u>
Total Expenditures	\$ <u>93,770,555.07</u>	\$ <u>1,604,529.43</u>	\$ <u>7,855,436.45</u>	\$ <u>10,306,534.57</u>	\$ <u>113,537,055.52</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ <u>(707,651.32)</u>		\$ <u>(7,846,923.89)</u>	\$ <u>25,665.43</u>	\$ <u>(8,528,909.78)</u>
Other Financing Sources/(Uses):					
Transfers In					
Transfer In/(Out)			(8,512.56)	8,512.56	
Capital Leases (non-budgeted)	<u>166,091.34</u>				<u>166,091.34</u>
Total Other Financing Sources (Uses)	\$ <u>166,091.34</u>		\$ <u>(8,512.56)</u>	\$ <u>8,512.56</u>	\$ <u>166,091.34</u>
Net Change in Fund Balances	(541,559.98)		(7,855,436.45)	34,177.99	(8,362,818.44)
Fund Balance - July 1	<u>12,114,433.72</u>		<u>16,771,454.65</u>	<u>186,344.40</u>	<u>29,072,232.77</u>
Fund Balance - June 30	\$ <u><u>11,572,873.74</u></u>		\$ <u><u>8,916,018.20</u></u>	\$ <u><u>220,522.39</u></u>	\$ <u><u>20,709,414.33</u></u>

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (8,362,818.44)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

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

Capital outlay	\$ 8,661,666.73	
Depreciation expense	(2,981,403.39)	
Capital assets (retired, net)	<u>(670,795.77)</u>	5,009,467.57

Proceeds from debt 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.

Proceeds of Refunding Bonds	\$ 62,175,000.00	
Premium of Refunding Bonds	(7,272,313.90)	
Bonds Refunded	(62,849,000.00)	
Capital leases, current year expended	<u>(166,091.34)</u>	(8,112,405.24)

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

3,651,588.53

Repayment of lease principal is an expenditure in the governmental funds, but the payment reduces long-term debt in the statement of net assets and is not reported in the statement of activities.

904,779.95

Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

Debt Issue Costs, Net	\$ 378,359.36	
Loss on Defeasance	<u>6,219,954.54</u>	6,598,313.90

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

(479,270.22)

Miscellaneous revenues which relate to various adjustments in order to reconcile the governmental fund with the statement of activities

1,637,682.59

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.

(321,716.83)

Construction Grants are reported in governmental funds as revenues; however, in the Statement of Activities grant awards are not recognized as revenue until related expenditures are incurred.

1,090,006.91

Change in Net Assets of Governmental Activities

\$ 1,615,628.72

**PROPRIETARY FUNDS**

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Childcare Initiative</u>	<u>Total Enterprise</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 554,043.39	\$ 161,388.22	\$ 715,431.61
Accounts Receivable:			
State Sources	1,183.93		1,183.93
Federal Sources	14,409.25		14,409.25
Other	11,212.83		11,212.83
Interfund Receivable - General Fund	533.12		533.12
Inventories	30,891.38		30,891.38
Prepaid Expenses		4,554.28	4,554.28
Total Current Assets	<u>\$ 612,273.90</u>	<u>\$ 165,942.50</u>	<u>\$ 778,216.40</u>
<u>NONCURRENT ASSETS</u>			
Furniture, Machinery and Equipment	\$ 1,656,843.58		\$ 1,656,843.58
Less: Accumulated Depreciation	<u>638,258.07</u>		<u>638,258.07</u>
Total Noncurrent Assets	<u>\$ 1,018,585.51</u>		<u>\$ 1,018,585.51</u>
Total Assets	<u>\$ 1,630,859.41</u>	<u>\$ 165,942.50</u>	<u>\$ 1,796,801.91</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Interfund Payable - General Fund		\$ 165,000.00	\$ 165,000.00
Accounts Payable	\$ 10,385.39	942.50	11,327.89
Total Liabilities	<u>\$ 10,385.39</u>	<u>\$ 165,942.50</u>	<u>\$ 176,327.89</u>
<u>NET ASSETS</u>			
Invested in Capital Assets Net of Related Debt	\$ 1,018,585.51		\$ 1,018,585.51
Unrestricted	<u>601,888.51</u>		<u>601,888.51</u>
Total Net Assets	<u>\$ 1,620,474.02</u>		<u>\$ 1,620,474.02</u>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Childcare Initiative</u>	<u>Total Enterprise</u>
<b><u>OPERATING REVENUES</u></b>			
Local Sources:			
Charges for Services:			
Daily Sales - Reimbursable Programs			
School lunch and milk program	\$ 1,656,419.67		\$ 1,656,419.67
Special functions	<u>100,311.69</u>		<u>100,311.69</u>
Total Operating Revenues	<u>\$ 1,756,731.36</u>		<u>\$ 1,756,731.36</u>
<b><u>OPERATING EXPENSES</u></b>			
Cost of sales	\$ 856,818.79		\$ 856,818.79
Salaries	766,226.73		766,226.73
Employee benefits	160,856.07		160,856.07
Insurance	94,999.91		94,999.91
General supplies	159,992.82		159,992.82
Management fee	35,426.20		35,426.20
Depreciation	<u>21,192.75</u>		<u>21,192.75</u>
Total Operating Expenses	<u>\$ 2,095,513.27</u>		<u>\$ 2,095,513.27</u>
Operating Income (Loss)	<u>\$ (338,781.91)</u>		<u>\$ (338,781.91)</u>
<b><u>NONOPERATING REVENUES</u></b>			
Interest Income	\$ 533.12		\$ 533.12
State Sources:			
State school lunch program	21,654.64		21,654.64
Federal Sources:			
National school lunch program	256,558.69		256,558.69
Special milk program	3,639.41		3,639.41
Food distribution program	<u>129,616.79</u>		<u>129,616.79</u>
Total Nonoperating Revenues	<u>\$ 412,002.65</u>		<u>\$ 412,002.65</u>
Income (Loss)	<u>\$ 73,220.74</u>		<u>\$ 73,220.74</u>
Contributed Capital - Equipment	<u>\$ 760,000.00</u>		<u>\$ 760,000.00</u>
Change in Net Assets	<u>\$ 833,220.74</u>		<u>\$ 833,220.74</u>
Total Net Assets - Beginning	<u>\$ 787,253.28</u>		<u>\$ 787,253.28</u>
Total Net Assets - Ending	<u>\$ 1,620,474.02</u>		<u>\$ 1,620,474.02</u>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities Enterprise Funds		
	Food Service	Childcare Initiative	Total Enterprise
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 1,770,353.11	\$ 1,250.00	\$ 1,771,603.11
Payments to Employees	(861,226.64)		(861,226.64)
Payments for Employee Benefits	(160,856.07)		(160,856.07)
Payments to Suppliers	(978,968.52)	(4,861.78)	(983,830.30)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (230,698.12)</u>	<u>\$ (3,611.78)</u>	<u>\$ (234,309.90)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 22,175.05		\$ 22,175.05
Federal Sources	262,498.04		262,498.04
Operating Transfers to Other Funds - Interfunds	(3,191.95)	\$ 165,000.00	161,808.05
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>\$ 281,481.14</u>	<u>\$ 165,000.00</u>	<u>\$ 446,481.14</u>
<u>Cash Flow From Investing Activities</u>			
Interest Income	\$ 533.12		\$ 533.12
Acquisition of Capital Assets	(760,000.00)		(760,000.00)
Contributed Capital - Bond Proceeds	760,000.00		760,000.00
	<u>\$ 533.12</u>		<u>\$ 533.12</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 51,316.14	\$ 161,388.22	\$ 212,704.36
Balances - Beginning of Year	<u>502,727.25</u>		<u>502,727.25</u>
Balances - End of Year	<u>\$ 554,043.39</u>	<u>\$ 161,388.22</u>	<u>\$ 715,431.61</u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>			
Operating Gain/(Loss)	<u>\$ (338,781.91)</u>		<u>\$ (338,781.91)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:			
Depreciation	\$ 21,192.75		\$ 21,192.75
Federal Commodities	129,616.79		129,616.79
Change in Assets and Liabilities:			
Decrease/(Increase) in Accounts Receivable	3,618.18		3,618.18
Decrease in Inventories	8,328.63		8,328.63
(Increase) in Prepaid Expense		\$ (4,554.28)	(4,554.28)
Increase/(Decrease) in Accounts Payable	(54,672.56)	942.50	(53,730.06)
Total Adjustments	<u>\$ 108,083.79</u>	<u>\$ (3,611.78)</u>	<u>\$ 104,472.01</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (230,698.12)</u>	<u>\$ (3,611.78)</u>	<u>\$ (234,309.90)</u>

**FIDUCIARY FUNDS**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012**

	Trust					
	Family Leave Insurance	Unemployment Compensation	Private Purposes	IPAD Insurance Fund	Childcare Initiative	Agency Fund
<b><u>ASSETS</u></b>						
Cash and Cash Equivalents	\$ 22,777.34	\$ 213,512.63	\$ 20,567.77	\$ 1,245.19	\$ 161,388.22	\$ 249,405.01
Prepaid Expenses					4,554.28	
Total Assets	\$ 22,777.34	\$ 213,512.63	\$ 20,567.77	\$ 1,245.19	\$ 165,942.50	\$ 249,405.01
<b><u>LIABILITIES</u></b>						
Accounts Payable	\$ 6,671.83	\$ 46,517.91	\$ 10,660.00		\$ 942.50	\$ 3,994.16
Payable to Student Groups						245,410.85
Interfund Payable - General Fund					165,000.00	
Total Liabilities	6,671.83	\$ 46,517.91	\$ 10,660.00		\$ 165,942.50	\$ 249,405.01
<b><u>NET ASSETS</u></b>						
Reserved	\$ 16,105.51	\$ 166,994.72	\$ 9,907.77	\$ 1,245.19		
Total Net Assets	\$ 16,105.51	\$ 166,994.72	\$ 9,907.77	\$ 1,245.19		

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Trust</u>			
	<u>Family Leave</u> <u>Insurance</u>	<u>Unemployment</u> <u>Compensation</u>	<u>Private Purposes</u>	<u>IPAD</u> <u>Insurance</u> <u>Fund</u>
<u>ADDITIONS</u>				
Contributions:				
Plan Members	\$ 21,348.42	\$ 117,307.84		
Board Contribution		305,000.00		
Other			\$ 19,745.00	\$ 80,709.57
Total Contributions	<u>\$ 21,348.42</u>	<u>\$ 422,307.84</u>	<u>\$ 19,745.00</u>	<u>\$ 80,709.57</u>
Total Additions	<u>\$ 21,348.42</u>	<u>\$ 422,307.84</u>	<u>\$ 19,745.00</u>	<u>\$ 80,709.57</u>
<u>DEDUCTIONS</u>				
Quarterly Contribution Reports	\$ 21,345.84			
Expenditures		\$ 350,683.29	\$ 9,837.23	\$ 79,464.38
Total Deductions	<u>\$ 21,345.84</u>	<u>\$ 350,683.29</u>	<u>\$ 9,837.23</u>	<u>\$ 79,464.38</u>
Change in Net Assets	\$ 2.58	\$ 71,624.55	\$ 9,907.77	\$ 1,245.19
Net Assets - Beginning of the Year	<u>16,102.93</u>	<u>95,370.17</u>		
Net Assets - End of the Year	<u>\$ 16,105.51</u>	<u>\$ 166,994.72</u>	<u>\$ 9,907.77</u>	<u>\$ 1,245.19</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

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

The Monroe Township School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of ten (10) members, nine (9) from the Township of Monroe are elected to three (3) year staggered terms and one (1) is appointed to an annual term from the Borough of Jamesburg (sending district). The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2012 of 5,867 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the 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 District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

**A. Basis of Presentation**

The 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 that provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

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

**1. Government-Wide Financial Statements (Continued)**

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. 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. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2. Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

**B. Fund Accounting**

The 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.

**1. 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 District's major governmental funds:

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**B. Fund Accounting (Continued)**

**1. Governmental Funds (Continued)**

**General Fund (Continued)**

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

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

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

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

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

**Permanent Fund** - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

**2. Proprietary Fund Type**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**B. Fund Accounting (Continued)**

**2. Proprietary Fund Type (Continued)**

**Enterprise Fund** – The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund consists of the following:

**Food Service** – This fund provides for the cafeteria operation in all schools within the school district.

**Childcare Initiative** – This fund provides childcare during work hours for district employees.

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 total assets) is segregated into contributed capital and unreserved retained earnings, 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 of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

**3. Fiduciary Funds**

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

**Private Purpose Scholarship Funds**

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund, Family Leave Insurance Fund, Scholarship Funds and iPad Insurance Fund.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**B. Fund Accounting (Continued)**

**3. Fiduciary Funds (Continued)**

**Private Purpose Scholarship Funds (Continued)**

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

**Agency Funds** – Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

**C. Measurement Focus**

**1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Assets.

**2. 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.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**D. Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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

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

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**E. Budgets/Budgetary Control (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 93,232,723.75	\$ 1,604,529.43
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.	None	None
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	None	None
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	<u>(169,820.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 93,062,903.75</u>	<u>\$ 1,604,529.43</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 93,770,555.07	\$ 1,604,529.43
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	<u>N/A</u>	<u>N/A</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 93,770,555.07</u>	<u>\$ 1,604,529.43</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**F. Encumbrances**

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

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

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

**G. Assets, Liabilities and Equity**

**1. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**G. Assets, Liabilities and Equity (Continued)**

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

5. Tuition Payable

Tuition charges for the fiscal years 2010-2011 and 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. 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 District and that are due within one year.

7. Capital Assets

General capital assets 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**G. Assets, Liabilities and Equity (Continued)**

**7. Capital Assets (Continued)**

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-15 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

**8. Compensated Absences**

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**G. Assets, Liabilities and Equity (Continued)**

9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable 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.

10. 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

11. Deferred Revenue

Deferred revenue in the general and special revenue fund represent program revenues that have been received but not yet earned.

12. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

13. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**G. Assets, Liabilities and Equity (Continued)**

**14. Proprietary Funds Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**15. Rebatable Arbitrage**

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

**16. Non-Monetary Transactions**

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

**17. Allocation of Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified and allocated by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

**18. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and Cash Equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

**A. Deposits**

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

**MONROE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2012**

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

**A. Deposits (Continued)**

As of June 30, 2012, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts, interest bearing	\$ 9,509,294.42
New Jersey Arbitrage Rebate Management - NJARM	5,992,207.67
New Jersey Cash Management Fund - NJCMF	8,956,066.17
	\$ 24,457,568.26
Reconciliation by Fund:	
Governmental	\$ 22,840,483.61
Proprietary	715,431.61
Fiduciary	901,653.04
	\$ 24,457,568.26

Of the total amount deposits of \$1,770.48 has been earmarked towards the Capital Reserve Account (see Note 15).

**New Jersey Cash Management Fund** – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2012, the District had \$8,956,066.17 on deposit with the New Jersey Cash Management Fund.

**Allocation of Cash and Cash Equivalents**

Unrestricted	\$ 16,945,360.64
Restricted	6,610,554.58
Fiduciary	901,653.04
	\$ 24,457,568.26

Risk Analysis – The market value of the NJ ARM accounts approximate the carrying value. The NJ ARM accounts are invested in U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage ("GUDPA") as of June 30, 2012 which minimizes credit risk.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

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

**B. Investments**

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

There were no securities held by the District that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

Intergovernmental Accounts Receivable at June 30, 2012 consisted of Federal source, State source, transportation, a capital project grant for the new high school and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Business Type Activities
State Aid:		
General Fund		
Extraordinary Aid	\$ 247,829.00	
Non-Public Transportation - Cost Reimbursement	39,222.97	
Capital Projects Fund		
NJ Economic Development Authority (NJEDA) Grant <sup>(1)</sup>	2,972,738.31	
Other:		
Special Revenue Fund		
Federal:		
Teaching American History Grant	1,369.04	
Title I	70,908.00	
Impact Grant	22,556.61	
Title III	3,242.00	
Improving Teacher Quality	8,578.00	
Local:		
NJ Agricultural Grant	961.72	
	\$ 3,367,405.65	
Proprietary Fund:		
Enterprise Fund		
State Source		\$ 1,183.93
Federal Source		\$ 14,409.25

(1) For the purposes of the Statement of Net Assets (Exhibit A-1) NJEDA grant has been adjusted to \$1,882,731.40, representing the difference between cumulative eligible expenditures of \$14,154,651.09 (Exhibit K-4) on the project less actual reimbursements of \$12,271,919.69. Subsequent to the year ended June 30, 2012, and prior to the dated date of the report, nothing was received from the NJEDA against the total amount due.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**5. CAPITAL ASSETS, NET**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Transfers (Retirements)	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 368,806.00			\$ 368,806.00
Construction in progress	108,007,780.30	\$ 7,932,808.45	\$ (115,940,588.75)	
Total capital assets not being depreciated	\$ 108,376,586.30	\$ 7,932,808.45	\$ (115,940,588.75)	\$ 368,806.00
Capital assets being depreciated:				
Site and Site Improvements	\$ 3,836,300.67	\$ 8,339,776.00		\$ 12,176,076.67
Building and Building Improvements	86,029,760.13	101,167,232.68	\$ (7,715.76)	187,189,277.05
Machinery and Equipment	10,687,515.95	6,472,813.45	(806,536.43)	16,353,792.97
Total at historical cost	\$ 100,553,576.75	\$ 115,979,822.13	\$ (814,252.19)	\$ 215,719,146.69
Less accumulated depreciation for:				
Site and Site Improvements	\$ (1,578,354.15)	\$ (1,655.18)		\$ (1,580,009.33)
Building and Building Improvements	(17,858,719.07)	(1,744,807.25)	\$ 6,077.61	(19,597,448.71)
Machinery and Equipment	(6,404,024.36)	(1,234,940.96)	(149,534.03)	(7,489,431.29)
Total accumulated depreciation	\$ (25,841,097.58)	\$ (2,981,403.39)	(143,456.42)	\$ (28,666,889.33)
Total capital assets being depreciated, net of accumulated depreciation	\$ 74,712,479.17	\$ 112,998,418.74	\$ (670,795.77)	\$ 187,052,257.36
Governmental activities capital assets, net	\$ 183,089,065.47	\$ 120,931,227.19	\$ (116,611,384.52)	\$ 187,421,063.36
<b>Business-Type Activities:</b>				
Furniture, machinery and equipment	\$ 949,698.48	\$ 760,000.00	\$ (52,854.90)	\$ 1,656,843.58
Totals at historical cost	\$ 949,698.48	\$ 760,000.00	\$ (52,854.90)	\$ 1,656,843.58
Less accumulated depreciation for:				
Furniture, machinery and equipment	\$ (659,450.82)	\$ 62,201.16	\$ (41,008.41)	\$ (638,258.07)
Total accumulated depreciation	\$ (659,450.82)	\$ 62,201.16	\$ (41,008.41)	\$ (638,258.07)
Business type activities capital assets, net	\$ 290,247.66	\$ 822,201.16	\$ (93,863.31)	\$ 1,018,585.51
<b>Governmental Activities:</b>				
Detail of Additions and (Retirement)/Transfers:				
Capital Projects Fund		\$ 7,095,436.45		
General Fund		806,230.28		
Other		31,141.72		
		\$ 7,932,808.45		
Capital Assets, Retired			\$ 670,795.77	
<b>Business-Type Activities:</b>				
Capital Projects Fund		\$ 760,000.00		

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**5. CAPITAL ASSETS, NET (CONTINUED)**

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 1,276,063.25
Special Education Instruction	351,982.73
Other Special Instruction	38,715.39
Other Instruction	60,738.69
Support Services and Undistributed Cost:	
Student and Instruction Related Services	363,503.17
School Administrative Services	130,664.31
Other Administrative Services	159,647.01
Plant Operations and Maintenance	334,815.14
Pupil Transportation	262,691.68
Special Schools	<u>2,582.03</u>
Total	<u>\$ 2,981,403.40</u>

**6. INVENTORY**

The value of Federal donated commodities as reflected on Schedule A of \$129,616.79 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2012, the federal donated commodities food inventory of \$6,220.83 was included in the year end food and supplies amount of \$30,891.38.

**7. DEFERRED BOND ISSUANCE COSTS**

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (8 to 30 years). The costs associated with the issues of the various bonds amounted to \$876,602.49; accumulated amortization through June 30, 2012 was \$1,197,453.06. The amortization expense for the fiscal year ended June 30, 2012, amounted to \$73,536.12.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**8. LONG-TERM DEBT**

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Long-Term Portion
<u>Governmental Activities:</u>						
Bonds Payable -						
General						
Obligation Debt	\$ 155,992,105.59	62,175,000.00	\$ (66,500,588.53)	\$ 151,666,517.06	\$ 4,145,590.53	\$ 147,520,926.53
Compensated						
Absences Payable	\$ 2,627,199.82	\$ 482,577.19	\$ (160,860.36)	\$ 2,948,916.65	\$ 589,783.33	\$ 2,359,133.32
Capital Leases	1,826,021.32	166,091.34	(904,779.95)	1,087,332.71	571,490.74	515,841.97
	\$ 4,453,221.14	\$ 648,668.53	\$ (1,065,640.31)	\$ 4,036,249.36	\$ 1,161,274.07	\$ 2,874,975.29
	\$ 160,445,326.73	\$ 62,823,668.53	\$ (67,566,228.84)	\$ 155,702,766.42	\$ 5,306,864.60	\$ 150,395,901.82
Reconciliation to Statement of Net Assets (Exhibit A-1):						
Long Term Debt:				\$ 155,702,766.42	\$ 5,306,864.60	\$ 150,395,901.82
2011 and 2012 Series Refunding Bonds:						
Add - Premium				8,228,345.85	709,835.88	7,518,509.97
Less - Loss of Defeasance				6,176,197.23	495,963.14	5,680,234.09
				\$ 157,754,915.04	\$ 5,520,737.34	\$ 152,234,177.70

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

8. LONG-TERM DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows:

**NJEDA Public School Small Project Loan Program Loan 1993**

Replacement of gym floor and construction of auditorium at the High School authorized and issued \$2,668,000.00 dated August 18, 1993. Annual maturities ranging from \$160,590.53 to \$165,926.53 with final maturity due on July 15, 2013 and interest rates on remaining maturities ranging from 1.50% to 5.288%. \$ 326,517.06

**School District Bonds, Series 2004**

Acquisition of Land and Construction of a New High School authorized and issued \$67,699,000.00 dated February 15, 2004. Annual remaining maturities range from \$750,000.00 to \$1,130,000.00 with final maturity due on August 1, 2014 and interest rates on remaining maturities at 4.0%. \$ 2,655,000.00

Redemption: The bonds maturing prior to August 1, 2015 are not subject to redemption prior to their stated maturities. The Bonds maturing on August 15, 2015 through August 1, 2028 in the amount of \$62,149,000.00 were refunded by the issuance of the School District Refunding Bond Series 2012. (Refer to Note 8)

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**8. LONG-TERM DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)**

**School District Bonds, Series 2006**

Acquisition of Land and Construction of a New Elementary School authorized and issued \$26,800,000.00 dated April 1, 2006. Annual maturities range from \$150,000.00 to \$2,550,000.00 with final maturity due on April 1, 2036 and interest rates on remaining maturities ranging from 4.5% to 4.75%.

\$ 26,400,000.00

Redemption: The bonds maturing prior to April 1, 2017 are not subject to optional redemption prior to their stated maturities. The bonds maturing on or after April 1, 2017 are subject to optional redemption prior to their stated maturity at the option of the Board, in whole or in part at any time, and if in part in such order of maturity as directed by the Board and by lot within a maturity if less than all of the bonds of such maturity are to be redeemed, on April 1, 2016 or on any date thereafter, upon notice as described in "Notice of Redemption" herein. The bonds subject to redemption shall be redeemed at 100% of the principal amount thereof (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption:

The bonds maturing on April 1, 2036 are subject to mandatory sinking fund redemption prior to maturity on April 1 in each of the years shown below at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from sinking payments in the amounts set forth below:

<u>Year</u>	<u>Amount</u>
2035	\$2,450,000.00
2036	\$2,550,000.00

The bonds to be redeemed from sinking payments shall be selected by lot by the Board, provided however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000.00 or an integral multiple thereof and shall be redeemed upon notice as described in "Notice of Redemption".

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

8. LONG-TERM DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

School District Bonds, Series 2008

Acquisition of Land and Construction of a New High School (supplemental appropriation to the Series 2004 Bonds) authorized and issued dated March 4, 2008. Annual maturities range from \$75,000.00 to \$3,165,000.00 with final maturity due on March 1, 2038 and interest rates on remaining maturities of 4.75%.

\$ 41,725,000.00

Redemption: The bonds maturing prior to March 1, 2019 are not subject to redemption prior to their stated maturities. The bonds maturing on or after March 1, 2019 are redeemable at the option of the Board in whole or in part at any time, and if in part in such order of maturity as directed by the Board and by lot within a maturity if less than all of the bonds of such maturity are to be redeemed, on March 1, 2018 or on any date thereafter, upon notice as described in "Notice of Redemption" herein. The bonds subject to redemption shall be redeemed at 100% of the principal amount thereof (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

School District Refunding Bonds, Series 2011

The purpose of the Bonds is to (i) currently refund all of the outstanding callable principal amount of the originally issued \$28,740,000.00 School District Bonds, Series 2002 of the Board dated September 1, 2002 and maturing on September 15 in the years 2012 through and including 2019, inclusive, in the total principal amount of \$19,645,000.00 on September 15, 2011 at par plus any unpaid accrued interest to the redemption date and (ii) pay the costs of issuance with respect to the bonds. Annual maturities range from \$1,415,000.00 to \$2,720,000.00 with final maturity on September 15, 2019 and interest rates on remaining maturities ranging from 3.0% to 5.0%.

\$ 18,385,000.00

Redemption: The bonds are not subject to redemption prior to maturity.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

8. LONG-TERM DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

School District Refunding Bonds, Series 2012

The purpose of the Bonds is to (i) advance refund all of the outstanding callable principal amount of the originally issued \$67,699,000.00 School District Bonds, Series 2004 of the Board dated February 15, 2004 and maturing on August 1 in the years 2015 through 2028, both inclusive, in the total principal amount of \$62,849,000.00 on August 1, 2014 at par plus any unpaid accrued interest to the redemption date and (ii) pay the cost of issuance with respect to the bonds. Annual maturities range from \$575,000.00 to \$6,175,000.00 with final maturity on August 1, 2028 and interest rates on the remaining maturities ranging from 2.00% to 5.00%

\$ 62,175,000.00

Redemption: The Bonds maturing prior to August 1, 2023 are not subject to optional redemption prior to their stated maturities. The Bonds maturing on or after August 1, 2023 are redeemable at the option of the Board in whole or in part at any time, and if in part, in such order of maturity as directed by the Board and by lot within a maturity if less than all of the Bonds of such maturity are to be redeemed, on August 1, 2022 or on any date thereafter, upon notice as described in "Notice of Redemption" herein. The Bonds subject to redemption shall be redeemed at 100% of the principal amount thereof (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

TOTAL

\$ 151,666,517.06

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**8. LONG-TERM DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)**

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal year ended June 30, 2011 has been complied with.

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**8. LONG-TERM DEBT (CONTINUED)**

**B. Debt Service Requirements**

Debt service requirements on serial bonds payable at June 30, 2012 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 4,145,590.53	\$ 5,984,416.27	\$ 10,130,006.80
2014	3,770,926.53	6,462,507.31	10,233,433.84
2015	4,160,000.00	6,317,112.50	10,477,112.50
2016	4,675,000.00	6,147,662.50	10,822,662.50
2017	5,130,000.00	5,944,487.50	11,074,487.50
	<u>21,881,517.06</u>	<u>30,856,186.08</u>	<u>52,737,703.14</u>
2018	5,705,000.00	5,699,737.50	11,404,737.50
2019	6,205,000.00	5,440,837.50	11,645,837.50
2020	6,690,000.00	5,170,800.00	11,860,800.00
2021	6,050,000.00	4,907,275.00	10,957,275.00
2022	6,370,000.00	4,655,312.50	11,025,312.50
	<u>31,020,000.00</u>	<u>25,873,962.50</u>	<u>56,893,962.50</u>
2023	6,975,000.00	4,385,537.50	11,360,537.50
2024	7,635,000.00	4,089,087.50	11,724,087.50
2025	8,155,000.00	3,763,287.50	11,918,287.50
2026	8,565,000.00	3,385,812.50	11,950,812.50
2027	9,020,000.00	2,960,437.50	11,980,437.50
	<u>40,350,000.00</u>	<u>18,584,162.50</u>	<u>58,934,162.50</u>
2028	9,545,000.00	2,568,093.75	12,113,093.75
2029	9,635,000.00	2,156,925.00	11,791,925.00
2030	3,755,000.00	1,841,475.00	5,596,475.00
2031	4,150,000.00	1,666,862.50	5,816,862.50
2032	4,605,000.00	1,474,237.50	6,079,237.50
	<u>31,690,000.00</u>	<u>9,707,593.75</u>	<u>41,397,593.75</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**8. LONG-TERM DEBT (CONTINUED)**

**B. Debt Service Requirements (Continued)**

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2033	\$ 4,810,000.00	\$ 1,260,875.00	\$ 6,070,875.00
2034	5,020,000.00	1,038,025.00	6,058,025.00
2035	5,235,000.00	802,512.50	6,037,512.50
2036	5,460,000.00	553,850.00	6,013,850.00
2037	3,035,000.00	294,500.00	3,329,500.00
	<u>23,560,000.00</u>	<u>3,949,762.50</u>	<u>27,509,762.50</u>
2038	3,165,000.00	150,337.50	3,315,337.50
	<u>3,165,000.00</u>	<u>150,337.50</u>	<u>3,315,337.50</u>
	<u>\$ 151,666,517.06</u>	<u>\$ 89,122,004.83</u>	<u>\$ 240,788,521.89</u>

**C. Bonds and Notes Authorized But Not Issued**

As of June 30, 2012 there were bonds and notes authorized but not issued of \$2,972,738.31, which will be reduced accordingly as the NJEDA - (Capital Projects Fund) reimbursement funds are received. The authorization was approved as part of the referendum approved by the voters on December 9, 2003, for the construction of a new high school. The amount is equivalent to the balance due to the District for the project grant and is calculated as follows:

Grant Awarded	\$ 15,244,658.00
Less Cash Receipts:	
Prior to June 30, 2011	\$ 12,271,919.69
For the year ended June 30, 2012	<u>None</u>
	<u>12,271,919.69</u>
Balance	<u>\$ 2,972,738.31</u>

Subsequent to the year ended June 30, 2012 and prior to the dated date of the report, nothing was received from the NJEDA against the total amount due.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**8. LONG-TERM DEBT (CONTINUED)**

**D. Defeasance**

2011 Refunding Bonds

On March 15, 2011 the Board issued \$18,535,000 (refer to Note 8A) in general obligation (Refunding) bonds to advance refund \$19,645,000 of outstanding 2002 Series Bonds callable on or after September 15, 2012. The net proceeds which included a premium of \$1,713,464 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2002 Series Bonds, which were included in the refunding.

As a result of the accounting requirement in accordance with GASB #23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in an accounting loss of \$499,802, which in conjunction with the premium will be amortized over the remaining life of the Series 2011 Refunding Bond Issue using the "straight line method". The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was \$1,371,824.99 or 6.983%.

2012 Refunding Bonds

On March 15, 2012 the Board issued \$62,175,000 (refer to Note 8A) in general obligation (Refunding) bonds to advance refund \$62,849,000 of outstanding 2004 Series Bonds callable on or after August 15, 2011. The net proceeds which included a premium of \$7,212,313.90 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2015 Series Bonds, which were included in the refunding.

As a result of the accounting requirement in accordance with GASB #23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old and related costs resulted in and accounting loss of \$6,219,954.54, which in conjunction with the premium will be amortized over the remaining life of the Series 2012 Refunding Bond Issue using the "straight line method". The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was \$2,001,604.89 or 3.185%.

As a result, the related portion of the 2002 and 2004 Series Bonds are considered defeased and the liability for these bonds has been removed from the District's records.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**8. LONG-TERM DEBT (CONTINUED)**

**E. Capital Lease Obligations Payable**

Lease/Purchase Agreements – Equipment, Vehicles and Fields

The District is leasing school buses, equipment, copiers and synthetic athletic fields totaling \$1,146,474 under capital leases. All capital leases are for terms of four to five 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, 2012:

<u>Year Ending</u> <u>June 30,</u>	<u>High School</u> <u>Synthetic Field</u>	<u>School</u> <u>Buses</u>	<u>Equipment</u>	<u>Totals</u>
2013	\$ 221,349.37	\$ 299,403.16	\$ 85,126.10	\$ 605,878.63
2014	-	212,960.22	83,070.84	296,031.06
2015		76,406.20	81,003.10	157,409.30
2016		18,074.27	35,201.39	53,275.66
2017			33,879.31	33,879.31
	<u>221,349.37</u>	<u>606,843.85</u>	<u>318,280.74</u>	<u>1,146,473.96</u>
Total Minimum Lease Payment	\$ 221,349.37	\$ 606,843.85	\$ 318,280.74	\$ 1,146,473.96
Less: Amount representing Interest and Maintenance	<u>6,613.86</u>	<u>29,352.63</u>	<u>23,174.76</u>	<u>59,141.25</u>
Minimum Lease Payment	<u>\$ 214,735.51</u>	<u>\$ 577,491.22</u>	<u>\$ 295,105.98</u>	<u>\$ 1,087,332.71</u>

**9. OPERATING LEASES**

The District is leasing computer and computer equipment. The unit prices of all individual items lease purchased are less than the capitalization threshold for fixed assets and as a result, the lease is classified as an operating lease. The following is a schedule of the future minimum lease payments under the operating leases and the present value of the net minimum lease payments at June 30, 2012:

<u>Year</u>	<u>Amount</u>
2013	\$ 25,092.24
2014	25,092.24
2015	25,092.24
2016	<u>4,182.04</u>
Total minimum lease payments	\$ 79,458.76
Less: Amount representing interest	<u>7,470.98</u>
Present value of net minimum lease payments	<u>\$ 71,987.78</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**10. PENSION PLANS**

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

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

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

**Vesting and Benefit Provisions:** The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**10. PENSION PLANS (CONTINUED)**

**Significant Legislation:** During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Contribution Requirements:** The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on 5.5% through September 30, 2011 and 6.5% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium.

During the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**10. PENSION PLANS (CONTINUED)**

**Contribution Requirements: (Continued)**

<u>Year Funding</u>	<u>Three-Year Trend Information for PERS</u>			<u>Percentage of APC Contributed</u>
	<u>Annual Pension Cost</u>		<u>Net Cost to District</u>	
	<u>Normal</u>	<u>Accrued</u>		
June 30, 2012	\$ 356,915	\$ 713,831	\$ 1,138,966	100%
June 30, 2011	390,748	622,632	1,090,346	100%
June 30, 2010	297,701	382,511	774,542	100%

Three-Year Trend Information for TPAF (Paid on behalf of the District)

<u>Year Funding</u>	<u>Pension</u>					<u>Post Retirement Medical</u>	<u>TPAF FICA</u>
	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Normal &amp; Accrued</u>	<u>NCGI Premium</u>			
June 30, 2012	\$ None	100%	\$ 1,066,414	\$ 114,441	\$ 2,373,827	\$ 2,799,218	
June 30, 2011	None	100%	None	112,175	2,382,607	2,786,308	
June 30, 2010	None	100%	None	115,106	2,161,854	2,771,555	

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$1,138,966.00 for TPAF pension and \$2,373,827.00 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,799,218.10 during the year ended June 30, 2012 for the employer's share of social security contributions (FICA) for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**11. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**11. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)**

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

Contributions to the plan were as follows:

<u>Fiscal Year</u>	<u>Employee</u>	<u>Employer</u>
2012	\$ 7,709.88	\$ 5,429.36
2011	9,211.83	4,546.11
2010	N/A	N/A

**12. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**13. COMPENSATED ABSENCES**

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

District employees earn sick leave at the rate of one day for each month of service. Upon departure from the district, teachers who have obtained tenure and ten month support staff who have completed three or more years of employment shall be paid for accumulated sick leave at the rate of  $\frac{1}{4}$  of the unused accumulated sick leave multiplied by  $\frac{1}{200}$  of the last annual contracted salary. Twelve month employees who have completed three or more years of employment shall be paid at the rate of  $\frac{1}{4}$  of the unused accumulated sick leave multiplied by  $\frac{1}{240}$  of the last Annual contracted salary.

For teachers employed after September 1, 1981, the sick leave payment shall be limited to no more than \$5,000.00. For all support staff employed after September 1, 1981, the sick leave payment shall be limited to no more than \$2,500.00. There is no limit for personnel employed prior to September 1, 1981.

Twelve month employees earn vacation, the carryover of which is limited to August 31, of the year following the time earned.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Assets in the current and long-term liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

**14. DEFERRED COMPENSATION**

A. IRS Code Section 403(b)

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

MetLife	AIG - VALIC
AXA Equitable	First Investors Corp.
Oppenheimer Funds Services	T. Rowe Price

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**14. DEFERRED COMPENSATION (CONTINUED)**

B. IRS Code Section 457

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable

AIG - VALIC

**15 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011-2012	\$ None	\$ 422,307.84	\$ 350,683.29	\$ 166,994.72
2010-2011	None	113,017.35	199,341.19	95,370.17
2009-2010	140,400.00	116,895.06	142,011.09	181,694.01

**Health Benefits:** The Board of Education has procured medical insurance coverage for its employees under an agreement with Blue Cross/Blue Shield of New Jersey on a self insured "claims made" basis. The administrator has provided the required SSAE#16 Report on Internal Controls of Service Organizations. Upon termination of the agreement, the District would be required to provide for claims that originated prior to the termination but continue to be eligible for the coverage. The District has provided \$900,000.00, as of June 30, 2012, in an accrued liability for health benefit claims towards a potential termination liability. As of the date of this report, the board has not opted to terminate the arrangement.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**16. INTERFUND BALANCES AND TRANSFERS**

The interfund receivable/payable as of June 30, 2012 will be liquidated in the normal course of business in the succeeding year.

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 642,813.91	\$ 4,798.76
Special Revenue Fund		400,000.00
Capital Projects Fund	744,355.33	826,416.16
Debt Service Fund	8,512.56	
	1,395,681.80	1,231,214.92
Business Type Funds:		
Enterprise Fund:		
Food Service	\$ 533.12	
Childcare Initiative		\$ 165,000.00
	\$ 1,396,214.92	\$ 1,396,214.92
	\$ 1,396,214.92	\$ 1,396,214.92

**17. CAPITAL RESERVE ACCOUNT**

A Capital Reserve Account was established by the Board. An analysis of the Capital Reserve account history is as follows:

Capital Reserve Account established on October 11, 2000		\$ 1,000.00
Interest Earnings:		
Prior to June 30, 2011	\$ 12,077.00	
For the year ended June 30, 2012	288.00	12,365.00
Capital Reserve Account Supplemental Appropriation:		
Prior to June 30, 2011	\$ 750,000.00	
For the year ended June 30, 2012	None	750,000.00
		763,365.00
Less - Authorized Withdrawals:		
Prior to June 30, 2011	\$ 626,594.52	
For the year ended June 30, 2012	135,000.00	761,594.52
Balance as of June 30, 2012		\$ 1,770.48

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**17. CAPITAL RESERVE ACCOUNT (CONTINUED)**

The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund Annual Budget.

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

**18. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$11,572,873.74 General Fund fund balance at June 30, 2012, \$1,770.48 is restricted for the Capital Reserve Account; \$239,989.00 is Assigned – designated for subsequent years expenditures; \$5,560,544.91 is restricted - assigned excess surplus (from 2010-2011) – designated for subsequent years expenditures and has been appropriated and included as anticipated revenue for the year ended June 30, 2013, \$3,952,959.10 is restricted - unassigned excess surplus (from 2011-2012) and \$1,817,610.25 is unassigned.

**Debt Service Fund** – Of the \$220,522.39 Debt Service Fund balance at June 30, 2012, \$173,735.30 is assigned – designated for subsequent year's expenditures and \$46,787.09 is unassigned.

**Capital Projects Fund** – Of the \$8,916,018.20 Capital Projects Fund Balance at June 30, 2012, \$879,453.75 is committed for year-end encumbrances, \$6,888.86 is restricted for payment of capital leases and \$8,029,675.59 is assigned – designated for subsequent year's expenditures.

**19. CONTINGENT LIABILITIES AND COMMITMENTS**

- A. **Grant Programs** – The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – There are matters pending which should not, in the event of an adverse ruling, result in a material significant impact on the district's financial condition.
- C. **Contracts** – The Board awarded contracts for the construction of a new high school (9-12) and a new elementary school (K-6). The balance of the contracts remaining is included in the reserve for encumbrances in the Capital Projects Fund in the amount of \$879,453.75, represents \$823,485.75 for the new high school and \$55,968.00 for the new elementary school.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**20. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was excess fund balance as a result of the 2011-2012 and 2010-2011 of \$5,560,544.91 school year at June 30, 2012 of \$4,122,779.10.

**21. RECONCILIATION OF FUND BALANCE – GENERAL FUND**

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

	Total
Balance on a Budget Basis on the General Fund	
Budgetary Basic Comparison -	
Reserve for Excess Surplus	\$ 4,122,779.10
Less: State Aid Payment not Recognized on a	
GAAP Basis	169,820.00
	\$ 3,952,959.10

**22. ECONOMIC DEPENDENCY**

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

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 80,061,747.00		\$ 80,061,747.00	\$ 80,061,747.00	
Tuition	3,300,500.00		3,300,500.00	3,300,718.66	\$ 218.66
Transportation Fees	219,000.00		219,000.00	249,992.50	30,992.50
Interest earned on capital reserve funds	288.00		288.00	288.00	
Miscellaneous	769,598.00	\$ 84,568.85	854,166.85	763,677.49	(90,489.36)
<b>Total - local sources</b>	<b>\$ 84,351,133.00</b>	<b>\$ 84,568.85</b>	<b>\$ 84,435,701.85</b>	<b>\$ 84,376,423.65</b>	<b>\$ (59,278.20)</b>
State sources:					
Categorical Special education aid	\$ 1,125,818.00	\$ 647,133.00	\$ 1,772,951.00	\$ 2,012,940.00	\$ 239,989.00
Extraordinary aid	214,453.00		214,453.00	247,829.00	33,376.00
Non-public transportation - cost reimbursement		2,146.00	2,146.00	39,222.98	39,222.98
Other State Aid - Anti-Bullying Act				2,146.00	
On behalf - TPAF - Pension Contribution (Non-budgeted)				1,180,855.00	1,180,855.00
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,373,827.00	2,373,827.00
Reimbursed TPAF social security contributions (Non-budgeted)				2,799,218.10	2,799,218.10
<b>Total - state sources</b>	<b>\$ 1,340,271.00</b>	<b>\$ 649,279.00</b>	<b>\$ 1,989,550.00</b>	<b>\$ 8,656,038.08</b>	<b>\$ 6,665,488.08</b>
Federal sources:					
Medical Assistance Program:					
Medicaid Reimbursement	\$ 26,138.00		\$ 26,138.00	\$ 40,680.02	\$ 14,542.02
Education Jobs Fund	154,734.00	\$ 4,848.00	159,582.00	159,582.00	
<b>Total - federal sources</b>	<b>\$ 180,872.00</b>	<b>\$ 4,848.00</b>	<b>\$ 185,720.00</b>	<b>\$ 200,262.02</b>	<b>\$ 14,542.02</b>
<b>TOTAL REVENUES</b>	<b>\$ 85,872,276.00</b>	<b>\$ 738,695.85</b>	<b>\$ 86,610,971.85</b>	<b>\$ 93,232,723.75</b>	<b>\$ 6,621,751.90</b>

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual (Unfavorable)
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular programs - Instruction:					
Salaries of teachers:					
Kindergarten	\$ 695,828.00		\$ 695,828.00	\$ 579,066.78	\$ 116,761.22
Grades 1 - 5	8,970,066.00	\$ (1,125,000.00)	7,845,066.00	7,813,114.58	31,951.42
Grades 6 - 8	5,396,701.00	767,000.00	6,163,701.00	6,061,685.96	102,015.04
Grades 9 - 12	9,635,869.00	(638,800.00)	8,997,069.00	8,938,583.92	58,485.08
Total regular programs - instruction	\$ 24,698,464.00	\$ (996,800.00)	\$ 23,701,664.00	\$ 23,392,451.24	\$ 309,212.76
Regular programs - home instruction:					
Salaries of teachers	\$ 148,183.00	\$ (13,000.00)	\$ 135,183.00	\$ 86,291.90	\$ 48,891.10
Purchased professional - education services	9,164.00		9,164.00	8,588.00	576.00
Other purchased services (400-500 series)	10,180.00	13,000.00	23,180.00	22,760.52	419.48
Total regular programs - home instruction	\$ 167,527.00	\$	\$ 167,527.00	\$ 117,640.42	\$ 49,886.58
Regular programs - undistributed instruction:					
Other salaries for instruction	\$ 101,681.00	\$ 185,000.00	\$ 286,681.00	\$ 280,113.83	\$ 6,767.17
Purchased professional - educational services	20,790.00		20,790.00	18,043.00	2,747.00
Other purchased services (400-500 Series)	2,083,696.00	70,000.00	2,153,696.00	2,099,388.09	55,307.91
General supplies	1,742,548.00	356,132.00	2,100,680.00	2,024,042.13	76,637.87
Textbooks	233,720.00	(50,999.00)	182,721.00	182,903.62	19,187.58
Other objects	7,360.00		7,360.00	2,628.50	4,731.50
Total regular programs - undistributed instruction	\$ 4,189,995.00	\$ 562,133.00	\$ 4,752,128.00	\$ 4,586,119.17	\$ 166,008.83
Total regular programs - instructions	\$ 29,055,986.00	\$ (434,667.00)	\$ 28,621,319.00	\$ 28,086,210.83	\$ 525,108.17
Special education instruction:					
Learning and/or language disabilities:					
Special Services Cognitive Mild - Supplies	\$ 1,944.00		\$ 1,944.00	\$	\$ 1,944.00
Salaries of teachers	242,318.00	\$ 79,000.00	321,318.00	\$ 316,485.83	4,832.17
Other salaries for instruction	298,862.00	(89,000.00)	209,862.00	204,624.08	5,237.92
General supplies	6,987.00	7,500.00	14,487.00	10,517.72	3,969.28
Total learning and/or language disabilities	\$ 550,111.00	\$ (2,500.00)	\$ 547,611.00	\$ 531,627.63	\$ 15,983.37
Special Education - Multiple handicap					
Special education Ins - Mult Disabilities	\$ 49,183.00	\$ 35,000.00	\$ 84,183.00	\$ 83,040.50	\$ 1,142.50
Salaries for instr. Aides special services	41,780.00	18,000.00	59,780.00	59,245.54	534.46
Supplies	1,787.00		1,787.00	1,159.33	627.67
Total special education - multiple handicap	\$ 92,750.00	\$ 53,000.00	\$ 145,750.00	\$ 143,445.37	\$ 2,304.63

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource room/resource center:					
Salaries of teachers	\$ 4,607,669.00	\$ 981,000.00	\$ 5,588,669.00	\$ 5,575,786.72	\$ 12,880.28
Other salaries for instruction	384,704.00	246,000.00	630,704.00	627,755.58	2,948.42
General supplies	67,940.00	(30,000.00)	37,940.00	14,761.29	23,178.71
Textbooks	15,282.00		15,282.00	3,518.34	11,763.66
<b>Total resource room/resource center</b>	<b>\$ 5,075,595.00</b>	<b>\$ 1,197,000.00</b>	<b>\$ 6,272,595.00</b>	<b>\$ 6,221,823.93</b>	<b>\$ 50,771.07</b>
Autism:					
Salaries of teachers	\$ 312,659.00	\$ (100,000.00)	\$ 212,659.00	\$ 210,414.24	\$ 2,244.76
Other salaries for instruction	140,779.00	95,000.00	235,779.00	231,425.74	4,353.26
Purchased Professional Educational Services		500.00	500.00	75.00	425.00
General supplies	7,197.00	2,500.00	9,697.00	6,462.57	3,234.43
<b>Total autism</b>	<b>\$ 460,635.00</b>	<b>\$ (2,000.00)</b>	<b>\$ 458,635.00</b>	<b>\$ 448,377.55</b>	<b>\$ 10,257.45</b>
Preschool disabilities - part-time:					
Salaries of teachers	\$ 377,850.00	\$ 109,000.00	\$ 486,850.00	\$ 482,031.99	\$ 4,818.01
Other salaries for instruction	204,638.00	(5,000.00)	199,638.00	192,667.49	6,970.51
General supplies	10,285.00	8,000.00	18,285.00	16,486.75	1,798.25
<b>Total preschool disabilities</b>	<b>\$ 592,773.00</b>	<b>\$ 112,000.00</b>	<b>\$ 704,773.00</b>	<b>\$ 691,186.23</b>	<b>\$ 13,586.77</b>
Home Instruction:					
Salaries of teachers	\$ 49,373.00	\$ (20,000.00)	\$ 29,373.00	\$ 21,413.42	\$ 7,959.58
Purchased professional-educational services	75,457.00	(50,000.00)	25,457.00	20,586.00	4,871.00
Other purchased services (400-500 Series)	745.00	12,000.00	12,745.00	8,716.17	4,028.83
<b>Total home instruction</b>	<b>\$ 125,575.00</b>	<b>\$ (58,000.00)</b>	<b>\$ 67,575.00</b>	<b>\$ 50,715.59</b>	<b>\$ 16,859.41</b>
<b>Total special education - instruction</b>	<b>\$ 6,897,439.00</b>	<b>\$ 1,299,500.00</b>	<b>\$ 8,196,939.00</b>	<b>\$ 8,087,176.30</b>	<b>\$ 109,762.70</b>
Basic skills/remedial - Instruction:					
Salaries of Teachers	\$ 525,356.00	\$ 229,000.00	\$ 754,356.00	\$ 743,369.02	\$ 10,986.98
Other salaries for instruction	31,097.00		31,097.00	8,686.35	22,398.65
General supplies	8,429.00		8,429.00	2,939.95	5,489.05
<b>Total basic skills/remedial - Instruction</b>	<b>\$ 564,882.00</b>	<b>\$ 229,000.00</b>	<b>\$ 793,882.00</b>	<b>\$ 755,007.32</b>	<b>\$ 38,874.68</b>
Bilingual education - Instruction:					
Salaries of teachers	\$ 185,229.00	\$ (47,500.00)	\$ 137,729.00	\$ 133,330.00	\$ 4,399.00
Purchased professional-educational services	503.00		503.00		503.00
Other purchased services (400-500 Series)		2,500.00	2,500.00	747.71	1,752.29
General supplies	5,433.00		5,433.00	442.00	4,991.00
<b>Total bilingual education - instruction</b>	<b>\$ 191,165.00</b>	<b>\$ (45,000.00)</b>	<b>\$ 146,165.00</b>	<b>\$ 134,519.71</b>	<b>\$ 11,645.29</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School sponsored co/extra - curricular activities - Instructions:					
Salaries	\$ 428,693.00	\$ (22,000.00)	\$ 406,693.00	\$ 390,227.70	\$ 16,465.30
Purchase services (300-500 Series)	22,970.00	25,000.00	47,970.00	44,769.80	3,200.20
Supplies and materials	42,835.00		42,835.00	13,725.91	29,109.09
Other objects	97,734.00	(20,000.00)	77,734.00	29,475.00	48,259.00
<b>Total school sponsored co/extra - curricular activities - Instruction</b>	<b>\$ 592,232.00</b>	<b>(17,000.00)</b>	<b>\$ 575,232.00</b>	<b>\$ 478,198.41</b>	<b>\$ 97,033.59</b>
School sponsored athletics - Instruction:					
Salaries	\$ 706,183.00	\$ (98,000.00)	\$ 608,183.00	\$ 605,645.47	\$ 2,537.53
Purchased services (300-500 Series)	120,257.00	(15,000.00)	105,257.00	90,767.41	14,489.59
Supplies and materials	187,275.00		187,275.00	165,348.06	21,926.94
Other objects	21,600.00	15,000.00	36,600.00	35,475.47	1,124.53
<b>Total school sponsored athletic activities - instruction</b>	<b>\$ 1,035,315.00</b>	<b>(98,000.00)</b>	<b>\$ 937,315.00</b>	<b>\$ 897,236.41</b>	<b>\$ 40,078.59</b>
Community Service Programs/Operations:					
Salaries	\$ 32,863.00		\$ 32,863.00	\$ 20,100.96	\$ 12,762.04
Purchase Services (300-500 Series)	4,973.00		4,973.00		4,973.00
<b>Total Community Service Programs/Operations</b>	<b>\$ 37,836.00</b>		<b>\$ 37,836.00</b>	<b>\$ 20,100.96</b>	<b>\$ 17,735.04</b>
Total special programs	\$ 2,421,430.00	\$ 69,000.00	\$ 2,490,430.00	\$ 2,285,062.81	\$ 205,367.19
Total instructional programs	\$ 38,374,855.00	\$ 933,833.00	\$ 39,308,688.00	\$ 38,468,449.94	\$ 840,238.06
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	\$ 42,473.00	\$ 14,000.00	\$ 14,000.00	\$ 7,144.40	\$ 6,855.60
Tuition to other LEAs within the state - special		45,000.00	87,473.00	55,773.38	31,699.62
Tuition to county spec. serv - reg		31,000.00	31,000.00	17,503.00	13,497.00
Tuition to county vocational school district - special		26,000.00	26,000.00	17,425.00	8,575.00
Tuition to county spec. serv - regional	1,325,473.00	(400,000.00)	925,473.00	578,960.11	346,512.89
Tuition to private schools-disabled within the state	2,060,623.00	(256,000.00)	1,804,623.00	1,243,071.69	561,551.31
Tuition - state facilities		20,000.00	20,000.00	17,699.00	2,301.00
Tuition - other		30,000.00	30,000.00	27,761.00	2,239.00
Tuition - Charter School	15,750.00		15,750.00	10,798.00	4,952.00
<b>Total undistributed expenditures - instruction</b>	<b>\$ 3,444,319.00</b>	<b>(490,000.00)</b>	<b>\$ 2,954,319.00</b>	<b>\$ 1,976,135.58</b>	<b>\$ 978,183.42</b>
Attendance and social work:					
Salaries	\$ 12,770.00		\$ 12,770.00	\$ 11,346.72	\$ 1,423.28
<b>Total attendance and Social Work</b>	<b>\$ 12,770.00</b>		<b>\$ 12,770.00</b>	<b>\$ 11,346.72</b>	<b>\$ 1,423.28</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Health services:</b>					
Salaries	\$ 803,936.00	\$ 36,000.00	\$ 839,936.00	\$ 837,942.42	\$ 1,993.58
Purchased professional and technical services	65,639.00	(41,000.00)	24,639.00	21,258.00	3,381.00
Other purchased services (400-500 Series)	1,317.00	5,000.00	6,317.00	5,746.78	570.22
Supplies and materials	16,471.00		16,471.00	14,573.62	1,897.38
<b>Total health services</b>	<b>\$ 887,363.00</b>		<b>\$ 887,363.00</b>	<b>\$ 879,520.82</b>	<b>\$ 7,842.18</b>
<b>Other support services - student-related services:</b>					
Salaries	\$ 1,206,085.00	\$ 146,200.00	\$ 1,352,285.00	\$ 1,351,122.61	\$ 1,162.39
Purchased professional - educational services	288,700.00		288,700.00	275,705.66	12,994.34
Supplies and materials	19,678.00	3,000.00	22,678.00	20,268.68	2,409.32
Other objects	323.00	2,800.00	3,123.00	1,604.00	1,519.00
<b>Total other support services - student-related services</b>	<b>\$ 1,514,786.00</b>	<b>\$ 152,000.00</b>	<b>\$ 1,666,786.00</b>	<b>\$ 1,648,700.95</b>	<b>\$ 18,085.05</b>
<b>Other support services - students - regular:</b>					
Salaries of other professional staff	\$ 1,382,720.00	\$ (330,000.00)	\$ 1,052,720.00	\$ 1,039,309.82	\$ 13,410.18
Salaries of secretarial & clerical assistants	164,715.00	(8,000.00)	156,715.00	125,232.10	31,482.90
Purchased professional - educational services	2,779.00	6,000.00	8,779.00	5,094.06	3,684.94
Other purchase services (400-500 Series)	1,420.00	42,000.00	43,420.00	35,391.55	8,028.45
Supplies and materials	48,041.00	(1,000.00)	47,041.00	21,792.36	25,248.64
Other objects	1,222.00	1,000.00	2,222.00	1,267.00	955.00
<b>Total other support services - students - regular</b>	<b>\$ 1,600,897.00</b>	<b>\$ (290,000.00)</b>	<b>\$ 1,310,897.00</b>	<b>\$ 1,228,086.89</b>	<b>\$ 82,810.11</b>
<b>Other support services - students - special:</b>					
Salaries of other professional staff	\$ 2,133,570.00	\$ 14,000.00	\$ 2,147,570.00	\$ 2,144,940.24	\$ 2,629.76
Salaries of secretarial & clerical assistants	229,520.00	(44,000.00)	185,520.00	154,350.16	31,169.84
Purchased professional - educational services	13,671.00	20,000.00	33,671.00	32,107.50	1,563.50
Other purchased professional and technical services	13,214.00	(10,000.00)	3,214.00	387.90	2,826.10
Miscellaneous purchased services (400-500 Series other than residential costs)	11,144.00		11,144.00	6,654.22	4,489.78
Supplies and materials	43,091.00	19,400.00	62,491.00	57,772.13	4,718.87
Other objects	1,045.00	600.00	1,645.00	1,185.00	460.00
<b>Total other support services - students - special</b>	<b>\$ 2,445,255.00</b>		<b>\$ 2,445,255.00</b>	<b>\$ 2,397,397.15</b>	<b>\$ 47,857.85</b>

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 685,659.00		\$ 685,659.00	\$ 602,848.64	\$ 82,810.36
Salaries of other professional staff	94,287.00		94,287.00	61,650.85	32,636.15
Salaries of secretarial & clerical assistants	172,272.00	\$ (50,000.00)	122,272.00	99,029.43	23,242.57
Purchased professional - educational services	58,566.00		58,566.00	10,406.20	48,159.80
Other purchased services (400-500 Series)	48,875.00	(5,000.00)	44,875.00	9,511.72	35,363.28
Supplies and materials	29,862.00		29,862.00	9,769.61	20,092.39
Other objects	12,400.00	5,000.00	17,400.00	12,722.00	4,678.00
Total improvement of instructional services	\$ 1,102,921.00	\$ (50,000.00)	\$ 1,052,921.00	\$ 805,938.45	\$ 246,982.55
Educational media services/school library:					
Salaries	\$ 557,643.00	\$ 75,000.00	\$ 632,643.00	\$ 631,304.57	\$ 1,338.43
Other purchased services (400-500 Series)	15,480.00	10,000.00	25,480.00	13,198.45	12,281.55
Supplies and materials	204,871.00	(35,000.00)	169,871.00	136,156.73	33,714.27
Other objects	383.00		383.00		383.00
Total educational media services/school library	\$ 778,377.00	\$ 50,000.00	\$ 828,377.00	\$ 780,659.75	\$ 47,717.25
Instructional staff training services:					
Salaries of supervisors of instruction	\$ 176,709.00	\$ (20,000.00)	\$ 156,709.00	\$ 154,856.64	\$ 1,852.36
Salaries of secretarial & clerical assistants	50,036.00	4,000.00	54,036.00	52,456.10	1,579.90
Purchased professional - educational services	30,200.00	(5,000.00)	25,200.00	7,575.52	17,624.48
Other purchased services (400-500 Series)		35,000.00	35,000.00	17,570.31	17,429.69
Supplies and materials	2,434.00	4,000.00	6,434.00	5,670.28	763.72
Other objects	800.00		800.00	119.00	681.00
Total instructional staff training services	\$ 260,179.00	\$ 18,000.00	\$ 278,179.00	\$ 238,247.85	\$ 39,931.15
Support services - general administration:					
Salaries	\$ 530,849.00	\$ 20,000.00	\$ 550,849.00	\$ 545,067.23	\$ 5,781.77
Legal services	162,440.00	180,000.00	342,440.00	282,404.49	60,035.51
Audit Fee	41,645.00	7,000.00	48,645.00	45,750.00	2,895.00
Architectural/Engineering Services	40,845.00	111,000.00	151,845.00	109,693.29	42,151.71
Other purchased professional services	82,146.00	(58,000.00)	24,146.00	7,875.00	16,471.00
Communications/telephone	420,954.00	(217,000.00)	203,954.00	183,399.65	20,554.35
BOE other purchased services	4,729.00		4,729.00	696.25	4,032.75
Other purchased services (400-500)	110,030.00	100,000.00	210,030.00	202,861.12	7,168.88
General supplies	25,527.00	(3,000.00)	22,527.00	13,307.79	9,219.21
BOE in-house training/meeting supplies	7,925.00		7,925.00	6,117.50	1,807.50
Miscellaneous expenditures	12,225.00		12,225.00	5,602.87	6,622.13
BOE membership dues and fees	28,341.00		28,341.00	26,964.20	1,376.80
Total support services - general administration	\$ 1,467,656.00	\$ 140,000.00	\$ 1,607,656.00	\$ 1,429,539.39	\$ 178,116.61

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,657,700.00	\$ 40,000.00	\$ 1,697,700.00	\$ 1,684,967.43	\$ 12,732.57
Salaries of other professional staff		350,000.00	350,000.00	342,620.04	7,379.96
Salaries of secretarial and clerical assistants	1,675,403.00	(40,000.00)	1,635,403.00	1,487,562.65	147,840.35
Purchased professional and technical services	2,551.00		2,551.00		2,551.00
Other purchased services (400-500 Series)	30,060.00		30,060.00	13,904.23	16,155.77
Supplies and materials	107,495.00	20,000.00	127,495.00	118,954.70	8,541.30
Other objects	49,268.00	(20,000.00)	29,268.00	20,050.16	9,217.84
Total support services - school administration	\$ 3,522,478.00	\$ 350,000.00	\$ 3,872,478.00	\$ 3,668,059.21	\$ 204,418.79
Central services:					
Salaries	\$ 719,895.00		\$ 719,895.00	\$ 714,111.82	\$ 5,783.18
Purchased technical services	81,081.00	\$ 5,000.00	86,081.00	84,085.09	1,995.91
Miscellaneous purchased services (400-500 Series)	16,922.00	(3,000.00)	13,922.00	8,479.89	5,442.11
Supplies and materials	29,115.00	(22,500.00)	6,615.00	3,850.32	2,764.68
Miscellaneous expenditures	7,370.00	25,500.00	32,870.00	31,854.81	1,015.19
Total central services	\$ 854,383.00	\$ 5,000.00	\$ 859,383.00	\$ 842,381.93	\$ 17,001.07
Admin. info. technology:					
Salaries	\$ 692,158.00	\$ 28,000.00	\$ 720,158.00	\$ 719,067.01	\$ 1,090.99
Other purchased services (400-500 Series)		6,000.00	6,000.00	5,300.00	700.00
Supplies and materials	15,118.00	(6,000.00)	9,118.00	5,862.51	3,255.39
Total admin. info. technology	\$ 707,276.00	\$ 28,000.00	\$ 735,276.00	\$ 730,229.62	\$ 5,046.38
Required maintenance for school facilities:					
Salaries	\$ 1,111,611.00	\$ (271,000.00)	\$ 840,611.00	\$ 838,853.56	\$ 1,747.44
Cleaning, repair and maintenance services	292,960.00	80,000.00	372,960.00	364,558.28	8,401.72
General supplies	225,556.00	247,000.00	472,556.00	467,402.68	5,153.32
Other objects	6,100.00	(4,000.00)	2,100.00	820.00	1,280.00
Total required maintenance for school facilities	\$ 1,635,227.00	\$ 52,000.00	\$ 1,688,227.00	\$ 1,671,644.52	\$ 16,582.48

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Custodial Services:</b>					
Salaries	\$ 2,902,961.00	\$ (45,000.00)	\$ 2,857,961.00	\$ 2,838,244.73	\$ 19,716.27
Purchased professional and technical services	263,884.00	(115,000.00)	148,884.00	119,907.78	28,976.22
Cleaning, repair and maintenance services	36,900.00	75,000.00	111,900.00	76,249.74	35,650.26
Water & Sewer facilities	98,857.00	(20,000.00)	78,857.00	72,274.36	6,582.64
Insurance	357,781.00	(150,000.00)	207,781.00	207,259.00	522.00
Miscellaneous purchased services	157,400.00		157,400.00	130,478.61	26,921.39
General supplies	159,256.00		159,256.00	134,775.26	24,480.74
Energy (natural gas)	769,335.00	(286,700.00)	483,635.00	203,417.45	280,217.55
Energy (electricity)	1,537,701.00	188,000.00	1,725,701.00	1,408,906.61	316,794.39
Energy (oil)	34,180.00	15,000.00	49,180.00	42,293.10	6,886.90
Energy (gasoline)	16,422.00	(15,000.00)	3,422.00	3,422.00	0.00
Other objects	3,857.00		3,857.00	3,654.00	203.00
<b>Total custodial services:</b>	\$ 6,340,534.00	\$ (352,700.00)	\$ 5,987,834.00	\$ 5,237,460.64	\$ 750,373.36
<b>Care and Upkeep of Grounds:</b>					
Salaries	\$ 78,596.00	\$ 60,000.00	\$ 138,596.00	\$ 136,893.36	\$ 1,702.64
Purchased professional & technical services facilities	49,880.00	70,000.00	119,880.00	113,755.95	6,124.05
Repair and maintenance services	86,000.00	(70,000.00)	18,000.00	16,110.69	1,889.31
General supplies	17,932.00	15,000.00	32,932.00	32,833.73	98.27
Other objects	400.00		400.00	400.00	0.00
<b>Total care and upkeep of grounds:</b>	\$ 234,808.00	\$ 75,000.00	\$ 309,808.00	\$ 299,593.73	\$ 10,214.27
<b>Security:</b>					
Salaries	\$ 376,435.00	\$ 104,000.00	\$ 480,435.00	\$ 449,208.23	\$ 31,226.77
Purchased professional & technical services security	25,000.00	25,000.00	50,000.00	24,150.00	850.00
Repair and maintenance services district	2,669.00	8,000.00	10,669.00	8,055.42	2,613.58
General supplies district	4,976.00	4,976.00	9,952.00	2,620.22	2,355.78
Other objects district	400.00		400.00	400.00	0.00
<b>Total security:</b>	\$ 384,480.00	\$ 137,000.00	\$ 521,480.00	\$ 484,033.87	\$ 37,446.13
<b>Total care and upkeep of grounds</b>	\$ 619,288.00	\$ 212,000.00	\$ 831,288.00	\$ 783,627.60	\$ 47,660.40
<b>Total operation and maintenance of plant services</b>	\$ 8,596,049.00	\$ (88,700.00)	\$ 8,507,349.00	\$ 7,692,732.76	\$ 814,616.24

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Student transportation services:					
Salaries of Pupil transportation (between home and school) - regular	\$ 114,336.00	\$ (12,000.00)	\$ 102,336.00	\$ 101,882.66	\$ 453.34
Salaries of Pupil transportation - bus drivers	1,512,638.00	259,000.00	1,871,638.00	1,869,413.57	2,224.43
Salaries of Pupil transportation (between home and school) - special education	63,688.00	(24,000.00)	39,688.00	39,066.28	621.72
Salaries of Pupil transportation - (other than between home and school)	385,420.00	(19,000.00)	366,420.00	365,573.46	846.54
Salaries of Pupil transportation - (between home and school) - nonpublic school	93,320.00	(12,000.00)	81,320.00	81,062.03	257.97
Management fee - ESC and CTSA Transp. Program	51,756.00	14,000.00	65,756.00	64,908.80	847.20
Other purchased professional and technical services	1,700.00	17,000.00	18,700.00	18,465.00	235.00
Cleaning, repair and maintenance services	29,678.00	(28,000.00)	1,678.00	1,383.60	294.40
Lease purchase payments - School Buses	330,442.00		330,442.00	330,419.13	22.87
Contracted services - aid in lieu of payments - nonpublic schools	120,350.00	(36,000.00)	84,350.00	83,434.79	915.21
Contracted services (between home and school) - vendors	169,640.00	(23,000.00)	146,640.00	141,211.80	5,428.20
Contracted services (other than between home and school) - vendors	7,850.00	146,000.00	153,850.00	150,659.36	3,190.64
Contracted services (between home and school) - joint agreements	9,316.00	(9,316.00)			
Contracted services (special education students) - vendors	9,762.00	(9,762.00)			
Contracted services (special education students) - joint agreements	7,641.00	(7,000.00)	641.00		641.00
Contracted services (regular) - ESC		624,500.00	624,500.00	623,697.31	802.69
Contracted services (special education students) - ESC's and CTSA's	1,369,036.00	100,078.00	1,469,114.00	1,464,855.61	4,258.39
Miscellaneous purchased services - Transportation	132,440.00	(31,000.00)	101,440.00	101,303.09	136.91
General Supplies transportation admin	8,614.00	(2,500.00)	6,114.00	4,432.69	1,681.31
Transportation supplies	600,073.00	6,000.00	606,073.00	591,910.81	14,162.19
Miscellaneous expenditures	5,551.00	(2,000.00)	3,551.00	2,139.95	1,411.05
<b>Total student transportation services</b>	<b>\$ 5,123,251.00</b>	<b>\$ 951,000.00</b>	<b>\$ 6,074,251.00</b>	<b>\$ 6,035,619.94</b>	<b>\$ 38,631.06</b>
Student Transportation Services - Employee Benefits					
Group insurance	\$ 1,267,657.00		\$ 1,267,657.00	\$ 1,059,097.00	\$ 208,560.00
Social Security Contributions	243,389.00		243,389.00	187,960.35	55,428.65
<b>Total student transportation services - employee benefits</b>	<b>\$ 1,511,046.00</b>		<b>\$ 1,511,046.00</b>	<b>\$ 1,247,057.35</b>	<b>\$ 263,988.65</b>
Unallocated benefits - Employee benefits:					
Social security contribution	\$ 1,356,842.00	\$ (225,000.00)	\$ 1,131,842.00	\$ 1,085,813.17	\$ 46,028.83
Other retirement contributions - regular	1,198,282.00		1,198,282.00	1,138,966.00	59,316.00
Unemployment compensation	305,000.00		305,000.00	305,000.00	
Workmen's compensation	431,820.00		531,820.00	508,494.42	23,325.58
Health benefits	14,495,262.00	(1,517,522.00)	12,977,740.00	12,936,560.53	41,179.47
Tuition reimbursement	80,603.00	80,603.00	160,603.00	119,964.15	40,638.85
Other employee benefits	241,463.00	200,000.00	441,463.00	376,197.13	65,265.87
<b>Total unallocated benefits - employee benefits</b>	<b>\$ 17,804,272.00</b>	<b>\$ (1,057,522.00)</b>	<b>\$ 16,746,750.00</b>	<b>\$ 16,470,995.40</b>	<b>\$ 275,754.60</b>

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
On behalf - TPAF - Pension Contribution (Non-budgeted)				\$ 1,180,855.00	\$ (1,180,855.00)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,373,827.00	(2,373,827.00)
Reimbursed TPAF social security contributions (Non-budgeted)				2,799,218.10	(2,799,218.10)
Total on behalf - Contributions				\$ 6,353,900.10	\$ (6,353,900.10)
Total personal services - employee benefits	\$ 19,315,318.00	\$ (1,057,522.00)	\$ 18,257,796.00	\$ 24,071,952.85	\$ (5,814,156.85)
Total undistributed expenditures	\$ 51,633,278.00	\$ (282,222.00)	\$ 51,351,056.00	\$ 54,436,549.86	\$ (3,085,493.86)
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	\$ 90,008,133.00	\$ 651,611.00	\$ 90,659,744.00	\$ 92,904,999.80	\$ (2,245,255.80)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Regular programs - instruction:					
Grades 6-8		\$ 7,020.00	\$ 7,020.00	\$ 7,020.00	
Undistributed expenditures:					
Support Services - Related & Extra	\$ 8,478.00		\$ 8,478.00	\$ 4,829.60	\$ 3,648.40
Non-Instnr Equipment Transportation		28,161.00	28,161.00	28,161.00	
Total equipment - regular programs - instruction	\$ 8,478.00	\$ 35,181.00	\$ 43,659.00	\$ 40,010.60	\$ 3,648.40
Equipment:					
Architectural/Engineering Services		\$ 53,000.00	\$ 53,000.00	\$ 43,679.57	\$ 9,120.43
Other Purchase Prof. & Tech Equip HS		24,000.00	24,000.00	18,325.00	5,675.00
Construction Services District	\$ 352,275.00	161,284.25	513,559.25	460,551.77	53,007.48
Other Objects	77,372.00		77,372.00	77,372.00	
Total Equipment - other	\$ 429,647.00	\$ 238,284.25	\$ 667,931.25	\$ 600,128.34	\$ 67,802.91
Assets acquired under capital lease (non-budgeted):					
Undistributed Expenditures:					
Instruction				\$ 166,091.34	\$ (166,091.34)
Total assets acquired under capital lease				\$ 166,091.34	\$ (166,091.34)
<b>TOTAL EXPENDITURES - CAPITAL OUTLAY</b>	\$ 438,125.00	\$ 273,465.25	\$ 711,590.25	\$ 806,230.28	\$ (162,442.94)
<b>SPECIAL SCHOOLS:</b>					
Adult education - Local - Support Services:					
Salaries	\$ 43,102.00		\$ 43,102.00	\$ 41,156.99	\$ 1,945.01
Purchased professional and technical services	14,600.00		14,600.00	14,600.00	
Other purchased services (400-500 Series)	23,600.00		23,600.00	17,020.25	6,579.75
Supplies and material	3,006.00		3,006.00	3,006.00	
Other objects	4,975.00		4,975.00	1,147.75	3,827.25
Total Adult Education	\$ 89,283.00		\$ 89,283.00	\$ 59,324.99	\$ 29,958.01

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL SPECIAL SCHOOLS	\$ 89,283.00		\$ 89,283.00	\$ 59,324.99	\$ 29,958.01
TOTAL GENERAL FUND EXPENDITURES	\$ 90,535,541.00	\$ 925,076.25	\$ 91,460,617.25	\$ 93,770,555.07	\$ (2,377,740.73)
Excess/(deficiency) of revenues over/(under) expenditures	\$ (4,663,265.00)	\$ (186,380.40)	\$ (4,849,645.40)	\$ (537,831.32)	\$ (4,311,814.08)
Other financing sources/(uses):					
Capital leases (Non-Budgeted)				\$ 166,091.34	\$ 166,091.34
Total other financing sources/(uses)				\$ 166,091.34	\$ 166,091.34
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (4,663,265.00)	\$ (186,380.40)	\$ (4,849,645.40)	\$ (371,739.98)	\$ 4,477,905.42
Fund balance, July 1	\$ 12,114,433.72		\$ 12,114,433.72	\$ 12,114,433.72	
Fund balance, June 30	\$ 7,451,168.72	\$ (186,380.40)	\$ 7,264,788.32	\$ 11,742,693.74	\$ 4,477,905.42
Fund balance appropriated per budget	\$ 4,663,553.00				
Less: Increase in capital reserve	288.00				
	<u>\$ 4,663,265.00</u>				
Detail of budget transfers:					
Transfer from Capital Reserve	\$ 135,000.00	\$ 186,380.40			
Prior Year Reserve for Encumbrances	51,380.40	647,133.00			
Categorical Special Education Aid		4,848.00			
Education Jobs Fund		2,146.00			
Other State Aid		84,568.85			
Miscellaneous Revenue					
		<u>\$ 925,076.25</u>			
Reconciliation of Fund Balance:					
Restricted:					
Assigned - Excess surplus - designated for subsequent year's expenditures			\$ 5,560,544.91		
Unassigned - Reserved for excess surplus			4,122,779.10		
Capital reserve			1,770.48		
Assigned - Designated for subsequent year's expenditures			239,989.00		
Unassigned			<u>1,817,610.25</u>		
			\$ 11,742,693.74		
Reconciliation to governmental funds statements (GAAP):					
Less: Last Two (2) State Aid Payments not recognized on GAAP basis			<u>(169,820.00)</u>		
Fund balance per governmental funds (GAAP)			<u>\$ 11,572,873.74</u>		

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
EDUCATIONAL JOBS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Federal sources:			
Education jobs fund	\$ <u>159,582.00</u>	\$ <u>159,582.00</u>	_____
Total federal sources	\$ <u>159,582.00</u>	\$ <u>159,582.00</u>	_____
Total revenues	\$ <u><u>159,582.00</u></u>	\$ <u><u>159,582.00</u></u>	=====

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Unallocated benefits - employee benefits:			
Health benefits	\$ <u>159,582.00</u>	\$ <u>159,582.00</u>	_____
Total unallocated benefits	\$ <u>159,582.00</u>	\$ <u>159,582.00</u>	_____
Total expenditures	\$ <u><u>159,582.00</u></u>	\$ <u><u>159,582.00</u></u>	=====

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers	Final Budget	Actual
REVENUES:				
Federal Sources	\$ 878,116.00	\$ 734,513.24	\$ 1,612,629.24	\$ 1,602,904.43
Local Sources		<u>1,625.00</u>	<u>1,625.00</u>	<u>1,625.00</u>
Total Revenues	<u>\$ 878,116.00</u>	<u>\$ 736,138.24</u>	<u>\$ 1,614,254.24</u>	<u>\$ 1,604,529.43</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 878,116.00	\$ (646,513.08)	\$ 231,602.92	\$ 221,878.11
Purchased Professional and Technical Services		4,795.00	4,795.00	4,795.00
Other Purchased Services		947,779.00	947,779.00	947,779.00
General Supplies		39,718.70	39,718.70	39,718.70
Other Objects		<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
Total Instruction	<u>\$ 878,116.00</u>	<u>\$ 346,779.62</u>	<u>\$ 1,224,895.62</u>	<u>\$ 1,215,170.81</u>
Support Services:				
Salaries of Other Professional Staff		\$ 13,252.72	\$ 13,252.72	\$ 13,252.72
Personal Services - Employee Benefits		27,386.47	27,386.47	27,386.47
Purchased Professional and Technical Services		191,685.00	191,685.00	191,685.00
Other Purchased Services		102,144.00	102,144.00	102,144.00
Travel		1,996.12	1,996.12	1,996.12
Supplies and Materials		<u>52,894.31</u>	<u>52,894.31</u>	<u>52,894.31</u>
Total Support Services		<u>\$ 389,358.62</u>	<u>\$ 389,358.62</u>	<u>\$ 389,358.62</u>
Total Expenditures	<u>\$ 878,116.00</u>	<u>\$ 736,138.24</u>	<u>\$ 1,614,254.24</u>	<u>\$ 1,604,529.43</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 93,232,723.75	C-2 \$ 1,604,529.43
<b>Difference - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	None	None
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	None	None
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(169,820.00)</u>	<u>None</u>
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 B-2 \$ <u>93,062,903.75</u>	 B-2 \$ <u>1,604,529.43</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$ 93,770,555.07	C-2 \$ 1,604,529.43
<b>Difference - Budget to GAAP:</b>		
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.	<u>N/A</u>	<u>N/A</u>
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 B-2 \$ <u>93,770,555.07</u>	 B-2 \$ <u>1,604,529.43</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Total Brought Forward (Ex-E-1a)	I.D.E.A. Part B			Total
		Title I 2011-2012 Regular	2011-2012 Regular Program	2011-2012 Preschool	
REVENUES:					
Federal sources	\$ 528,284.43	\$ 82,908.00	\$ 947,779.00	\$ 43,933.00	\$ 1,602,904.43
Local sources	1,625.00				1,625.00
Total revenues	\$ 529,909.43	\$ 82,908.00	\$ 947,779.00	\$ 43,933.00	\$ 1,604,529.43
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 122,851.11	\$ 55,094.00	\$ 43,933.00	\$	\$ 221,878.11
Purchased professional - educational services		4,795.00			4,795.00
Other purchased services			\$ 947,779.00		947,779.00
General supplies	40,718.70				40,718.70
Total instruction	\$ 163,569.81	\$ 59,889.00	\$ 947,779.00	\$ 43,933.00	\$ 1,215,170.81
Support services:					
Salaries of other professional staff	\$ 13,252.72				\$ 13,252.72
Personal services-employee benefits	16,367.47	\$ 11,019.00			27,386.47
Purchased professional and technical services	179,685.00	12,000.00			191,685.00
Other purchased services	102,144.00				102,144.00
General Supplies	52,894.31				52,894.31
Travel	1,996.12				1,996.12
Total support services	\$ 366,339.62	\$ 23,019.00			\$ 389,358.62
Total expenditures	\$ 529,909.43	\$ 82,908.00	\$ 947,779.00	\$ 43,933.00	\$ 1,604,529.43

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUND - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Total Brought Forward (Ex-E-1b)	IDEA ARRA 2010-2011 Basic	Title II 2011-2012 Part A	Title III 2011-2012	Total Carried Forward
<b>REVENUES:</b>					
Federal sources	\$ 239,376.49	\$ 224,860.94	\$ 53,948.00	\$ 10,099.00	\$ 528,284.43
Local sources	<u>1,625.00</u>				<u>1,625.00</u>
Total revenues	\$ 241,001.49	\$ 224,860.94	\$ 53,948.00	\$ 10,099.00	\$ 529,909.43
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 50,088.60	\$ 25,503.51	\$ 44,957.00	\$ 2,302.00	\$ 122,851.11
Purchased professional and technical services					
Other purchased services	<u>1,625.00</u>			7,336.99	40,718.70
General supplies					
Total instruction	\$ 51,713.60	\$ 57,260.22	\$ 44,957.00	\$ 9,636.99	\$ 163,569.81
Support services:					
Salaries of other professional staff		\$ 13,252.72			13,252.72
Personal services-employee benefits	\$ 6,916.46		\$ 8,991.00	\$ 460.01	16,367.47
Purchased professional and technical services	126,625.00	53,060.00			179,685.00
Other purchased services	856.00	101,288.00			102,144.00
General Supplies	52,894.31				52,894.31
Travel	<u>1,996.12</u>				<u>1,996.12</u>
Total support services	\$ 189,287.89	\$ 167,600.72	\$ 8,991.00	\$ 460.01	\$ 366,339.62
Total expenditures	\$ 241,001.49	\$ 224,860.94	\$ 53,948.00	\$ 10,099.00	\$ 529,909.43

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	NJ Agricultural SOC	John Mandershield Grant	Improving Teacher Quality	Carryover 2010-2011	Impact Grant 2011-2012	Total Carried Forward
<b>REVENUES:</b>						
Federal sources	\$ 625.00	\$ 1,000.00	\$ 176,100.00	\$ 20,417.30	\$ 42,859.19	\$ 239,376.49
Local sources						1,625.00
<b>Total revenues</b>	<b>\$ 625.00</b>	<b>\$ 1,000.00</b>	<b>\$ 176,100.00</b>	<b>\$ 20,417.30</b>	<b>\$ 42,859.19</b>	<b>\$ 241,001.49</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers				\$ 16,064.53	\$ 34,024.07	\$ 50,088.60
Purchased professional and technical services						
Other purchased services						
General supplies	\$ 625.00	\$ 1,000.00				1,625.00
<b>Total instruction</b>	<b>\$ 625.00</b>	<b>\$ 1,000.00</b>		<b>\$ 16,064.53</b>	<b>\$ 34,024.07</b>	<b>\$ 51,713.60</b>
Support services:						
Salaries of other professional staff				\$ 1,177.46	\$ 5,739.00	\$ 6,916.46
Personal services-employee benefits			\$ 126,625.00			126,625.00
Purchased professional and technical services				856.00		856.00
Other purchased services			49,475.00	2,319.31	1,100.00	52,894.31
General Supplies					1,996.12	1,996.12
Travel						
<b>Total support services</b>			<b>\$ 176,100.00</b>	<b>\$ 4,352.77</b>	<b>\$ 8,835.12</b>	<b>\$ 189,287.89</b>
<b>Total expenditures</b>	<b>\$ 625.00</b>	<b>\$ 1,000.00</b>	<b>\$ 176,100.00</b>	<b>\$ 20,417.30</b>	<b>\$ 42,859.19</b>	<b>\$ 241,001.49</b>

**CAPITAL PROJECTS FUND**

BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012

<u>Project Title/Issue</u>	<u>Original Date(s)</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Replacement of Gym Floor and Construction of Auditorium at High School	04/20/93	\$ 2,668,000.00	\$ 2,660,324.29	\$	7,675.71
Construction of a New High School	12/09/03 12/11/07	124,843,950.00	108,167,250.81	\$ 7,854,771.45	8,821,927.74
Construction of a New Elementary School	01/24/06	26,800,000.00	26,719,809.11	665.00	79,525.89
		\$ 154,311,950.00	\$ 137,547,384.21	\$ 7,855,436.45	\$ 8,909,129.34

BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

**Revenues and Other Financing Sources**

Interest on investments	\$ <u>8,512.56</u>
Total revenues	\$ <u>8,512.56</u>

**Expenditures and Other Financing Uses**

Salaries	\$ 62,319.79
Purchased professional and technical services	575,056.81
Construction services	1,244,224.73
Equipment	234,392.53
Supplies	5,680,009.09
Other Purchased Services	<u>59,433.50</u>
Total expenditures	\$ <u>7,855,436.45</u>
Excess(deficiency) of revenues over (under) expenditures	\$ (7,846,923.89)
Other financing sources/(uses):	
Transfer in/(out)	<u>(8,512.56)</u>
Net change in fund balance	\$ (7,855,436.45)
Fund balance, beginning	<u>16,771,454.65</u>
Fund balance, ending	\$ <u><u>8,916,018.20</u></u>

Reconciliation to Balance Sheet

Fund balance per Schedules	F-2a, b & c	\$ 8,909,129.34
Add: Reserve for capital lease	B-1	<u>6,888.86</u>
Balance	F-1	\$ <u><u>8,916,018.20</u></u>

BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF HIGH SCHOOL AUDITORIUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond proceeds	\$ 2,668,000.00		\$ 2,668,000.00	\$ 2,668,000.00
Total revenues	\$ 2,668,000.00		\$ 2,668,000.00	\$ 2,668,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	\$ 216,358.60		\$ 216,358.60	\$ 216,358.60
Construction services	2,443,965.69		2,443,965.69	2,443,965.69
Total expenditures	\$ 2,660,324.29		\$ 2,660,324.29	\$ 2,660,324.29
Excess (deficiency) of revenues over/(under) expenditures	\$ 7,675.71		\$ 7,675.71	\$ 7,675.71

## Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	4/20/1993
Bonds Authorized	\$ 2,668,000.00
Bonds Issued	\$ 2,668,000.00
Original Authorized Cost	\$ 2,668,000.00
Additional Authorized Cost	0.00
Revised Authorized Cost	\$ 2,668,000.00

## Percentage Increase over Original

Authorized Cost	N/A
Percentage completion	100.00%
Original target completion date	N/A
Revised target completion date	N/A

**BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF A NEW HIGH SCHOOL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State sources - SCC Grant	\$ 15,244,658.00		\$ 15,244,658.00	\$ 15,244,658.00
Bond proceeds	109,599,000.00		109,599,000.00	109,599,000.00
Transfer from capital outlay	292.00		292.00	292.00
<b>Total revenues</b>	<b>\$ 124,843,950.00</b>		<b>\$ 124,843,950.00</b>	<b>\$ 124,843,950.00</b>
<b>Expenditures and Other Financing Uses</b>				
Salaries	\$ 584,211.99	\$ 62,319.79	\$ 646,531.78	\$ 646,531.78
Purchased professional and technical services	10,055,455.67	574,391.81	10,629,847.48	10,629,847.48
Construction services	97,058,338.20	1,244,224.73	98,302,562.93	98,302,562.93
Equipment	238,477.54	234,392.53	472,870.07	472,870.07
Supplies	222,828.41	5,680,009.09	5,902,837.50	5,902,837.50
Other purchased services	7,939.00	59,433.50	67,372.50	67,372.50
<b>Total expenditures</b>	<b>\$ 108,167,250.81</b>	<b>\$ 7,854,771.45</b>	<b>\$ 116,022,022.26</b>	<b>\$ 116,022,022.26</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>\$ 16,676,699.19</b>	<b>\$ (7,854,771.45)</b>	<b>\$ 8,821,927.74</b>	<b>\$ 8,821,927.74</b>

## Additional project information:

Project Number	3290-N01-03-1165
Grant Date	4/14/2004
Bond Authorization Date	12/9/2003 / 12/11/2007
Bonds Authorized	\$ 67,699,000.00
Bonds Issued	\$ 67,699,000.00
Original Authorized Cost	\$ 82,943,950.00
Additional Authorized Cost	\$ 41,900,000.00
Revised Authorized Cost	\$ 124,843,950.00

## Percentage Increase over Original

Authorized Cost	50.52%
Percentage completion	92.94%
Original target completion date	2009 - 2010
Revised target completion date	2011-2012 (School opened September 2011)

**BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond proceeds	\$ 26,800,000.00		\$ 26,800,000.00	\$ 26,800,000.00
Total revenues	<u>\$ 26,800,000.00</u>		<u>\$ 26,800,000.00</u>	<u>\$ 26,800,000.00</u>
Expenditures and Other Financing Uses				
Salaries	\$ 134,528.21		\$ 134,528.21	\$ 134,528.21
Purchased professional and technical services	2,355,339.71	\$ 665.00	2,356,004.71	2,356,004.71
Construction services	22,920,422.39		22,920,422.39	22,920,422.39
Equipment	341,052.85		341,052.85	341,052.85
Supplies	402,165.95		402,165.95	402,165.95
Total expenditures	<u>\$ 26,153,509.11</u>	<u>\$ 665.00</u>	<u>\$ 26,154,174.11</u>	<u>\$ 26,154,174.11</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 646,490.89</u>	<u>\$ (665.00)</u>	<u>\$ 645,825.89</u>	<u>\$ 645,825.89</u>
Less: Transfer to Debt Service Fund as Budgeted Revenue	<u>566,300.00</u>	<u>\$</u>	<u>\$ 566,300.00</u>	<u>\$ 566,300.00</u>
	<u>\$ 80,190.89</u>	<u>\$ (665.00)</u>	<u>\$ 79,525.89</u>	<u>\$ 79,525.89</u>

Additional project information:

Project Number	N/A		
Grant Date	N/A		
Bond Authorization Date	1/24/2006		
Bonds Authorized	\$ 26,800,000.00		
Bonds Issued	\$ 26,800,000.00		
Original Authorized Cost	\$ 26,800,000.00		
Additional Authorized Cost	0.00		
Revised Authorized Cost	\$ 26,800,000.00		
Percentage Increase over Original Authorized Cost	N/A		
Percentage completion	100.00%		
Original target completion date	2008-2009	(School opened September 2008)	

**PROPRIETARY FUNDS**

**ENTERPRISE FUND**

**BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

	Business-Type Activities Enterprise Fund		
	<u>Food Service Total Enterprise</u>	<u>Childcare Initiative</u>	<u>Total Enterprise</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 554,043.39	\$ 161,388.22	\$ 715,431.61
Accounts Receivable:			
State Sources	1,183.93		1,183.93
Federal Sources	14,409.25		14,409.25
Other	11,212.83		11,212.83
Interfund Receivable - General Fund	533.12		533.12
Inventories	30,891.38		30,891.38
Prepaid Expenses		4,554.28	4,554.28
Total Current Assets	<u>\$ 612,273.90</u>	<u>\$ 165,942.50</u>	<u>\$ 778,216.40</u>
<u>NON-CURRENT ASSETS</u>			
Furniture, Machinery and Equipment	\$ 1,656,843.58		\$ 1,656,843.58
Less: Accumulated Depreciation	<u>638,258.07</u>		<u>638,258.07</u>
Total Noncurrent Assets	<u>\$ 1,018,585.51</u>		<u>\$ 1,018,585.51</u>
Total Assets	<u>\$ 1,630,859.41</u>	<u>\$ 165,942.50</u>	<u>\$ 1,796,801.91</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Interfund Payable		\$ 165,000.00	\$ 165,000.00
Accounts Payable	\$ 10,385.39	942.50	11,327.89
Total Current Liabilities	<u>\$ 10,385.39</u>	<u>\$ 165,942.50</u>	<u>\$ 176,327.89</u>
<u>NET ASSETS</u>			
Invested in Capital Assets Net of Related Debt Unrestricted	\$ 1,018,585.51		\$ 1,018,585.51
	<u>601,888.51</u>		<u>601,888.51</u>
Total Net Assets	<u>\$ 1,620,474.02</u>		<u>\$ 1,620,474.02</u>

**BOARD OF EDUCATION**  
**MONROE TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Business-Type Activities Enterprise Fund		
	<u>Food Service</u> <u>Total Enterprise</u>	<u>Childcare</u> <u>Initiative</u>	<u>Total</u> <u>Enterprise</u>
<u>OPERATING REVENUES</u>			
Local Sources:			
Daily sales - reimbursable programs:			
School lunch and milk program	\$ 1,656,419.67		\$ 1,656,419.67
Special functions	100,311.69		100,311.69
Total operating revenues	<u>\$ 1,756,731.36</u>		<u>\$ 1,756,731.36</u>
<u>OPERATING EXPENSES</u>			
Cost of sales	\$ 856,818.79		\$ 856,818.79
Salaries	766,226.73		766,226.73
Employee benefits	160,856.07		160,856.07
Insurance	94,999.91		94,999.91
General Supplies	159,992.82		159,992.82
Management fee	35,426.20		35,426.20
Depreciation	21,192.75		21,192.75
Total operating expenses	<u>\$ 2,095,513.27</u>		<u>2,095,513.27</u>
Operating income/(loss)	<u>\$ (338,781.91)</u>		<u>(338,781.91)</u>
<u>NONOPERATING REVENUES</u>			
Interest Income	\$ 533.12		\$ 533.12
State sources:			
State school lunch program	21,654.64		21,654.64
Federal sources:			
National school lunch program	256,558.69		256,558.69
Special milk program	3,639.41		3,639.41
Food distribution program	129,616.79		129,616.79
Total nonoperating revenues	<u>\$ 412,002.65</u>		<u>\$ 412,002.65</u>
Income/(loss) before contributions and transfers	\$ 73,220.74		\$ 73,220.74
Contributed Capital - Equipment	\$ 760,000.00		\$ 760,000.00
Change in net assets	\$ 833,220.74		\$ 833,220.74
Total net assets - beginning	<u>787,253.28</u>		<u>787,253.28</u>
Total net assets - ending	<u>\$ 1,620,474.02</u>		<u>\$ 1,620,474.02</u>

**BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities Enterprise Fund		Total Enterprise
	<u>Food Service</u>	<u>Childcare Initiative</u>	
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 1,770,353.11	\$ 1,250.00	\$ 1,771,603.11
Payments to Employees	(861,226.64)		(861,226.64)
Payments for Employee Benefits	(160,856.07)		(160,856.07)
Payments to Suppliers	<u>(978,968.52)</u>	<u>(4,861.78)</u>	<u>(983,830.30)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(230,698.12)</u>	\$ <u>(3,611.78)</u>	\$ <u>(234,309.90)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 22,175.05		\$ 22,175.05
Federal Sources	262,498.04		262,498.04
Operating Transfers to Other Funds - Interfunds	<u>(3,191.95)</u>	\$ <u>165,000.00</u>	<u>161,808.05</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ <u>281,481.14</u>	\$ <u>165,000.00</u>	\$ <u>446,481.14</u>
<u>Cash Flows from Investing Activities:</u>			
Interest Income	\$ <u>533.12</u>		\$ <u>533.12</u>
Net Cash Provided by/(Used for) Capital and Related Financing Activities	\$ <u>533.12</u>		\$ <u>533.12</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 51,316.14	\$ 161,388.22	\$ 212,704.36
Balances - Beginning of Year	<u>502,727.25</u>		<u>502,727.25</u>
Balances - End of Year	\$ <u>554,043.39</u>	\$ <u>161,388.22</u>	\$ <u>715,431.61</u>
Reconciliation of Operating Income/(Loss) to Net Cash <u>Provided/(Used) by Operating Activities</u>			
Operating Gain/(Loss)	\$ <u>(338,781.91)</u>		\$ <u>(338,781.91)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:			
Depreciation	\$ 21,192.75		\$ 21,192.75
Federal Commodities	129,616.79		129,616.79
Change in Assets and Liabilities:			
Decrease in Accounts Receivable	3,618.18		3,618.18
(Increase) in Inventories	8,328.63		8,328.63
Increase/(Decrease) in Accounts Payable		\$ (4,554.28)	(4,554.28)
Increase in Interfund Payable	<u>(54,672.56)</u>	<u>942.50</u>	<u>(53,730.06)</u>
Total Adjustments	\$ <u>108,083.79</u>	\$ <u>(3,611.78)</u>	\$ <u>104,472.01</u>
Net Cash Provided/(Used) by Operating Activities	\$ <u>(230,698.12)</u>	\$ <u>(3,611.78)</u>	\$ <u>(234,309.90)</u>

**FIDUCIARY FUNDS**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

	Trust				
	Family Leave Insurance	Unemployment Compensation	Private Purpose	IPAD Insurance Fund	Agency Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 22,777.34	\$ 213,512.63	\$ 20,567.77	\$ 1,245.19	\$ 249,405.01
Total Assets	\$ 22,777.34	\$ 213,512.63	\$ 20,567.77	\$ 1,245.19	\$ 249,405.01
<u>LIABILITIES</u>					
Accounts Payable Payable to Student Groups	\$ 6,671.83	\$ 46,517.91	\$ 10,660.00		\$ 3,994.16 245,410.85
Total Liabilities	\$ 6,671.83	\$ 46,517.91	\$ 10,660.00		\$ 249,405.01
<u>NET ASSETS</u>					
Reserved	\$ 16,105.51	\$ 166,994.72	\$ 9,907.77	\$ 1,245.19	
Total Net Assets	\$ 16,105.51	\$ 166,994.72	\$ 9,907.77	\$ 1,245.19	

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Trust			
	Family Leave Insurance	Unemployment Compensation	Private Purpose	IPAD Insurance Fund
<b><u>ADDITIONS</u></b>				
Contributions:				
Plan Members	\$ 21,348.42	\$ 117,307.84		
Board Contribution		305,000.00		
Other			\$ 19,745.00	\$ 80,709.59
Total Contributions	\$ 21,348.42	\$ 422,307.84	\$ 19,745.00	\$ 80,709.59
Total Additions	\$ 21,348.42	\$ 422,307.84	\$ 19,745.00	\$ 80,709.59
<b><u>DEDUCTIONS</u></b>				
Quarterly Contribution Reports	\$ 21,345.84			
Unemployment Claims		\$ 350,683.29		
Expenditures			\$ 9,837.23	\$ 79,464.38
Total Deductions	\$ 21,345.84	\$ 350,683.29	\$ 9,837.23	\$ 79,464.38
Change in Net Assets	\$ 2.58	\$ 71,624.55	\$ 9,907.77	\$ 1,245.21
Total Net Assets - Beginning of the Year	16,102.93	95,370.17		
Total Net Assets - End of the Year	\$ 16,105.51	\$ 166,994.72	\$ 9,907.77	\$ 1,245.21

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Balance July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2012</u>
Elementary Schools:				
Barclay Brook	\$ 8,587.87	\$ 11,281.48	\$ 6,288.68	\$ 13,580.67
Woodland	7,464.68	35,892.81	39,444.17	3,913.32
Mill Lake	11,470.01	19,186.75	19,600.30	11,056.46
Oaktree	3,885.99	8,229.72	9,353.28	2,762.43
Brookside	<u>19,802.24</u>	<u>39,063.90</u>	<u>35,253.91</u>	<u>23,612.23</u>
Total Elementary Schools	\$ <u>51,210.79</u>	\$ <u>113,654.66</u>	\$ <u>109,940.34</u>	\$ <u>54,925.11</u>
Middle School				
Applegarth	\$ <u>43,915.08</u>	\$ <u>178,351.25</u>	\$ <u>179,650.07</u>	\$ <u>42,616.26</u>
Total Middle School	\$ <u>43,915.08</u>	\$ <u>178,351.25</u>	\$ <u>179,650.07</u>	\$ <u>42,616.26</u>
Senior High School				
High School	\$ 141,159.16	\$ 258,691.39	\$ 253,533.16	\$ 146,317.39
School Store	2,486.06	9,340.35	10,274.32	1,552.09
School Store Tax Account		<u>96.17</u>	<u>96.17</u>	
Total Senior High School	\$ <u>143,645.22</u>	\$ <u>268,127.91</u>	\$ <u>263,903.65</u>	\$ <u>147,869.48</u>
Total All Schools	\$ <u><u>238,771.09</u></u>	\$ <u><u>560,133.82</u></u>	\$ <u><u>553,494.06</u></u>	\$ <u><u>245,410.85</u></u>

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ _____	\$ <u>54,026,481.24</u>	\$ <u>54,022,487.08</u>	\$ <u>3,994.16</u>
Total Assets	\$ <u>0.00</u>	\$ <u>54,026,481.24</u>	\$ <u>54,022,487.08</u>	\$ <u>3,994.16</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ _____	\$ <u>20,357,851.22</u>	\$ <u>20,357,612.95</u>	\$ <u>238.27</u>
Net Pay	_____	<u>33,668,630.02</u>	<u>33,664,874.13</u>	<u>3,755.89</u>
Total Liabilities	\$ <u>0.00</u>	\$ <u>54,026,481.24</u>	\$ <u>54,022,487.08</u>	\$ <u>3,994.16</u>

## **LONG-TERM DEBT SCHEDULES**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2012**

Issue	Original		Date	Annual Maturities		Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
	Date of Original Issue	Amount of Issue		Date	Amount				
Construction of High School Auditorium	8/18/1993	\$ 1,334,000.00	7/15/12-13	\$ 70,210.53	1.500%	\$ 210,631.59	\$ 70,210.53	\$ 140,421.06	
	8/18/1993	1,334,000.00	7/15/2012	90,380.00	5.288%		\$ 86,378.00	\$ 186,096.00	
			7/15/2013	95,716.00	5.288%		\$ 2,400,000.00		
Refunded - Portion of 1997 and 1999 (High School Addition and Renovations; Elementary Schools and Middle School Additions and Renovations)	9/13/2002	\$ 28,740,000.00							
	2/15/2004	\$ 67,699,000.00	8/1/2012	\$ 750,000.00	4.000%				
			8/1/2013	775,000.00	4.000%				
Construction of a New High School	4/1/2006	\$ 26,800,000.00	8/1/2014	1,130,000.00	4.000%	\$ 66,224,000.00	\$ 63,569,000.00	\$ 2,655,000.00	
			4/1/2012	\$ 150,000.00	4.500%				
			4/1/2013	150,000.00	4.500%				
			4/1/2014	150,000.00	4.500%				
			4/1/2015	150,000.00	4.500%				
			4/1/2016	200,000.00	4.500%				
			4/1/2017	200,000.00	4.500%				
			4/1/2018	250,000.00	4.500%				
			4/1/2019	300,000.00	4.500%				
			4/1/2020	400,000.00	4.500%				
			4/1/2021	500,000.00	4.500%				
			4/1/2022	600,000.00	4.500%				
			4/1/2023	850,000.00	4.500%				
			4/1/2024	1,100,000.00	4.500%				
			4/1/2025	1,200,000.00	4.500%				
			4/1/2026	1,250,000.00	4.500%				
			4/1/2027	1,300,000.00	4.500%				
			4/1/2028	1,350,000.00	4.500%				
			4/1/2029	1,400,000.00	4.500%				
			4/1/2030	1,500,000.00	4.500%				
		4/1/2031	1,800,000.00	4.500%					
		4/1/2032	2,150,000.00	4.500%					
		4/1/2033	2,250,000.00	4.500%					
		4/1/2034	2,350,000.00	4.625%					
		4/1/2035	2,450,000.00	4.750%					
		4/1/2036	2,550,000.00	4.750%		\$ 26,550,000.00	\$ 150,000.00	\$ 26,400,000.00	
Construction of a New High School	3/1/2008	\$ 41,900,000.00	3/1/12-13	\$ 75,000.00	4.750%				
			3/1/2014	175,000.00	4.750%				
			3/1/2015	300,000.00	4.750%				
			3/1/2016	400,000.00	4.750%				
			3/1/2017	550,000.00	4.750%				
			3/1/2018	700,000.00	4.750%				
			3/1/2019	800,000.00	4.750%				
		3/1/2020	825,000.00	4.750%					
		3/1/2021	875,000.00	4.750%					
		3/1/2022	1,050,000.00	4.750%					

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2012**

Issue	Date of Original Issue	Original Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
			Date	Amount				
Construction of a New High School (Continued)	3/1/2023	\$	1,200,000.00	4.750%	\$ 41,800,000.00	\$ 75,000.00	\$ 41,725,000.00	
	3/1/2024	\$	1,400,000.00	4.750%				
	3/1/2025	\$	1,600,000.00	4.750%				
	3/1/2026	\$	1,700,000.00	4.750%				
	3/1/2027	\$	1,800,000.00	4.750%				
	3/1/2028	\$	2,020,000.00	4.750%				
	3/1/2029	\$	2,070,000.00	4.750%				
	3/1/2030	\$	2,255,000.00	4.750%				
	3/1/2031	\$	2,350,000.00	4.750%				
	3/1/2032	\$	2,455,000.00	4.750%				
	3/1/2033	\$	2,560,000.00	4.750%				
	3/1/2034	\$	2,670,000.00	4.750%				
	3/1/2035	\$	2,785,000.00	4.750%				
	3/1/2036	\$	2,910,000.00	4.750%				
	3/1/2037	\$	3,035,000.00	4.750%				
	3/1/2038	\$	3,165,000.00	4.750%				
Refunding School District Bonds, Series 2011 (2002)	9/15/2012	\$	2,435,000.00	3.000%	\$ 18,535,000.00	\$ 150,000.00	\$ 18,385,000.00	
	9/15/2013	\$	2,505,000.00	3.000%				
	9/15/2014	\$	2,580,000.00	4.000%				
	9/15/2015	\$	2,625,000.00	4.000%				
	9/15/2016	\$	2,665,000.00	5.000%				
	9/15/2017	\$	2,720,000.00	5.000%				
	9/15/2018	\$	1,440,000.00	4.500%				
	9/15/2019	\$	1,415,000.00	4.500%				
	8/1/2012	\$	575,000.00	2.000%				
Refunding School District Bonds, Series 2012 (2004)	8/1/2015	\$	1,450,000.00	3.000%	\$ 62,175,000.00	\$ 66,500,588.53	\$ 62,175,000.00	
	8/1/2016	\$	1,715,000.00	4.000%				
	8/1/2017	\$	2,035,000.00	4.000%				
	8/1/2018	\$	3,665,000.00	4.000%				
	8/1/2019	\$	4,050,000.00	4.000%				
	8/1/2020	\$	4,675,000.00	4.000%				
	8/1/2021	\$	4,720,000.00	4.000%				
	8/1/2022	\$	4,925,000.00	4.000%				
	8/1/2023	\$	5,135,000.00	4.000%				
	8/1/2024	\$	5,355,000.00	4.000%				
	8/1/2025	\$	5,615,000.00	5.000%				
	8/1/2026	\$	5,920,000.00	5.000%				
	8/1/2027	\$	6,175,000.00	3.250%				
8/1/2028	\$	6,165,000.00	5.000%					
<b>Total</b>					<b>\$ 155,992,105.59</b>	<b>\$ 62,175,000.00</b>	<b>\$ 151,666,517.06</b>	

Budget Appropriation \$ 3,651,588.53  
 Refunded 62,849,000.00  
**\$ 66,500,588.53**

BOARD OF EDUCATION  
TOWNSHIP OF MONROE, COUNTY OF MIDDLESEX  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2012

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2012</u>
Copiers	3.830%	\$ 125,290.00	\$ 32,219.29	\$	32,219.29	
2008 School Buses	3.810%	374,500.00	154,119.37		76,321.28	\$ 77,798.09
Telephone System	3.810%	225,500.00	57,980.67		57,980.67	
Sports Lighting and Scoreboard	3.830%	770,700.00	198,191.43		198,191.43	
Cameras for Buses and Vans	3.790%	106,335.00	27,336.94		27,336.94	
Closed Circuit TV Surveillance	3.790%	219,448.90	56,416.62		56,416.62	
Synthetic Turf and Field Equipment	3.080%	1,041,600.00	426,214.24		211,478.73	214,735.51
2009 School Buses	3.790%	647,000.00	388,200.00		129,400.00	258,800.00
Computers	3.410%		170,585.78		41,571.14	129,014.64
2010 School Buses	3.260%		217,680.33		53,107.44	164,572.89
2011 School Bus	3.760%		97,076.65		20,756.41	76,320.24
Computer Equipment	3.980%			\$ 166,091.34		166,091.34
		\$ 4,643,038.30	\$ 1,826,021.32	\$ 166,091.34	\$ 904,779.95	\$ 1,087,332.71

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,643,475.00		\$ 9,643,475.00	\$ 9,643,475.00	
Total - Local Sources	\$ 9,643,475.00		\$ 9,643,475.00	\$ 9,643,475.00	
State Sources:					
Debt Service Aid Type II	\$ 688,725.00		\$ 688,725.00	\$ 688,725.00	
Total - State Sources	\$ 688,725.00		\$ 688,725.00	\$ 688,725.00	
Total Revenues	\$ 10,332,200.00		\$ 10,332,200.00	\$ 10,332,200.00	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 6,970,168.00	\$ (149,999.53)	\$ 6,820,168.47	\$ 6,654,946.04	\$ 165,222.43
Redemption of Principal	3,501,589.00	149,999.53	3,651,588.53	3,651,588.53	
Total Regular Debt Service	\$ 10,471,757.00		\$ 10,471,757.00	\$ 10,306,534.57	\$ 165,222.43
Total Expenditures	\$ 10,471,757.00		\$ 10,471,757.00	\$ 10,306,534.57	\$ 165,222.43

BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (139,557.00)		\$ (139,557.00)	\$ 25,665.43	\$ 165,222.43
Other Financing Sources/(Uses):					
Transfers In/(Out) from Capital Projects Fund				\$ 8,512.56	\$ 8,512.56
Total Other Financing Sources/(Uses)				\$ 8,512.56	\$ 8,512.56
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ (139,557.00)		\$ (139,557.00)	\$ 34,177.99	\$ 173,734.99
Fund Balance, July 1	(0.02)		(0.02)	186,344.40	186,344.42
Fund Balance, June 30	\$ (139,557.02)		\$ (139,557.02)	\$ 220,522.39	\$ 360,079.41
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures: Budgeted Fund Balance				\$ 34,177.99	\$ 34,177.99

**STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**INTRODUCTION TO STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

<b><u>Contents</u></b>	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 &amp; J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>

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

## FINANCIAL TRENDS

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
NET ASSETS BY COMPONENT  
LAST EIGHT (8) FISCAL YEARS  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities								
Invested in capital assets, net of related debt	\$ 14,571,555	\$ 17,765,493	\$ 19,564,809	\$ 21,216,543	\$ 29,668,447	\$ 35,062,719	\$ 38,780,442	\$ 40,441,076
Restricted	6,188,168	6,965,165	9,839,203	13,358,632	12,023,313	8,251,199	7,910,720	7,865,714
Unrestricted	(291,534)	1,961,422	5,631,208	5,060,887	1,876,648			
<b>Total governmental activities net assets</b>	<b>\$ 20,468,189</b>	<b>\$ 26,692,080</b>	<b>\$ 35,035,220</b>	<b>\$ 39,636,062</b>	<b>\$ 43,568,408</b>	<b>\$ 43,313,918</b>	<b>\$ 46,691,162</b>	<b>\$ 48,306,790</b>
Business-type activities								
Invested in capital assets, net of related debt	\$ 377,930	\$ 361,451	\$ 333,143	\$ 291,762	\$ 374,258	\$ 322,955	\$ 290,248	\$ 1,019,566
Unrestricted	238,321	273,115	288,125	322,403	358,150	450,957	497,005	601,889
<b>Total business-type activities net assets</b>	<b>\$ 616,252</b>	<b>\$ 634,566</b>	<b>\$ 621,268</b>	<b>\$ 614,165</b>	<b>\$ 742,408</b>	<b>\$ 773,912</b>	<b>\$ 787,253</b>	<b>\$ 1,620,474</b>
District-wide								
Invested in capital assets, net of related debt	\$ 14,949,485	\$ 18,126,944	\$ 19,897,952	\$ 21,508,305	\$ 30,042,705	\$ 35,385,674	\$ 39,070,690	\$ 41,459,662
Restricted	6,188,168	6,965,165	9,839,203	13,358,632	12,023,313	8,251,199	7,910,720	7,865,714
Unrestricted	(53,213)	2,234,537	5,919,333	5,383,290	2,244,798	450,957	497,005	601,889
<b>Total district net assets</b>	<b>\$ 21,084,440</b>	<b>\$ 27,326,646</b>	<b>\$ 35,656,488</b>	<b>\$ 40,250,227</b>	<b>\$ 44,310,816</b>	<b>\$ 44,087,830</b>	<b>\$ 47,478,415</b>	<b>\$ 49,927,265</b>

Source: CAFR Exhibit A-1

Note: Only the last eight (8) years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2003.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT (8) FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>								
Governmental activities								
Instruction								
Regular	\$ 25,138,096	\$ 28,016,957	\$ 33,502,507	\$ 35,313,525	\$ 40,457,548	\$ 40,075,560	\$ 39,308,035	\$ 40,454,836
Special education	4,582,118	5,582,652	6,702,436	7,068,824	8,056,984	9,305,789	9,806,064	11,328,099
Other special education	696,115	623,248	720,785	803,554	871,377	1,053,305	1,236,749	1,246,004
Other instruction	1,189,720	1,332,682	1,535,609	1,770,000	1,886,766	1,957,368	1,881,200	1,954,794
Support Services:								
Tuition	2,163,028	2,746,682	3,000,484	3,097,014	2,670,563	2,814,218	2,899,842	1,976,136
Student & instruction related services	6,923,793	7,002,402	7,649,768	7,637,715	8,891,527	10,904,766	11,000,114	11,369,266
School Administrative services	3,176,171	3,597,343	4,036,781	4,542,648	4,581,037	4,625,851	4,682,320	4,205,258
General administration	1,731,430	1,989,852	2,278,093	4,002,137	1,932,419	2,808,719	3,066,617	4,285,646
Central Services	609,227	639,506	666,959	746,120	1,059,627	826,103	707,282	842,362
Plant operations and maintenance	6,049,263	6,939,028	8,012,994	8,023,326	9,078,453	8,472,856	8,816,455	9,986,268
Administrative information technology	359,424	363,674	435,324	567,032	842,155	584,168	656,660	730,230
Pupil transportation	4,524,151	5,282,615	5,507,413	7,671,988	6,475,972	6,680,297	7,679,903	8,396,899
Special Schools	154,211	159,648	130,254	165,741	244,151	276,084	109,737	83,099
Interest on long-term debt	4,603,318	4,838,869	5,673,877	6,226,759	7,500,473	7,336,122	6,968,976	6,018,896
Total governmental activities expenses	\$ 61,900,066	\$ 69,114,156	\$ 79,853,184	\$ 87,636,383	\$ 94,549,053	\$ 97,721,216	\$ 98,819,954	\$ 102,887,813
Business-type activities:								
Food service	\$ 1,336,820	\$ 1,492,275	\$ 1,637,021	\$ 1,729,601	\$ 1,744,196	\$ 1,777,740	\$ 1,860,674	\$ 2,095,513
Total business-type activities expense	\$ 1,336,820	\$ 1,492,275	\$ 1,637,021	\$ 1,729,601	\$ 1,744,196	\$ 1,777,740	\$ 1,860,674	\$ 2,095,513
Total district expenses	\$ 63,236,886	\$ 70,606,432	\$ 81,490,205	\$ 89,365,984	\$ 96,293,249	\$ 99,498,956	\$ 100,680,628	\$ 104,983,326



TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CHANGES IN NET ASSETS  
LAST EIGHT (8) FISCAL YEARS  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Assets</b> (Continued)								
Business-type activities:								
Investment earnings						\$ 2,929	\$ 3,529	\$ 533
Transfers								760,000
Total business-type activities						2,929	3,529	760,533
Total district-wide	\$ 65,780,901	\$ 73,520,755	\$ 86,413,400	\$ 89,419,666	\$ 96,272,691	\$ 94,857,590	\$ 99,225,603	\$ 102,720,727
<b>Change in Net Assets</b>								
Governmental activities	\$ 5,568,284	\$ 6,223,892	\$ 8,343,140	\$ 4,600,841	\$ 4,068,666	\$ (254,490)	\$ 3,377,245	\$ 1,815,629
Business-type activities	26,373	18,313	(13,298)	(7,102)	(8,077)	31,504	13,341	833,221
Total district	\$ 5,594,657	\$ 6,242,205	\$ 8,329,842	\$ 4,593,739	\$ 4,060,589	\$ (222,986)	\$ 3,390,586	\$ 2,448,849

Source: CAFR Exhibit A-2

Note: Only the last eight (8) years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2003.

TOWNSHIP OF MONROE  
 COUNTY OF MIDDLESEX  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST SEVEN (7) FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2006	2007	2008	2009	2010	2011	2012
General Fund							
Reserved	\$ 6,965,165	\$ 9,839,203	\$ 13,358,632	\$ 12,023,313	\$ 9,766,871	\$ 10,411,196	\$ 9,755,263
Unreserved	1,204,370	1,347,996	1,439,641	1,596,911	1,889,089	1,702,473	1,817,610
Total general fund	\$ 8,169,535	\$ 11,187,199	\$ 14,798,273	\$ 13,620,224	\$ 11,655,960	\$ 12,113,669	\$ 11,572,873
All Other Governmental Funds							
Reserved	\$ 1,852,618	\$ 21,824,014	\$ 97,182,136	\$ 43,063,364	\$ 12,490,687	\$ 4,043,161	\$ 886,343
Unreserved, reported in:							
Capital projects fund	103,792,299	79,409,050	22,926,414	20,902,806	18,985,477	12,728,293	8,029,674
Debt service fund	3,748,472	7,216,932	8,297,627	5,255,448	1,717,698	186,344	220,522
Total all other governmental funds	\$ 109,393,389	\$ 108,449,995	\$ 128,406,177	\$ 69,221,618	\$ 33,193,862	\$ 16,957,799	\$ 9,136,539

Source: CAFR Schedule B-1

Note: Only the last seven (7) years of information is presented as GASB 34 was implemented during fiscal year ended June 30, 2003.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN (10) FISCAL YEARS**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Tax levy	\$ 40,255,144	\$ 46,587,794	\$ 54,416,414	\$ 58,441,597	\$ 68,190,006	\$ 71,577,900	\$ 75,008,551	\$ 79,095,128	\$ 87,200,495	\$ 89,705,222
Tuition charges	2,650,330	2,715,020	2,742,325	2,877,441	2,909,595	2,666,268	2,944,125	3,185,279	3,264,403	3,300,719
Transportation charges	249,215	205,461	204,047	187,879	219,247	187,026	196,579	204,062	211,277	249,993
Interest earnings	27,410	212,922	1,340,837	2,854,204	4,494,122	3,677,402	1,586,284	203,080	35,734	8,801
Miscellaneous	445,222	277,513	592,194	782,368	1,048,304	1,148,487	850,152	432,034	571,552	765,303
State sources	5,713,171	21,888,425	7,473,651	8,271,958	10,351,235	11,647,958	10,053,283	9,120,837	7,132,835	9,174,943
Federal sources	659,252	770,234	890,666	921,619	942,666	1,251,495	1,269,225	1,537,161	2,098,992	1,803,166
<b>Total revenue</b>	<b>49,999,744</b>	<b>72,657,369</b>	<b>67,660,135</b>	<b>74,336,644</b>	<b>88,155,175</b>	<b>92,156,536</b>	<b>91,908,199</b>	<b>93,777,581</b>	<b>100,515,288</b>	<b>105,008,147</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	14,994,263	17,808,845	19,984,734	21,820,409	25,387,317	26,623,411	30,311,043	30,234,530	28,622,588	29,318,906
Special education instruction	3,018,916	3,230,528	3,535,572	4,264,025	4,997,165	5,184,609	6,092,150	6,828,472	7,061,676	8,087,176
Other special instruction	330,582	336,015	539,702	472,363	536,566	574,344	723,772	772,902	890,625	889,527
Other instruction	845,234	848,697	917,252	1,014,085	1,179,021	1,328,377	1,396,509	1,436,292	1,354,715	1,395,556
<b>Support Services:</b>										
Tuition	1,873,468	2,217,535	2,163,028	2,746,682	3,000,484	3,097,014	2,570,563	2,814,218	2,899,842	1,976,136
Student & inst. related services	4,599,474	4,871,481	5,372,117	5,347,313	5,721,466	6,672,138	7,719,969	8,001,782	8,149,641	8,351,871
General administration	1,840,153	1,339,051	1,113,750	1,272,378	1,418,460	1,628,225	2,880,625	2,712,150	2,717,712	3,002,151
School administrative services	1,850,490	2,012,508	2,450,818	2,754,127	3,001,457	3,287,854	3,185,073	3,394,392	3,371,896	3,668,059
Central services			609,227	638,506	666,859	746,120	796,712	826,103	707,282	842,382
Admin. information technology			359,424	363,674	435,324	567,032	633,199	564,168	656,660	730,230
Plant operations and maintenance	4,493,177	5,092,785	4,680,453	5,301,950	5,983,282	6,036,935	5,186,721	5,279,398	5,501,310	6,120,121
Pupil transportation	3,109,792	3,416,918	3,657,821	4,287,458	4,398,558	5,954,039	5,288,524	5,260,571	5,572,723	6,035,620
Other Support Services	740,061	577,519								
Employee benefits	6,685,467	8,844,137	10,475,871	12,510,332	16,184,750	16,936,644	18,338,196	20,374,110	22,875,554	24,091,815
Special Schools	106,448	94,390	119,642	117,762	96,505	105,654	170,691	202,595	79,025	59,325
Capital outlay	2,204,821	2,164,035	2,414,397	4,394,052	5,815,862	26,381,056	57,325,622	33,235,678	15,347,346	8,661,667
Debt service:										
Principal	2,284,909	2,432,608	2,225,953	2,042,913	2,310,581	2,588,248	2,795,917	3,014,919	3,318,921	3,651,589
Interest and other charges	1,918,300	1,626,597	4,326,320	4,512,451	5,615,288	5,510,670	7,377,097	7,278,717	7,130,119	6,654,946
<b>Total expenditures</b>	<b>50,895,555</b>	<b>57,113,649</b>	<b>64,946,080</b>	<b>73,860,481</b>	<b>86,748,945</b>	<b>113,222,380</b>	<b>152,892,784</b>	<b>132,250,997</b>	<b>116,257,645</b>	<b>113,537,056</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(895,811)</b>	<b>15,543,720</b>	<b>2,714,055</b>	<b>476,163</b>	<b>1,406,231</b>	<b>(21,065,844)</b>	<b>(60,984,586)</b>	<b>(38,473,416)</b>	<b>(15,742,357)</b>	<b>(8,526,909)</b>

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN (10) FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other financing sources (uses)</b>										
Proceeds from borrowing	-	67,699,000	-	26,800,000	-	41,900,000	-	-	-	-
Appropriation of Prior Year State Aid	476,903	301,354	691,688	1,089,936	668,039	2,733,100	662,698	481,396	(231,076)	166,091
Capital leases (non-budgeted)	1,665,000	-	-	-	-	-	-	-	184,145	-
Proceeds from refunding	-	(269,980)	-	-	-	-	-	-	11,699	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	(40,722)	-	-	-
Transfers out	(1,615,795)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>526,109</b>	<b>67,730,374</b>	<b>691,688</b>	<b>27,889,936</b>	<b>668,039</b>	<b>44,633,100</b>	<b>621,976</b>	<b>481,396</b>	<b>(35,232)</b>	<b>166,091</b>
<b>Net change in fund balances</b>	<b>\$ (369,703)</b>	<b>\$ 83,274,094</b>	<b>\$ 3,405,742</b>	<b>\$ 28,366,099</b>	<b>\$ 2,074,270</b>	<b>\$ 23,567,256</b>	<b>\$ (60,362,610)</b>	<b>\$ (37,992,020)</b>	<b>\$ (15,777,589)</b>	<b>\$ (8,362,817)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>8.63%</b>	<b>7.75%</b>	<b>10.48%</b>	<b>9.44%</b>	<b>9.79%</b>	<b>9.33%</b>	<b>10.64%</b>	<b>10.40%</b>	<b>10.35%</b>	<b>9.83%</b>

Source: CAFR Schedule B-2

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

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN (10) FISCAL YEARS  
*(modified accrual basis of accounting)*

<u>Fiscal Year</u> <u>Ending June 30.</u>	<u>Interest on</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2003	\$ 43,971	\$ 398,861	\$ 442,832
2004	38,226	237,287	275,513
2005	152,162	404,502	556,664
2006	459,773	293,095	752,868
2007	792,988	254,316	1,047,304
2008	771,172	377,315	1,148,487
2009	262,939	575,279	838,218
2010	63,526	422,387	485,913
2011	35,734	571,552	607,286
2012	8,801	763,677	772,478

Source: District records

**TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
										<sup>a</sup>			<sup>b</sup>
2003	110,691,700	2,046,440,700	35,504,900	5,599,900	205,564,700	228,296,600	29,159,300	2,659,647,800	103,580,300	6,848,265	2,770,076,365	3,742,292,765	1.630
2004	130,501,300	2,209,036,800	35,757,100	5,423,200	215,467,800	228,834,000	29,159,300	2,854,179,500	103,669,500	6,049,077	2,965,898,077	4,357,719,943	1.767
2005	207,390,900	2,381,593,600	33,152,100	4,630,900	212,707,400	231,148,000	29,159,300	3,099,782,200	114,124,000	6,049,077	3,219,955,277	5,027,694,160	1.817
2006	204,781,400	2,629,132,000	31,061,600	4,183,500	260,010,900	211,759,800	29,159,300	3,370,087,500	117,972,200	5,160,159	3,483,219,659	5,990,854,915	1.877
2007	177,657,500	2,850,401,400	30,909,000	3,944,000	260,951,400	198,931,000	29,159,300	3,551,953,600	120,137,700	4,651,085	3,676,742,385	7,342,132,037	1.965
2008	152,463,100	2,913,659,300	31,458,000	3,746,300	276,162,300	198,178,200	29,159,300	3,604,836,500	127,678,300	4,621,929	3,737,136,729	7,777,325,718	2.031
2009	130,459,900	3,019,488,800	34,860,900	3,673,200	319,083,000	197,669,200	29,159,300	3,734,394,300	129,599,900	4,934,373	3,868,928,573	9,188,101,958	2.061
2010	102,760,000	3,065,877,200	33,575,800	3,744,500	313,467,900	195,152,000	37,972,300	3,752,549,700	131,293,100	5,739,066	3,889,581,866	7,865,019,985	2.213
2011	107,668,500	3,009,765,100	33,155,200	3,491,300	285,093,200	204,423,900	37,972,300	3,681,569,500	136,280,700	5,533,590	3,823,383,790	6,657,329,654	2.399
2012	89,231,504	2,985,402,625	33,116,500	3,498,900	263,908,300	208,613,100	21,911,500	3,603,662,429	177,362,400	5,274,912	3,786,319,741	6,975,769,317	2.486

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests the Municipality to do so.

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

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

**REVENUE CAPACITY**

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Township of Monroe School District Direct Rate (From J-6)			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	School Tax Rate <sup>c</sup>	Municipality of Monroe	County of Middlesex		
2003	1.493	0.137	1.630	0.556	0.544	2.730	
2004	1.599	0.168	1.767	0.584	0.549	2.900	
2005	1.633	0.184	1.817	0.587	0.516	2.920	
2006	1.700	0.177	1.877	0.583	0.530	2.990	
2007	1.813	0.152	1.965	0.579	0.586	3.130	
2008	1.904	0.127	2.031	0.648	0.615	3.294	
2009	1.926	0.135	2.061	0.649	0.658	3.368	
2010	2.065	0.148	2.213	0.684	0.613	3.510	
2011	2.141	0.258	2.399	0.697	0.600	3.696	
2012	2.275	0.211	2.486	0.933	0.672	4.091	

Source: Municipal Tax Collector

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

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

<sup>b</sup> Rates for debt service are based on each year's requirements.

<sup>c</sup> Tax rates are per \$100 of assessed valuation.

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO

		2012			2003		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Costco Wholesale Corporation	\$ 48,863,500	1	1.36%	\$ 59,681,100	1	2.40%	
Noble House of NJIV	39,394,400	2	1.09%	57,266,500	2	2.30%	
Utah State Retirement	37,811,400	3	1.05%	22,238,600	3	0.89%	
Presbyterian Homes at Monroe	25,568,800	4	0.71%	15,140,500	4	0.61%	
EJC 24 Engelhard, LLC	16,966,900	5	0.47%	13,279,200	5	0.53%	
Monroe Manor, Inc.	16,136,600	6	0.45%	12,828,200	6	0.52%	
PPF Indust. - Matrix	15,007,500	7	0.42%	12,034,800	7	0.48%	
Stratford Developers LLC	14,362,300	8	0.40%	11,893,600	8	0.48%	
Mutual 1, 2, 3 of New Jersey	13,098,500	9	0.36%	10,993,100	9	0.44%	
Concordia Holding LLC	12,128,400	10	0.34%	9,336,000	10	0.38%	
<b>Total</b>	<b>\$ 239,338,300</b>		<b>6.64%</b>	<b>\$ 224,691,600</b>		<b>8.21%</b>	
<b>Total Assessed Value</b>	<b>\$ 3,603,682,429</b>			<b>\$ 2,489,012,100</b>			

Total Assessed Value

Source: Municipal Tax Assessor

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
SCHOOL TAX LEVIES AND COLLECTIONS  
LAST TEN (10) FISCAL YEARS

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 40,255,144	\$ 40,255,144	100.00%	-
2004	46,587,794	46,587,794	100.00%	-
2005	54,416,414	54,416,414	100.00%	-
2006	58,441,597	58,441,597	100.00%	-
2007	68,190,006	68,190,006	100.00%	-
2008	71,577,900	71,577,900	100.00%	-
2009	75,008,551	75,008,551	100.00%	-
2010	79,095,128	79,095,128	100.00%	-
2011	87,200,495	87,200,495	100.00%	-
2012	89,705,222	89,705,222	100.00%	-

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

<sup>a</sup> 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**

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN (10) FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Income <sup>a</sup>		
2003	\$ 41,222,420	-	\$ 2,327,713	-	\$ -	\$ 43,550,133	4.23%	\$ 1,187	
2004	106,728,847	-	1,412,243	-	-	108,141,091	10.52%	2,947	
2005	104,473,603	-	1,500,334	-	-	105,973,937	10.31%	2,888	
2006	129,230,690	-	1,881,232	-	-	131,111,922	12.76%	3,573	
2007	126,920,110	-	1,621,851	-	-	128,541,961	12.51%	3,504	
2008	166,231,861	-	4,311,183	-	-	170,543,044	16.61%	4,648	
2009	163,435,945	-	3,676,351	-	-	167,112,296	16.27%	4,555	
2010	160,421,026	-	2,637,654	-	-	163,058,680	15.90%	4,453	
2011	155,992,106	-	1,826,021	-	-	157,818,127	8.51%	4,301	
2012	151,666,517	-	1,087,333	-	-	152,753,850	8.23%	3,903	

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

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

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

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN (10) FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Net General Bonded Debt Outstanding		
2003	\$ 41,222,420	\$ 41,222,420	1.54%	\$ 1,187
2004	106,728,847	106,728,847	3.73%	2,947
2005	104,473,603	104,473,603	3.36%	2,888
2006	129,230,690	129,230,690	3.82%	3,573
2007	126,920,110	126,920,110	3.56%	3,504
2008	166,231,861	166,231,861	4.61%	4,648
2009	163,435,945	163,435,945	4.22%	4,555
2010	160,421,026	160,421,026	4.27%	4,453
2011	155,992,106	155,992,106	4.08%	4,301
2012	151,666,517	151,666,517	4.20%	3,875

**Notes:**

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

a See Exhibit J-6 for property tax data.

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

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Monroe, Net	\$ 66,726,551	100.000%	\$ 66,726,551
County of Middlesex, Net	663,653,425	6.8427%	<u>45,411,813</u>
Subtotal, overlapping debt			\$ 112,138,364
Township of Monroe District Direct Debt -			
Bonds Issued and Outstanding	\$ 151,666,517		
Bonds and Notes Authorized but not Issued	2,972,738		
Total direct and overlapping debt			\$ <u>154,639,255</u>
			\$ <u>266,777,619</u>

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

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

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

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN (10) FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2011	\$ 7,126,537,940
2010	7,076,277,013
2009	7,810,906,296
	<u>\$ 22,013,721,249</u>
	\$ 7,337,907,083

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)	293,516,283 <sup>a</sup>
Total Net Debt Applicable to Limit	154,639,255
Legal debt margin	<u>\$ 138,877,028</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 120,674,836	\$ 139,874,215	\$ 162,029,079	\$ 227,613,709	\$ 267,978,625	\$ 301,715,239	\$ 301,715,239	\$ 313,164,899	\$ 305,591,336	\$ 293,516,283
Total net debt applicable to limit	<u>41,222,420</u>	<u>121,897,282</u>	<u>119,642,037</u>	<u>144,399,125</u>	<u>142,088,545</u>	<u>181,400,296</u>	<u>177,079,924</u>	<u>169,491,617</u>	<u>158,864,844</u>	<u>154,639,255</u>
Legal debt margin	<u>\$ 79,452,416</u>	<u>\$ 17,976,933</u>	<u>\$ 42,387,042</u>	<u>\$ 83,214,584</u>	<u>\$ 125,890,080</u>	<u>\$ 120,314,943</u>	<u>\$ 124,635,315</u>	<u>\$ 143,665,282</u>	<u>\$ 146,626,492</u>	<u>\$ 138,877,028</u>
Total net debt applicable to the limit as a percentage of debt limit	34.16%	87.15%	73.84%	63.44%	53.02%	60.12%	58.69%	54.12%	52.02%	52.69%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

<sup>a</sup> Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN (10) FISCAL YEARS

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2003	27,999	\$ 1,027,311,309	\$ 36,691	6.50%
2004	27,999	1,027,311,309	36,691	5.50%
2005	27,999	1,027,311,309	36,691	4.60%
2006	27,999	1,027,311,309	36,691	5.30%
2007	27,999	1,027,311,309	36,691	4.70%
2008	27,999	1,027,311,309	36,691	4.70%
2009	27,999	1,027,311,309	36,691	6.30%
2010	27,999	1,027,311,309	36,691	10.40%
2011	39,132	1,854,543,744	47,392	11.10%
2012	39,132	1,854,543,744	47,392	9.80%

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census for 2003 to 2010 and the 2010 Census for 2011 by the US Bureau of Economic Analysis.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development Annual Average Prior December 31.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND TEN YEARS AGO**

<u>Employer</u>	<u>2012</u>		<u>2000</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Rhodia	775	1		
Costco Wholesale Group	557	2		
Grainger Industries	375	3	376	2
The LTA Group	350	4		
Setco Corp	275	5	300	4
Davlyn Industries			332	3
Barnes & Noble			500	1
DLTA			300	5
	<u>2,332</u>		<u>1,808</u>	

Source:  
 2008 General Obligation Bond Sale - Official Statement  
 1999 General Obligation Bond Sale - Official Statement  
 Employees may include part-timers

## **OPERATING INFORMATION**

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST NINE (9) FISCAL YEARS

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction									
Regular	397	416	436	476	533	589	577	555	555
Special education	27	30	47	56	66	72	76	76	78
Other special education	3	3	3	3	3	3	3	3	3
Support Services:									
Student & instruction related services	48	49	51	52	52	53	55	54	58
General administration	1	1	1	1	1	1	1	1	1
School administrative services	9	10	14	14	14	16	16	16	16
Other administrative services	37	37	37	37	38	40	38	37	37
Central services	8	8	9	9	9	9	9	9	10
Administrative Information Technology	7	7	8	8	10	11	10	13	14
Plant operations and maintenance	45	45	52	60	60	66	65	74	69
Pupil transportation	31	33	37	41	43	50	65	57	52
<b>Total</b>	<b>613</b>	<b>639</b>	<b>695</b>	<b>757</b>	<b>829</b>	<b>910</b>	<b>915</b>	<b>895</b>	<b>893</b>

Source: District Personnel Records

Note: Only the last nine (9) years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2003.

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
OPERATING STATISTICS  
LAST TEN (10) FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Attendance			
						Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2003	3,757	44,487,525	11,841	6.17%	362.00	1:29	e	1:25	3785.0	3,623	20.35%	95.72%
2004	4,045	50,690,409	12,532	5.83%	402.00	1:29	e	1:27	4048.0	3,865	6.95%	95.47%
2005	4,299	55,979,410	13,021	3.91%	439.00	1:29	1:28	1:27	4338.0	4,164	7.18%	95.98%
2006	4,651	62,911,065	13,526	3.88%	489.00	1:29	1:28	1:27	4671.0	4,578	7.68%	98.00%
2007	4,922	73,007,214	14,833	9.66%	512.00	1:29	1:28	1:27	4937.0	4,838	5.69%	98.00%
2008	5,125	78,742,396	15,364	3.58%	532.00	1:29	1:28	1:27	5137.0	4,882	4.05%	95.04%
2009	5,398	85,394,148	15,820	2.96%	560.00	1:29	1:28	1:27	5381.0	5,137	4.75%	95.47%
2010	5,554	88,721,663	15,974	0.98%	566.00	1:29	1:28	1:27	5505.0	5,264	2.30%	95.62%
2011	5,661	90,461,721	15,980	0.03%	555.00	1:29	1:28	1:27	5661.0	5,389	2.83%	95.20%
2012	5,867	94,566,854	16,119	0.87%	555.00	1:29	1:28	1:27	5867.0	5,606	3.64%	95.55%

Sources: District records

Note: Enrollment based on annual October district count as related in the Application for State School Aid (ASSA).

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.
- e For years 1998-2004 middle school included with elementary school.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHOOL BUILDING INFORMATION**  
**LAST SIX (6) FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>District Building</u></b>						
<b><u>Elementary</u></b>						
Barclay Brook						
Square Feet	59,237	59,237	59,237	59,237	59,237	59,237
Capacity (students)	466.41	466.41	466.41	466.41	466.41	466.41
Enrollment	695	718	524	546	480	436
Brookside						
Square Feet	73,802	73,802	73,802	73,802	73,802	73,802
Capacity (students)	862.45	862.45	862.45	862.45	862.45	862.45
Enrollment	932	967	686	665	680	528
Woodland						
Square Feet	55,368	55,368	55,368	55,368	55,368	55,368
Capacity (students)	587.30	587.30	587.30	587.30	587.30	587.30
Enrollment	490	486	506	515	512	520
Mill Lake						
Square Feet	73,075	73,075	73,075	73,075	73,075	73,075
Capacity (students)	554.20	554.20	554.20	554.20	554.20	554.20
Enrollment	688	674	664	682	658	431
Oak Tree						
Square Feet			81,750	81,750	81,750	81,750
Capacity (students)			707	707	707	707
Enrollment			687	743	823	808
<b><u>Middle School</u></b>						
Square Feet	62,351	62,351	62,351	62,351	199,068	199,068
Capacity (students)	681.24	681.24	681.24	681.24	681.24	1337.9
Enrollment	672	767	811	804	861	1386
<b><u>High School</u></b>						
Monroe High School						
Square Feet	199,068	199,068	199,068	199,068	199,068	382,699
Capacity (students)	1,337.90	1,337.90	1,337.90	1,337.90	1337.90	1800.00
Enrollment	1,460	1,525	1,544	1,598	1,647	1,758

Number of Buildings at June 30, 2012

Elementary Schools = 5

Middle School = 1

High School = 1

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE).

TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
SCHEDULE OF REQUIRED MAINTENANCE  
FOR SCHOOL FACILITIES  
LAST TEN (10) FISCAL YEARS

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

Project # (s)	Barclay Brook	Brookside	Woodland	Mill Lake	Applegarth M.S.	Monroe M.S.	Oak Tree	MTHS	Total
2003	\$ 118,308	\$ 103,038	\$ 101,545	\$ 124,888	\$ 100,254	\$ 368,556	N/A	\$ -	\$ 916,589
2004	122,010	102,781	125,618	208,511	144,860	404,051	N/A	-	1,107,831
2005	193,624	90,211	88,225	109,414	174,200	391,230	N/A	-	1,046,904
2006	350,749	119,987	114,224	105,396	152,320	574,049	N/A	-	1,416,725
2007	404,719	225,661	127,671	117,161	240,985	649,257	N/A	-	1,765,454
2008	384,001	210,241	133,053	107,988	241,744	498,127	N/A	-	1,575,154
2009	399,205	119,620	131,508	94,780	149,555	398,239	\$ 165,452	-	1,458,359
2010	347,938	123,254	144,051	96,675	112,039	368,643	143,261	-	1,335,861
2011	324,209	107,664	148,375	103,955	135,677	413,838	163,123	-	1,396,841
2012	106,870	133,147	99,890	131,836	112,488	359,142	147,486	690,435	1,781,294
<b>Total School Facilities</b>	<b>\$ 2,751,633</b>	<b>\$ 1,335,604</b>	<b>\$ 1,214,160</b>	<b>\$ 1,200,604</b>	<b>\$ 1,564,122</b>	<b>\$ 4,425,132</b>	<b>\$ 619,322</b>	<b>\$ 690,435</b>	<b>\$ 13,801,012</b>

\* 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

BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
INSURANCE SCHEDULE  
JUNE 30, 2012  
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
<b>MULTI PERIL PACKAGE POLICY</b>		
Property		
Blanket Building and Contents	\$ 274,760,504	\$ 1,000
Extra Expense	1,000,000	
Liability		
Bodily Injury & Property Damage:		
Each Occurrence	1,000,000	
Aggregate	3,000,000	
Fire Damage	1,000,000	
Medical Expense	10,000	
Employee Benefit Programs:		
Each Occurrence	1,000,000	
Crime		
Employee Dishonesty	100,000	
Forgery & Alteration	100,000	
Inland Marine		
Misc. Articles Floater:		
Cameras	50,000	
Musical Instruments	500,000	
Mobile Equipment	500,000	
Electronic Data Processing:		
Hardware	75,000	per building
Software	10,000	per building
Extra Expense	15,000	
<b>AUTOMOBILE</b>		
Body Injury & Property Damage Liability	1,000,000	
Medical Payments	5,000	
Uninsured/Underinsured	1,000,000	
Comprehensive		500
Collision		1,000

BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
INSURANCE SCHEDULE  
JUNE 30, 2012  
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
<b>WORKERS COMPENSATION</b>		
Section "A"	Statutory	
Section "B" :		
Each accident	\$ 2,000,000	
Each employee	2,000,000	
Aggregate	2,000,000	
<b>SUPPLEMENTARY WORKERS COMPENSATION</b>		
Limit of Liability	1,750 per week	
<b>SCHOOL BOARD LEGAL</b>		
Limit of Liability	10,000,000	\$ 15,000
<b>UMBRELLA</b>		
Limit of Liability	10,000,000	
<b>CATASTROPHE ACCESS PLAN</b>		
Limit of Liability	50,000,000	
<b>STUDENT ACCIDENT</b>		
Limit of Liability	5,000,000	
<b>BONDS</b>		
Treasurer of School Monies	1,000,000	
Board Secretary/School Business Administrator	750,000	
Accounting Supervisor	750,000	
Bookkeeping Coordinator	750,000	
<b>POLLUTION LEGAL LIABILITY</b>		
Limit of Liability	1,000,000 each incident	
	3,000,000 aggregate group	10,000

**SINGLE AUDIT SECTION**

550 BROAD STREET, 11TH FLOOR  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
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 Middlesex  
Monroe, New Jersey

We have audited the financial statements of the Board of Education of the Township of Monroe School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, 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 Township of Monroe School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Monroe 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

This report is intended solely for the information of the Board of Education of the Township of Monroe School District and its management, the New Jersey State Department of Education (the cognizant audit agency) and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912

  
SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 9, 2012

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

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

Compliance

We have audited the compliance of the Township of Monroe Board of Education, in the County of Middlesex, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012. The Township of Monroe, Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the Accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants that could have a direct and material effect on each of its major federal and state programs is the responsibility of the Township of Monroe Board of Education's management. Our responsibility is to express an opinion on the Township of Monroe Board of Education's compliance based on our audit.

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

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

In our opinion, the Township of Monroe Board of Education, in the County of Middlesex, State of New Jersey complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN & COMPANY

Freehold, New Jersey  
November 9, 2012

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE, COUNTY OF MIDDLESEX  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Federal Grantor / Pass - Through Grantor / Program Title	Federal or State Project Number	Grant Period From To	Program or Award Amount	Accounts Receivable Balance at June 30, 2011	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	(Accounts Receivable) Balance, June 30, 2012	Due to Grantor
<b>U.S. Department of Education:</b>										
<b>General fund</b>										
Medical Assistance Program	93.778	7/1/2011 - 6/30/2012	\$ 40,680.02	\$	\$ 40,680.02	\$ (40,680.02)				
Education Jobs Fund	84.410	9/1/2011 - 8/31/2012	159,582.00		159,582.00	(159,582.00)				
<b>Total General Fund</b>			\$ 200,262.02	\$	\$ 200,262.02	\$ (200,262.02)				
<b>U.S. Department of Education</b>										
<b>Passed - Through State Department of Education:</b>										
<b>Special Revenue Fund:</b>										
Title I Part A	84.010A	9/1/2011 - 8/31/2012	\$ 82,908.00	\$	\$ 12,000.00	\$ (82,908.00)		\$ (70,908.00)		
Title II, Part A	84.367A	9/1/2011 - 8/31/2012	53,948.00		53,948.00	(53,948.00)				
Title II, Part A Carryover	84.367A	9/1/2010 - 8/31/2011	59,495.00	\$ (39,890.00)	39,890.00					
Title III	84.365A	9/1/2011 - 8/31/2012	10,069.00		6,857.00	(10,069.00)		(3,242.00)		
Title III, Immigrant	84.365A	9/1/2010 - 8/31/2011	10,444.00	(10,444.00)	10,444.00					
I.D.E.A. Part B, Basic Regular	84.027	9/1/2011 - 8/31/2012	947,779.00		947,779.00	(947,779.00)				
I.D.E.A. Part B, Preschool	84.173	9/1/2011 - 8/31/2012	43,933.00		43,933.00	(43,933.00)				
ARRA I.D.E.A. Regular	84.391	9/1/2009 - 8/31/2011	1,068,517.00	(134,111.06)	358,972.00	(224,860.94)				
Impact Grant	84.041	9/1/2011 - 8/31/2012	52,584.00		20,302.58	(42,859.19)		(22,556.61)		
Impact Grant	84.041	9/1/2010 - 8/31/2011	74,685.00	(30,137.15)	50,554.45	(20,417.30)		(1,369.04)		
Teaching American History Grant	84.215X	7/1/2007 - 6/30/2010	959,930.00	(1,369.04)				(8,778.00)		
Improving Teaching Quality	84.367A	9/1/2011 - 8/31/2012	176,108.00		167,322.00	(176,108.00)				
<b>Total U.S. Department of Education</b>			\$ 550.00	\$ (215,951.25)	\$ 1,712,002.03	\$ (1,602,904.43)		\$ (106,853.65)	\$ 550.00	
<b>National Endowment for the Arts Passed-through</b>										
<b>New Jersey State Department of Education:</b>										
<b>Writers in the Schools Program</b>										
	N/A	7/1/2002 - 6/30/2003	\$ 550.00	\$					\$ 550.00	
<b>Total National Endowment for the Arts Passed-through</b>			\$ 550.00	\$					\$ 550.00	
<b>New Jersey State Department of Education</b>										
<b>Total Special Revenue Fund</b>			\$ 1,712,002.03	\$ (215,401.25)	\$ 1,602,904.43			\$ (106,853.65)	\$ 550.00	
<b>U.S. Department of Agriculture</b>										
<b>Passed-through State Department of Education:</b>										
<b>Enterprise Fund:</b>										
Food Distribution Program	10.550	7/1/2011 - 6/30/2012	\$ 129,616.79	\$ 7,073.10	\$ 129,616.79	\$ (123,395.96)			\$ 6,220.83	
Food Distribution Program	10.550	7/1/2010 - 6/30/2011	66,964.51		242,395.84	(7,073.10)				
National School Lunch Program	10.555	7/1/2011 - 6/30/2012	256,568.69	(16,459.26)	16,459.26	(256,568.69)			\$ (14,162.05)	
National School Lunch Program	10.555	7/1/2010 - 6/30/2011	236,568.92		3,393.01	(3,039.41)			(246.40)	
Special Milk Program	10.559	7/1/2011 - 6/30/2012	3,639.41	(249.93)	249.93					
Special Milk Program	10.559	7/1/2010 - 6/30/2011	3,030.34							
<b>Total Enterprise Fund</b>			\$ 392,114.83	\$ (9,636.09)	\$ 392,114.83	\$ (390,667.16)			\$ (14,409.25)	\$ 6,220.83
<b>Total Federal Financial Assistance</b>			\$ 2,304,378.88	\$ (225,037.34)	\$ 2,304,378.88	\$ (2,193,833.61)			\$ (121,262.90)	\$ 6,770.83

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

(1) Equals inventory.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE, COUNTY OF MIDDLESEX**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2011		Cash Received	Budgetary (Expenditures)	Adjustment	Balance, June 30, 2012		MEMO	
				(Accounts Receivable)	Deferred Revenue				(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>												
<b>General Fund:</b>												
Categorical Special Ed Aid	12-495-034-5120-089	\$ 2,012,940.00	7/1/2011 - 6/30/2012			\$ 2,012,940.00	\$ (2,012,940.00)		\$ 189,820.00	\$ 2,182,760.00		
Extraordinary Special Education Aid	12-495-034-5120-473	247,829.00	7/1/2011 - 6/30/2012				(247,829.00)			247,829.00		
Extraordinary Special Education Aid	11-495-034-5120-473	219,834.00	7/1/2010 - 6/30/2011	\$	(219,834.00)	219,834.00						
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	2,799,218.10	7/1/2011 - 6/30/2012			2,799,218.10	(2,799,218.10)			2,799,218.10		
On Behalf TPAF Pension Contribution	12-495-034-5095-006	1,160,855.00	7/1/2011 - 6/30/2012			1,160,855.00	(1,160,855.00)			1,160,855.00		
On Behalf TPAF Post Retirement Medical	12-495-034-5095-001	2,373,827.00	7/1/2010 - 6/30/2011			2,373,827.00	(2,373,827.00)			2,373,827.00		
Non Public Transportation	12-495-034-5120-014	39,222.98	7/1/2011 - 6/30/2012				(39,222.98)			39,222.98		
Non Public Transportation	11-495-034-5120-014	30,391.85	7/1/2010 - 6/30/2011		(30,391.85)	30,391.85						
Anti-Bullying Aid	Not Available	2,146.00	7/1/2011 - 6/30/2012			2,146.00						
<b>Total General Fund</b>					\$ (250,225.85)	\$ 6,519,211.95	\$ (8,651,746.08)		\$ (287,051.99)	\$ 189,820.00	\$ 8,823,712.09	
<b>State Department of Environmental Protection:</b>												
Passed-through County of Middlesex Special Revenue Fund: Environmental Preservation Grant	N/A	500.00	9/22/2000 - 6/30/2001			500.00				500.00		
<b>Total Special Revenue Fund</b>						500.00				500.00		

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION  
TOWNSHIP OF MORRIS, COUNTY OF MIDDLESEX  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2011		Cash Received	Budgetary (Expenditures)	Adjustment	Balance, June 30, 2012 (Accounts Receivable)	Deferred Revenue	Budgetary Receivable	MEMO Cumulative Total Expenditures
				(Accounts Receivable)	Deferred Revenue							
Capital Projects Fund:												
NJEDA Grant	3290-ND1-03-1165	\$ 15,244,658.00	Open	\$ 924,449.28	\$	\$ 924,449.28	\$ (956,252.12)	\$ 1,090,005.91	\$ (1,862,731.40)	\$	\$	\$ 14,154,651.09
Total Capital Projects Fund				\$ 924,449.28	\$	\$ 924,449.28	\$ (956,252.12)	\$ 1,090,005.91	\$ (1,862,731.40)	\$	\$	\$ 14,154,651.09
Debt Service Fund:												
Debt Service Aid Type II	12-495-034-5120-075	\$ 688,725.00	7/1/2011 - 6/30/2012		\$	\$ 688,725.00	\$ (688,725.00)					
Total Debt Service Fund					\$	\$ 688,725.00	\$ (688,725.00)					
State Department of Agriculture Enterprise Fund:												
National School Lunch Program (State Share)	12-100-010-3350-023	\$ 21,654.64	7/1/2011 - 6/30/2012		\$	\$ 20,470.71	\$ (21,654.64)		\$ (1,183.93)			
National School Lunch Program (State Share)	11-100-010-3350-023	\$ 22,647.16	7/1/2010 - 6/30/2011	\$ (1,704.34)		\$ 1,704.34						
Total Enterprise Fund				\$ (1,704.34)		\$ 22,175.05	\$ (21,654.64)		\$ (1,183.93)			
Total State Financial Assistance				\$ 672,519.09	\$ 500.00	\$ 9,330,112.09	\$ (10,320,407.64)	\$ 1,090,005.91	\$ (2,170,967.31)	\$ 500.00	\$ 169,820.00	\$ 22,978,363.17

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT, COUNTY OF MIDDLESEX**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations* and New Jersey OMB's Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) of twenty (20) state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT, COUNTY OF MIDDLESEX**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis was none for both the general fund and the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 200,262.02	\$ 8,656,038.08	\$ 8,856,300.10
Special Revenue Fund	1,602,904.43		1,602,904.43
Debt Service Fund		688,725.00	688,725.00
Food Service Fund	<u>389,814.89</u>	<u>21,654.64</u>	<u>411,469.53</u>
Total Awards and Assistance	<u>\$ 2,192,981.34</u>	<u>\$ 9,366,417.72</u>	<u>\$ 11,559,399.06</u>

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. FEDERAL AND STATE LOANS OUTSTANDING**

The District had no federal loans outstanding.

The District has the following loan balances outstanding to the State of New Jersey:

<u>Loan Program</u>	<u>Program</u>	<u>Application #</u>	<u>Amount Outstanding</u>
NJ EDA	High School Auditorium	07-093	\$ 140,421.06
NJ EDA	High School Auditorium	07-093	186,096.00

**6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contribution and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**BOARD OF EDUCATION  
 TOWNSHIP OF MONROE SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unqualified, dated  
November 9, 2012

Internal control over financial reporting:

1. Material weakness(es) identified? \_\_\_\_\_ yes      x   no

2. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes      x   no

**Federal Awards**

Internal control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes      x   no

2. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Type of auditor's report issued on compliance for major programs: Unqualified, dated  
November 9, 2012

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	<u>IDEA, Part B, Basic Regular</u>
<u>84.391</u>	<u>ARRA IDEA Part B Regular</u>
<u>10.550/10.555</u>	<u>National School Lunch Program</u>

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

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

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Section I - Summary of Auditor's Results (Continued)**

**State Assistance**

Dollar threshold used to distinguish between type A and type B Programs: \$309,612

1. Auditee qualified as low-risk auditee?  x  yes   no

Type of auditor's report issued on compliance for major programs: Unqualified, dated November 9, 2012

Internal Control over major programs:

1. Material weakness(es) identified?   Yes  x  no

2. Significant deficiency(ies) identified that are not considered to be material weakness(es):   yes  x  none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?   yes  x  no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>12-495-034-5120-011</u>	<u>Categorical Special Education Aid</u>
<u>12-100-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>12-495-034-5120-125</u>	<u>Debt Service Aid Type II</u>
<u>3290-N01-03-1165</u>	<u>SCC – High School Construction</u>

**Section II - Schedule of Financial Statement Findings**

None.

**Section III - Schedule of State Financial Assistance Findings and Questioned Costs**

None.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT, COUNTY OF MIDDLESEX**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FOR THE YEAR ENDED JUNE 30, 2011:

There were no findings for the year ended June 30, 2011.