

SCHOOL DISTRICT
OF
MANALAPAN - ENGLISHTOWN
OF MONMOUTH COUNTY

Manalapan-Englishtown Regional School District
Township of Manalapan
and the
Borough of Englishtown

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2020

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of the

Manalapan-Englishtown Regional School District
of Monmouth County

Englishtown, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

Manalapan-Englishtown Regional School District
Finance Department

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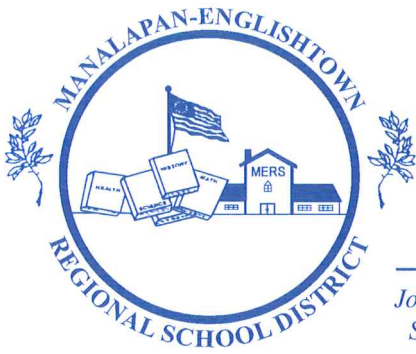
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INTRODUCTORY SECTION



Serving With Pride The
Township of Manalapan
and the
Borough of Englishtown

John J. Marciante, Jr., Ph.D.
Superintendent of Schools

Veronica Wolf
Board Secretary

BUSINESS OFFICE

Veronica Wolf
*Business Administrator/
Board Secretary*

Michael Sloan
*Assistant Business Administrator/
Assistant Board Secretary*

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December 18, 2020

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

Dear Board Members/Citizens:

It is with pleasure we submit the Comprehensive Annual Financial Report (CAFR) of the Manalapan-Englishtown Regional School District for the fiscal year ended June 30, 2020. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with Management of the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities, including the Management's Discussion and Analysis have been included.

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

- The Introductory Section contains a Table of Contents, Letter of Transmittal, Roster of Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's 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 Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

SCHOOL DISTRICT ORGANIZATION

The Manalapan-Englishtown Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards. All funds of the District are included in this report. The Manalapan-Englishtown Regional Board of Education and all its schools constitute the District's reporting entity. The District has maintained a high quality of education, even though it is one of the largest K-8 districts in Monmouth County.

The Manalapan-Englishtown Regional School District serves the children of the Township of Manalapan and the Borough of Englishtown. The District provides a full range of programs and services appropriate to grades Pre-K through 8. An early learning center (The John I. Dawes Early Learning Center) houses the pre-K and kindergarten programs. Three elementary schools (Clark Mills, Milford Brook, and Taylor Mills) house grades K-5. Lafayette Mills and Wemrock Brook house grades 1 through 5. The Pine Brook School houses grade 6. The Manalapan-Englishtown Middle School (MEMS) houses grades 7 and 8.

Supervising district-wide goals is a district superintendent, an assistant superintendent for curriculum and human resources, a business administrator, three district wide curriculum supervisors, a supervisor of special projects, a director of special education and a supervisor of special education. The Early Learning Center has its own principal and assistant principal. Each elementary has its own principal and one assistant principal. Pine Brook has one principal and one assistant principal. The middle school has one principal and two assistant principals.

The Board of Education, comprised of nine members, each elected to 3-year terms, meets on the first and third Tuesday of each month to determine district goals and priorities and conduct the business of the Board of Education. The Board of Education utilizes a committee structure as well as operates as a committee of the whole. All committee of the whole meetings are open to the public and begin at 7:30 p.m. and conclude at 11:30 p.m. unless the board passes a resolution to extend the meeting.

Ad-hoc advisory committees composed of representatives from the community; administration, PTA's, PTO's and Booster Club and the Township and Borough are sometimes formed to provide the Board of Education with information and input on specific issues. In the 2018-19 school year the Board of Education did not have a specific Ad-Hoc committee, although the district did seek input from community members and the PTA's regarding curriculum program offerings, a possible referendum and changes in transportation.

PTA's, PTO's and the Booster Club are highly active in the District and provide community support for a variety of programs and activities for the children.

To maintain communication with the various constituent groups, the District mainly utilizes its web site. The website is updated regularly with important information for parents, such as school closures, delayed openings, medical/health alerts, new curriculum initiatives, and more. Budget information, while available on the web site, is also presented to the township committee and borough council. The District also communicates with parents via Blackboard Mass Notifications, a system that provides both phone and e-mail contact options. The ability to contact the entire parent population within twenty minutes about changes in the school day, i.e., early closure, or to be able to update them in an emergency situation, is a vital component in ensuring that our communication efforts are timely, accurate, and effective. In 2019 the District established its FaceBook page as an additional avenue for parent communication.

EDUCATIONAL PROGRAM

Each of the schools in the district follows the district-wide goals and educational approaches to the teaching of children, while maintaining a unique personality that makes up that particular school. The transition from the Common Core State Standards in Language Arts and Mathematics to the New Jersey Student Learning Standards began in 2015-16 and was completed by September of 2017.

In July 2019, the New Jersey Department of Education released its yearly Taxpayers' Guide to Education Spending for all school districts in the State. The guide compares districts with those who are similar in enrollment/configurations. The information on expenditures was taken from certified budgets on file with the State Department of Education. This report shows that the district spends \$19,886 per pupil while the average costs for similar districts are \$21,817. Of the 74 K-8 school districts in the state with enrollments exceeding 751 children, Manalapan-Englishtown Regional ranked 23rd lowest in total budgetary cost per pupil.

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2010-11 through 2019-20.

Enrollment	
School Year	As of October 15
2010-11	5,188
2011-12	5,161
2012-13	5,136
2013-14	5,027
2014-15	5,108
2015-16	4,992
2016-17	4,987
2017-18	4,989
2018-19	4,975
2019-20	4,889

ECONOMIC CONDITION AND OUTLOOK

Monmouth County is steeped in history from pre-revolutionary times to the present day. Rich in natural resources, Monmouth's deep forests, rolling countryside and miles of beautiful sandy beaches offer a perfect backdrop for the vast variety of recreational, cultural and leisure opportunities in the area. The County has horse country and thriving agricultural industry in the west, beaches and seaside resorts in the east, and a booming business community throughout. The Manalapan-Englishtown Regional School District serves students from a wide range of socioeconomic backgrounds.

Monmouth County is located in the center of the state approximately 47 miles south of New York City and 55 miles east of Philadelphia. Newark Liberty International Airport is just 40 minutes away. The public and private transportation systems include more than 2,600 miles of rails and roads, making the County accessible to virtually all of New Jersey as well as nearby New York and Philadelphia.

Because Monmouth County continues to be among the fastest growing in New Jersey, change is constant in the Manalapan-Englishtown Regional School District. Sales of both new and existing homes are occurring at a slow pace. Existing homes continue to stay on the market for a much longer period of time than a few years ago.

On Tuesday, January 17, 2012, Governor Christie signed into law A-4394/S-3148 (P.L. 2011, chapter 202), which established procedures for moving the date of a school district's annual school election from April to the General Election in November. Districts that choose to elect their school board members in November no longer have to submit their budgets for voter approval as long as it does not exceed the levy cap. Budgets that are in excess of the cap would still require voter approval. Once a school election is moved to November, no action can be taken (either by petition or resolution) to move the election back to April for four (4) years. Special Elections are still permitted in January, March, September and December should the need arise.

On Tuesday, January 17, 2012, the Manalapan-Englishtown Regional Board of Education passed a resolution moving the annual school board election to the General Election in November and effectively eliminated the requirement for voter approval of the district school budget as long as it does not exceed the levy cap. This election had to remain in effect for a minimum of four (4) years. There has not been any discussion regarding moving the annual school board election back to April.

The District, along with all of the other public school systems in the state, will continue to face difficult economic situations in the future since the primary funding source is and will continue to be property tax

revenue. The proposed budget for the fiscal year 2019-20 was adopted on May 7, 2019. Overall tax revenue for 2019-2020 was increased by 2.0%, but the increased expenditures from the growing cost of contractual salary increases, employee health care, increases in the contributions to the retirement system, and rising insurance premiums have outpaced the additional revenue. We recognize that the state is in a financial crisis and want to assure our residents that the Manalapan-Englishtown Regional School District is doing its part to maintain a responsible budget. The passage of school funding reform bill S2 has had a significant impact on the District's finances. The District will continue to investigate ways of addressing the anticipated significant reductions in state aid. The District's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the district has been accustomed to providing. Manalapan-Englishtown Regional School's Foundation and the Manalapan-Englishtown Regional School District's PTA's donated generously during the 2019-2020 school year.

MAJOR INITIATIVES

The District has completed several phases of its One to One Digital Conversion Initiative. In September of 2015, the initiative was fully implemented. Every student in grades six through eight have a Chromebook for use both in and outside of school and each fifth grade class has been supplied with a Chromebook cart. During the 2018-2019 school year additional Chromebook carts were introduced in the fourth and third grades and as of September 2019 every class had a Chromebook cart. The pandemic of 2020 lead to the purchase of additional chromebooks so that students in 1st and 2nd grade also have access to a chromebook.

HEALTH RELATED CLOSURE (COVID-19 PANDEMIC)

The Manalapan-Englishtown Regional Schools Reopening plan was reviewed by the Executive County Superintendent and determined to address all the required components as per the State Reopening Plan. CARES funding was used to support the implementation of the plan. For the 2020-2021 School Year, approximately 3400 students are receiving in-person instruction. Grades K-2 are five day in person instruction with social distancing being maintained. Grades 3-8 follow a A/B hybrid model. Approximately 1200 students attend the virtual academy.

INTERNAL CONTROLS

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 generally-accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in Notes to the 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 provision of the Governmental Unit 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.

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, fidelity bonds and worker's compensation. A schedule of insurance coverage is found in Exhibit J-20.

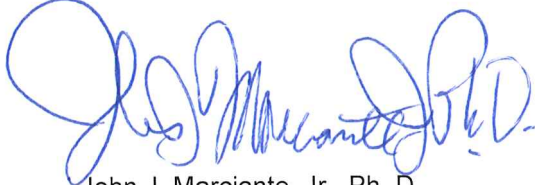
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Jump, Perry & Company. L.L.P. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

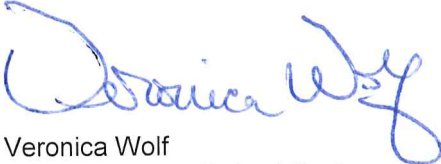
ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Manalapan-Englishtown Regional School District for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

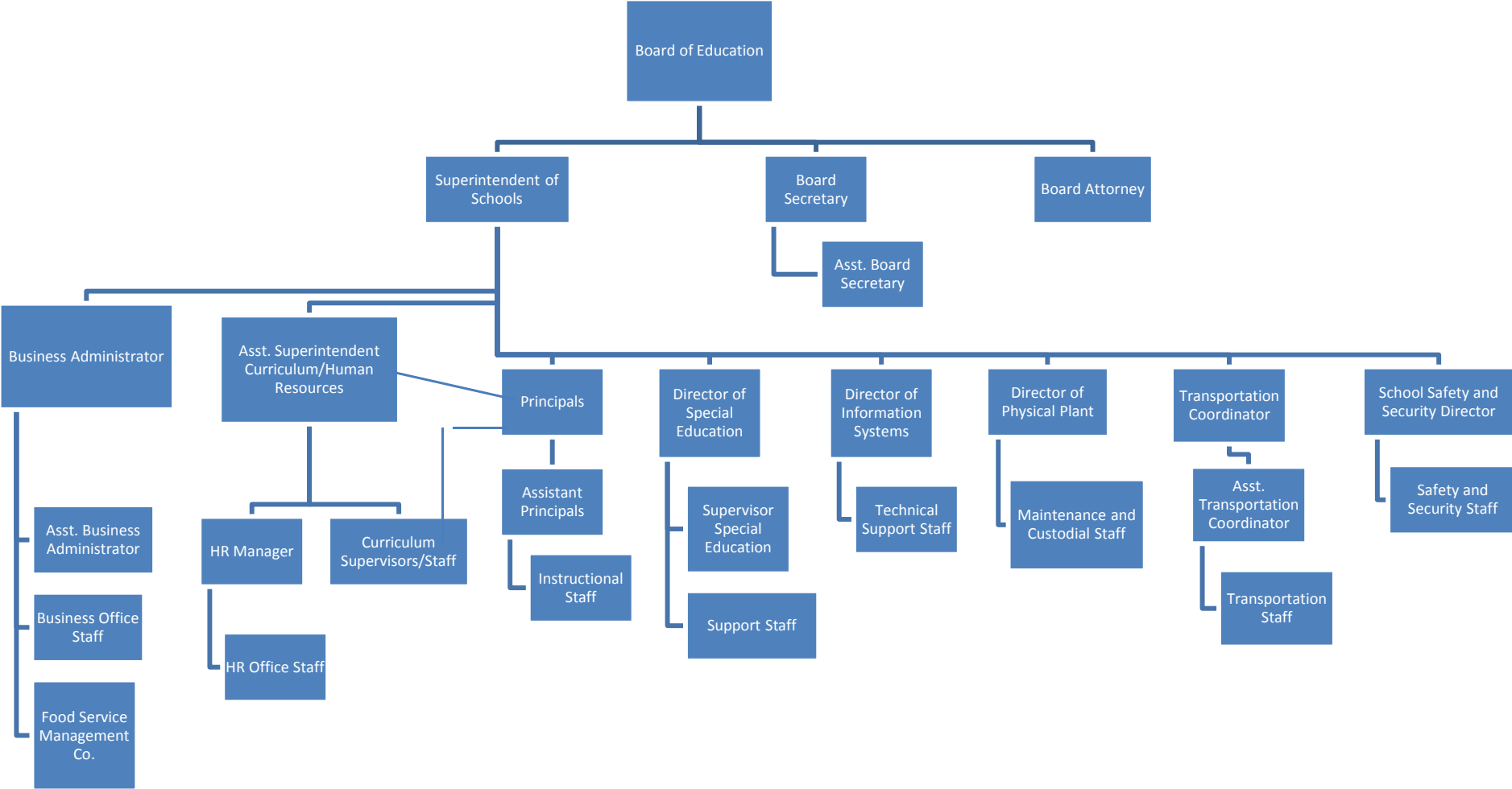


John J. Marciante, Jr., Ph. D
Superintendent



Veronica Wolf
Board Secretary/School Business Administrator

Manalapan-Englishtown Regional School District Organizational Chart



Last Updated/Approved:
5/19/2020

Manalapan-Englishtown Regional School District
Englishtown, New Jersey

Roster of Officials
June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dotty Porcaro, President	2020
Lori Semel, Vice President	2021
Brian Graime	2020
David Kane	2022
Gerald Bruno	2022
Janet Lewis	2020
Ryan Uργο	2020
Joanne Schechter	2021
Christine Parisi	2022

Other Officials

John J. Marciante, Jr., Ph.D., Superintendent

Veronica Wolf, Business Administrator/Board Secretary

Michael Sloan, Assistant Business Administrator/Assistant Board Secretary

Cleary, Giacobbe, Alfieri, Jacobs, LLC., Solicitor

Manalapan-Englishtown Regional School District
Consultants and Advisors

Architect

Fraytak, Veisz, Hopkins, Duthie PC.
1515 Lower Ferry Road
Trenton, New Jersey 08618

Audit Firm

Jump, Perry & Company., L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC.
5 Ravine Drive
Matawan, New Jersey 07747

Official Depository

PNC Bank
109 Route 9
Marlboro, New Jersey 07726

Financial Advisor

Phoenix Advisors, LLC.
4 W Park Street
Bordentown, New Jersey 08505

Bond Council

McManimon, Scotland & Bavmann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

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 Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the schedules related to accounting and reporting for pensions and post-retirement benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Manalapan-Englishtown Regional School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

Other Information (continued)

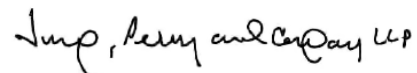
The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 on our consideration of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,



Jump, Perry and Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 18, 2020

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Manalapan-Englishtown Regional School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2020

Unaudited

The discussion and analysis of Manalapan-Englishtown Regional School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2020 are as follows:

Net position totaled \$40,179,515, which represents a 12.42 percent increase from June 30, 2019.

General revenues accounted for \$84,403,778 in revenue or 88.05 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$11,450,397 or 11.95 percent of total revenues of \$95,854,175.

Total assets decreased by \$57,499,794 as current assets increased by \$3,323,035 and capital assets, net decreased by \$60,822,829.

The School Board had \$91,415,320 in expenses; only \$11,450,397 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$84,403,778 were adequate to provide for these programs.

Among major funds, the General Fund had \$88,939,720 in revenues and other financing sources and \$85,211,092 in expenditures and transfers. The General Fund's balance increased \$3,728,628 over June 30, 2019. The General Fund's balance is \$18,858,513.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Manalapan-Englishtown Regional 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 Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government 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 Board's most significant funds with all other non-major funds presented in total in one column. In the case of Manalapan-Englishtown Regional School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board'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 expense of the goods or services provided. The Food Service Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, and Debt Service Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method 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 Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position 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.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2020 and 2019.

Table 1

Net Position as of June 30, 2020 and June 30, 2019

	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 19,985,251	\$ 1,003,939	\$ 20,989,190	\$ 16,651,306	\$ 1,014,849	\$ 17,666,155
Capital assets, net	87,146,691	185,320	87,332,011	148,154,840	-	148,154,840
Total assets	107,131,942	1,189,259	108,321,201	164,806,146	1,014,849	165,820,995
Deferred outflow of resources	4,678,884	-	4,678,884	7,163,354	-	7,163,354
Liabilities:						
Current liabilities	1,379,331	366,929	1,746,260	1,791,585	406,758	2,198,343
Long-term liabilities outstanding	56,756,176	-	56,756,176	61,866,773	-	61,866,773
Total liabilities	58,135,507	366,929	58,502,436	63,658,358	406,758	64,065,116
Deferred inflow of resources	14,330,869	-	14,330,869	15,851,464	-	15,851,464
Net position:						
Net investment in capital assets	70,706,123	198,055	70,904,178	68,999,876	215,533	69,215,409
Restricted	17,646,089	-	17,646,089	13,513,968	-	13,513,968
Unrestricted	(49,007,762)	637,010	(48,370,752)	(47,596,808)	608,091	(46,988,717)
Total Net Position	\$ 39,344,450	\$ 835,065	\$ 40,179,515	\$ 34,917,036	\$ 823,624	\$ 35,740,660

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$40,179,515 on June 30, 2020. This is a change of 12.42% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2020 and 2019.

Table 2

Changes in Net Position

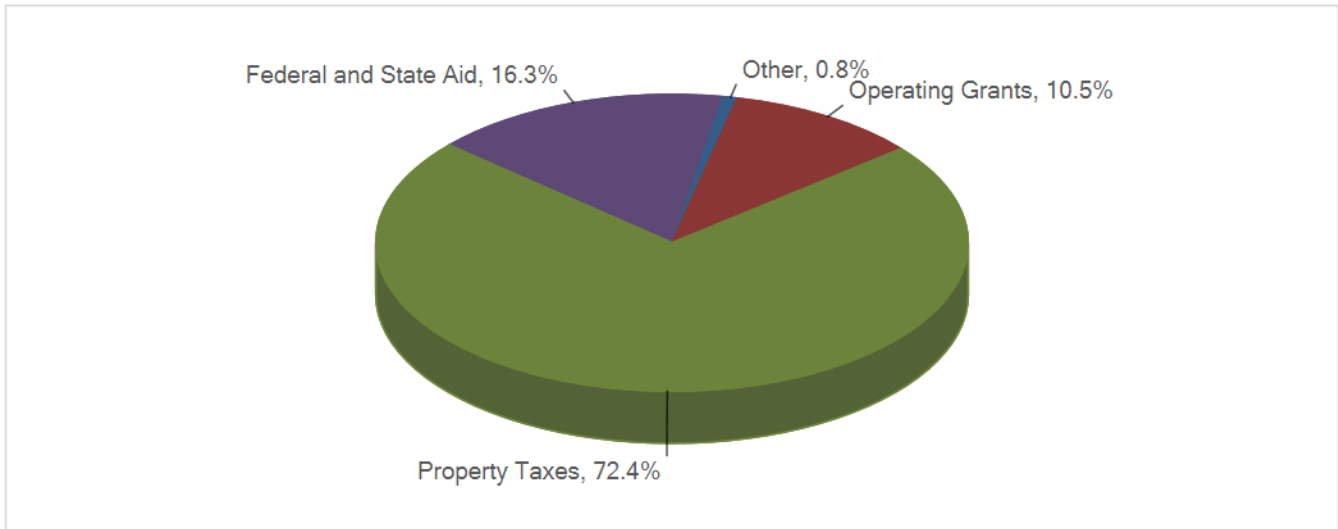
	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 54,713	\$ 1,130,562	\$ 1,185,275	\$ 83,906	\$ 1,722,015	\$ 1,805,921
Operating and capital grants and contributions	9,922,660	342,462	10,265,122	9,788,310	457,100	10,245,410
General revenues:						
Property taxes	68,302,672	-	68,302,672	67,003,529	-	67,003,529
Federal and state aid	15,415,739	-	15,415,739	17,220,468	-	17,220,468
Investment earnings	194,301	9,304	203,605	224,914	10,988	235,902
Miscellaneous	481,762	-	481,762	500,223	-	500,223
Total revenues	94,371,847	1,482,328	95,854,175	94,821,350	2,190,103	97,011,453
Expenses						
Instructional services	57,718,308	-	57,718,308	59,356,653	-	59,356,653
Support services	31,904,418	1,470,887	33,375,305	33,399,467	2,443,573	35,843,040
Charter schools	62,220	-	62,220	34,528	-	34,528
Interest on long-term liabilities	259,487	-	259,487	359,018	-	359,018
Total expenses	89,944,433	1,470,887	91,415,320	93,149,666	2,443,573	95,593,239
Change in net position	4,427,414	11,441	4,438,855	1,671,684	(253,470)	1,418,214
Net position - beginning	34,917,036	823,624	35,740,660	31,924,780	1,077,094	33,001,874
Net position (deficit) - ending	\$ 39,344,450	\$ 835,065	\$ 40,179,515	\$ 33,596,464	\$ 823,624	\$ 34,420,088

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted decreased due to the amount in grants available.

Regular instructional costs decreased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services decreased primarily due to the additional other purchased professional services from the Special Revenue Fund in prior year.

Sources of Revenue for Fiscal Year 2020



Expenses for Fiscal Year June 30, 2020

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$11,441.

Charges for services represent \$1,130,562 of revenue. This represents the amount paid by patrons for daily food service and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$351,766.

Governmental Activities

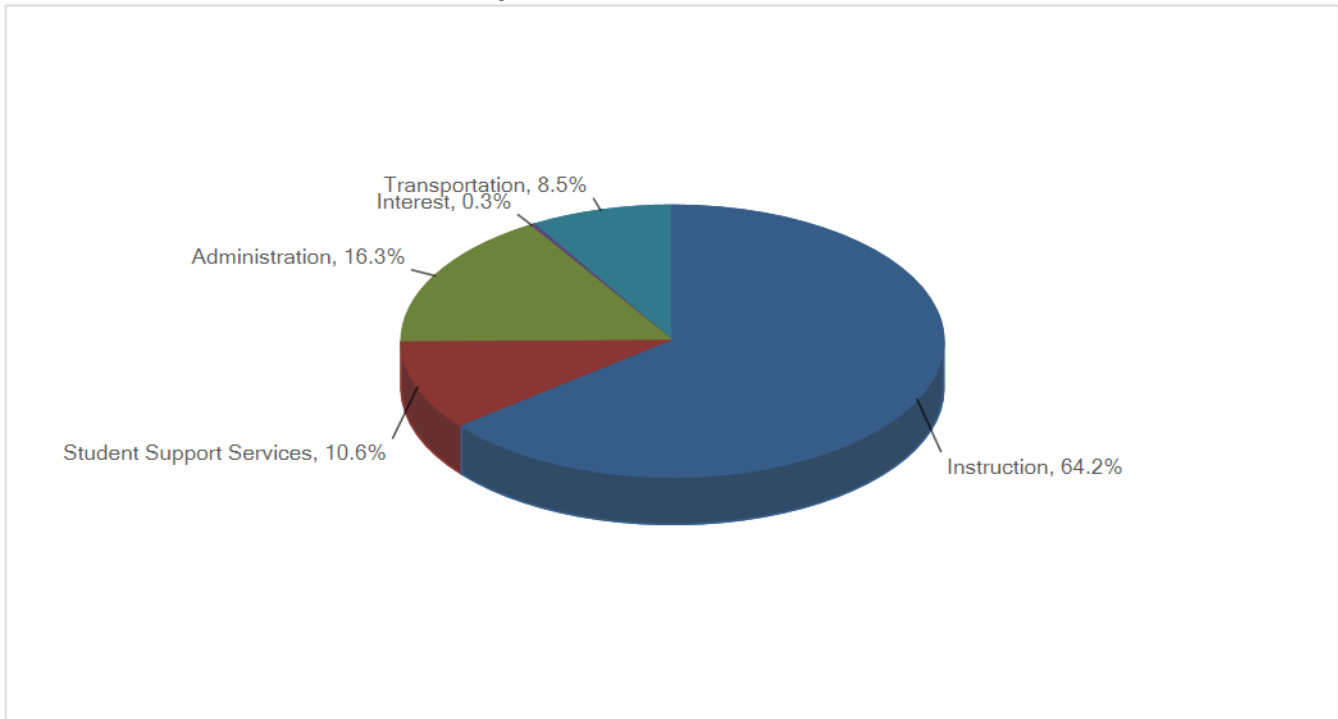
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each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

Table 3

Governmental Activities

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 57,718,308	\$ 51,564,475	\$ 59,356,653	\$ 53,272,077
Support Services:				
Pupils and Instructional Staff	9,572,413	9,092,113	9,813,983	9,308,603
General Administration, School Administration, Business Operation and Maintenance of Facilities	14,704,646	12,638,816	15,587,303	13,562,493
Pupil Transportation	7,689,579	6,448,619	8,032,709	6,821,899
Interest and Fiscal Charges	<u>259,487</u>	<u>223,037</u>	<u>359,018</u>	<u>312,378</u>
Total Expenses	<u>\$ 89,944,433</u>	<u>\$ 79,967,060</u>	<u>\$ 93,149,666</u>	<u>\$ 83,277,450</u>

Expenses for Fiscal Year 2020



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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

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

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

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

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

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

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Englishtown, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2020, it reported a combined fund balance of \$18,858,513, which is an increase of \$3,728,628. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2020.

<u>Revenue</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 69,033,448	73.15 %	\$ 1,220,876	1.80 %
State Sources	23,631,859	25.04	(1,873,898)	(7.35)
Federal Sources	1,706,540	1.81	203,519	13.54
Other Financing Sources	-	-	(1,320,572)	-
Total	\$ <u>94,371,847</u>	<u>100.00</u> %	\$ <u>(1,770,075)</u>	<u>(1.84)</u>%

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2020.

<u>Expenditures</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 39,652,400	43.75 %	\$ (332,874)	(0.83)%
Undistributed Expenditures	46,865,047	51.70	(853,456)	(1.79)
Capital Outlay	386,222	0.43	(1,566,319)	(80.22)
Debt Service:				
Principal	2,495,000	2.75	110,000	4.61
Interest	<u>1,244,550</u>	<u>1.37</u>	<u>(119,050)</u>	<u>(8.73)</u>
Total	<u>\$ 90,643,219</u>	<u>100.00 %</u>	<u>\$ (2,761,699)</u>	<u>(2.96)%</u>

General Fund Budgeting Highlights

The School Board's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$9,338,215 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$356,530 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 6,377,577
Capital Reserve	2,627,001
Maintenance Reserve	2,500,000
Excess Surplus - Current Year	6,141,511

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

The revenue situation arose primarily because of tuition received from out of district students. The excesses will be carried forward into the beginning fund balance from the 2019-2020 fiscal year and will be used to reduce the local tax levy for the 2021-2022 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2020, the School Board had \$87,332,011 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2020 and June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 9,747,190	\$ 9,747,190	\$ -	\$ -	\$ 9,747,190	\$ 9,747,190
Construction in Progress	-	903,050	-	-	-	903,050
Building and Improvements	74,910,289	76,263,799	13,471	22,416	74,923,760	76,286,215
Machinery and Equipment	2,489,212	3,698,159	171,849	193,117	2,661,061	3,891,276
Total	\$ 87,146,691	\$ 90,612,198	\$ 185,320	\$ 215,533	\$ 87,332,011	\$ 90,827,731

During the current fiscal year, \$1,434,268 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities :

	June 30, 2020	June 30, 2019
Bonds Payable (net)	\$ 27,650,000	\$ 30,145,000
Capital Leases payable	1,470,690	1,804,471
Pension Liability-PERS	24,978,477	27,546,147
Compensated Absences payable	<u>2,657,009</u>	<u>2,371,155</u>
Total long-term liabilities	\$ <u>56,756,176</u>	\$ <u>61,866,773</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2019-2020 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 26.85% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 73.15% of total revenue is from local sources.

The \$(49,007,762) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2019-2020 budget was adopted in March 2019 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Englishtown for increased aid.

The School Board anticipates a slight increase in enrollment for the 2020-2021 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Manalapan-Englishtown Regional School District, 54 Main Street, Englishtown, NJ, 07726.

BASIC FINANCIAL STATEMENTS

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 18,707,610	\$ 941,668	\$ 19,649,278
Receivables, net	-	18,271	18,271
Receivables - state	741,778	87	741,865
Receivables - other governments	306,912	5,505	312,417
Interfund receivable	181,995	-	181,995
Inventory	-	38,408	38,408
Miscellaneous accounts receivable	46,956	-	46,956
Capital assets, non-depreciable	9,747,190	-	9,747,190
Capital assets, depreciable, net	77,399,501	198,055	77,597,556
Total assets	<u>107,131,942</u>	<u>1,201,994</u>	<u>108,333,936</u>
DEFERRED OUTFLOWS			
Deferred outflows - PERS	4,678,884	-	4,678,884
Total deferred outflows	<u>4,678,884</u>	<u>-</u>	<u>4,678,884</u>
LIABILITIES			
Accounts payable	690,914	12,469	703,383
Accrued bond interest	252,593	-	252,593
Other current liabilities	278,898	-	278,898
Unearned revenue	156,926	62,951	219,877
Interfund payable	-	291,509	291,509
Noncurrent liabilities:			
Due within one year	3,116,049	-	3,116,049
Due beyond one year	53,640,127	-	53,640,127
Total liabilities	<u>58,135,507</u>	<u>366,929</u>	<u>58,502,436</u>
DEFERRED INFLOWS			
Deferred inflows - PERS	13,111,078	-	13,111,078
Deferred bond issuance costs, net	1,219,791	-	1,219,791
Total deferred inflows	<u>14,330,869</u>	<u>-</u>	<u>14,330,869</u>
NET POSITION			
Net investment in capital assets	70,706,123	198,055	70,904,178
Restricted for:			
Debt service	-	-	-
Other purposes	17,646,089	-	17,646,089
Unrestricted	(49,007,762)	637,010	(48,370,752)
Total net position	<u>\$ 39,344,450</u>	<u>\$ 835,065</u>	<u>\$ 40,179,515</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 39,257,457	\$ 54,713	\$ 3,500,930	\$ -	\$ (35,701,814)	\$ -	\$(35,701,814)
Special schools instruction	13,920,610	-	1,955,680	-	(11,964,930)	-	(11,964,930)
Other special instruction	4,535,573	-	637,190	-	(3,898,383)	-	(3,898,383)
Nonpublic school programs	4,668	-	5,320	-	652	-	652
Support services and undistributed costs:							
Tuition	1,522,788	-	-	-	(1,522,788)	-	(1,522,788)
Student & instruction related services	7,987,405	-	471,560	-	(7,515,845)	-	(7,515,845)
General administration	1,376,544	-	193,390	-	(1,183,154)	-	(1,183,154)
School administrative services	3,441,640	-	483,510	-	(2,958,130)	-	(2,958,130)
Central services	1,063,663	-	149,430	-	(914,233)	-	(914,233)
Administrative information technology	462,718	-	65,010	-	(397,708)	-	(397,708)
Plant operations & maintenance	8,360,081	-	1,174,490	-	(7,185,591)	-	(7,185,591)
Pupil transportation	7,689,579	-	1,240,960	-	(6,448,619)	-	(6,448,619)
Charter Schools	62,220	-	8,740	-	(53,480)	-	(53,480)
Interest on long-term debt	259,487	-	36,450	-	(223,037)	-	(223,037)
Unallocated depreciation	-	-	-	-	-	-	-
Total governmental activities	89,944,433	54,713	9,922,660	-	(79,967,060)	-	(79,967,060)
Business-type activities:							
Food service	1,470,887	1,130,562	342,462	-	-	2,137	2,137
Total business-type activities	1,470,887	1,130,562	342,462	-	-	2,137	2,137
Total primary government	\$ 91,415,320	\$ 1,185,275	\$ 10,265,122	\$ -	\$ (79,967,060)	\$ 2,137	\$(79,964,923)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 64,961,622	\$ -	\$ 64,961,622
Taxes levied for debt service					3,341,050	-	3,341,050
Federal and state aid - not restricted					14,936,337	-	14,936,337
Federal and State aid - restricted					479,402	-	479,402
Miscellaneous income					481,762	-	481,762
Investment earnings					194,301	9,304	203,605
Other financing sources/uses					-	-	-
Total general revenues					84,394,474	9,304	84,403,778
Change in net position					4,427,414	11,441	4,438,855
Net position—beginning					34,917,036	823,624	35,740,660
Net position—ending					\$ 39,344,450	\$ 835,065	\$ 40,179,515

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
ASSETS				
Cash and cash equivalents	\$ 13,580,609	\$ -	\$ -	\$ 13,580,609
Receivables, net	-	-	-	-
Due from other funds	478,013	14,600	-	492,613
Receivables from other governments	741,778	306,912	-	1,048,690
Miscellaneous accounts receivable	46,682	274	-	46,956
Restricted cash and cash equivalents	5,127,001	-	-	5,127,001
Total assets	\$ 19,974,083	\$ 321,786	\$ -	\$ 20,295,869
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	682,130	8,784	-	690,914
Interfund payable	139,600	171,018	-	310,618
Payable to state government	-	41,808	-	41,808
Unearned revenue	56,750	100,176	-	156,926
Other current liabilities	237,090	-	-	237,090
Total liabilities	1,115,570	321,786	-	1,437,356
Fund Balances:				
Restricted for:				
Excess surplus	6,141,511	-	-	6,141,511
Excess surplus -- designated for Subsequent year's expenditures	6,377,577	-	-	6,377,577
Maintenance reserve account	2,500,000	-	-	2,500,000
Capital reserve account	2,627,001	-	-	2,627,001
Debt service fund	-	-	-	-
Capital Projects	-	-	-	-
Assigned to:				
Other purposes	1,041,653	-	-	1,041,653
Designated by the BOE for subsequent year's expenditures	-	-	-	-
Unassigned, reported in:				
General fund	170,771	-	-	170,771
Total Fund balances	18,858,513	-	-	18,858,513
Total liabilities and fund balances	\$ 19,974,083	\$ 321,786	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are 148,686,058 and the accumulated depreciation is \$61,539,367.	87,146,691
Deferred outflows related to the PERS pension plan	4,678,884
Deferred inflows related to the PERS pension plan	(13,111,078)
Bond premium is being amortized in accordance with the premium originally paid on each coupon. The amortization is not recorded in the funds. The original premium was \$2,974,727.	(1,219,791)
Accrued bond interest	(252,593)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(56,756,176)
Net position of governmental activities	\$ 39,344,450

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	\$ 64,961,622	\$ -	\$ 3,341,050	\$ 68,302,672
Tuition charges	54,713	-	-	54,713
Interest on investments	184,072	-	-	184,072
Interest earned on capital reserve funds	10,229	-	-	10,229
Miscellaneous	419,734	62,028	-	481,762
Total - Local Sources	65,630,370	62,028	3,341,050	69,033,448
State sources	23,228,448	4,911	398,500	23,631,859
Federal sources	80,902	1,625,638	-	1,706,540
Total revenues	88,939,720	1,692,577	3,739,550	94,371,847
EXPENDITURES				
Current:				
Regular instruction	24,266,969	1,183,268	-	25,450,237
Special education instruction	10,527,349	-	-	10,527,349
Other special instruction	3,670,146	-	-	3,670,146
Nonpublic school programs	-	4,668	-	4,668
Undistributed - current:				
Tuition	1,522,788	-	-	1,522,788
Student & instruction related services	7,680,636	-	-	7,680,636
General administration	911,740	464,804	-	1,376,544
School administrative services	3,412,444	-	-	3,412,444
Central services	1,063,663	-	-	1,063,663
Administrative information technology	462,718	-	-	462,718
Plant operations & maintenance	8,515,813	-	-	8,515,813
Pupil transportation	7,374,347	-	-	7,374,347
Other support services	-	-	-	-
Employee benefits	15,393,874	-	-	15,393,874
Unallocated employee benefits	-	-	-	-
Non-budgeted expenditures	-	-	-	-
Special schools	-	-	-	-
Transfer to Charter Schools	62,220	-	-	62,220
Debt service:				
Principal	-	-	2,495,000	2,495,000
Interest and other charges	-	-	1,244,550	1,244,550
Capital outlay	346,385	39,837	-	386,222
Total expenditures	85,211,092	1,692,577	3,739,550	90,643,219
Excess (Deficiency) of revenues over expenditures	3,728,628	-	-	3,728,628
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	3,728,628	-	-	3,728,628
Fund balance—July 1	15,129,885	-	-	15,129,885
Fund balance—June 30	\$ 18,858,513	\$ -	\$ -	\$ 18,858,513

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Total net change in fund balances - governmental funds (from B-2) **\$ 3,728,628**

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

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

	Depreciation expense	4,231,297	
	Capital outlays	<u>(765,790)</u>	(3,465,507)

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.

	Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2020	(234,572)	
	Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2020	<u>234,572</u>	-

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey. 970,084

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 2,495,000

The issuance of bonds is revenue in the governmental funds, but increases long-term liabilities in the statement of net position and is not reported in the statement of activities. -

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 change in accrued interest is an addition to the reconciliation. 17,571

In the Statement of Activities, the bond premium is reclassified as a liability. In the governmental funds, the payment is an expenditure. 633,711

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payment is an expenditure. (Amount is net of payments included in capital outlay) 333,781

In the Statement of Activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. (285,854)

Change in net position of governmental activities **\$ 4,427,414**

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type-Activities Enterprise Funds	
	Food Service	Total Enterprise
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 941,668	\$ 941,668
Accounts receivable state	87	87
Accounts receivable federal	5,505	5,505
Other receivables	18,271	18,271
Prepaid expense		
Inventories	38,408	38,408
Total current assets	1,003,939	1,003,939
Noncurrent assets:		
Building improvements	192,533	192,533
Furniture, machinery & equipment	1,147,702	1,147,702
Less accumulated depreciation	(1,142,180)	(1,142,180)
Total noncurrent assets	198,055	198,055
Total assets	\$ 1,201,994	\$ 1,201,994
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 12,469	\$ 12,469
Interfund payable	291,509	291,509
Unearned revenue	62,951	62,951
Total current liabilities	366,929	366,929
NET POSITION		
Net investment in capital assets	198,055	198,055
Unrestricted	637,010	637,010
Total net position	835,065	835,065
Total liabilities and net position	\$ 1,201,994	\$ 1,201,994

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type-Activities	
	Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 880,462	\$ 880,462
Daily sales - non-reimbursable programs	248,336	248,336
Special functions	1,764	1,764
Total operating revenues	<u>1,130,562</u>	<u>1,130,562</u>
Operating expenses:		
Cost of sales - reimbursable programs	430,286	430,286
Cost of sales - non-reimbursable programs	121,363	121,363
Salaries	427,016	427,016
Employee benefits	211,863	211,863
Purchased property service	-	-
Other purchased professional services	34,727	34,727
Cleaning, repair and maintenance services	58,696	58,696
Management fee	93,250	93,250
Miscellaneous expense	4,056	4,056
General supplies	57,234	57,234
Depreciation	32,396	32,396
Total Operating Expenses	<u>1,470,887</u>	<u>1,470,887</u>
Operating income (loss)	<u>(340,325)</u>	<u>(340,325)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	14,497	14,497
Federal sources:		
National school lunch program	207,338	207,338
Special milk program	24	24
Summer Food Service Program for Children	19,608	19,608
Miscellaneous revenue	-	-
Food distribution program	110,407	110,407
Gain/(loss) on disposal of asset	(9,412)	(9,412)
Interest and investment revenue	9,304	9,304
Total nonoperating revenues (expenses)	<u>351,766</u>	<u>351,766</u>
Change in net position	11,441	11,441
Total net position—beginning	823,624	823,624
Total net position—ending	<u>\$ 835,065</u>	<u>\$ 835,065</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities Enterprise Funds	
	Food Service	Total Enterprise
Cash Flows from Operating Activities:		
Receipts from customers and other funds	\$ 1,146,411	\$ 1,146,411
Payments to employees	(427,016)	(427,016)
Payments for employee benefits	(211,863)	(211,863)
Payments to suppliers	(772,533)	(772,533)
Net cash provided by (used in) operating activities	<u>(265,001)</u>	<u>(265,001)</u>
Cash Flows from Noncapital Financing Activities		
State sources	16,207	16,207
Federal sources	244,996	244,996
Net cash provided by (used in) noncapital financing activities	<u>261,203</u>	<u>261,203</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of capital assets	(14,918)	(14,918)
Net cash provided by (used in) capital and related financing activities	<u>(14,918)</u>	<u>(14,918)</u>
Cash Flows from Investing Activities		
Interest on investments	9,304	9,304
Net cash provided by (used in) investing activities	<u>9,304</u>	<u>9,304</u>
Net increase (decrease) in cash and cash equivalents	(9,412)	(9,412)
Balances-beginning of the year	951,080	951,080
Balances-end of the year	<u>\$ 941,668</u>	<u>\$ 941,668</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (340,325)	\$ (340,325)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:		
Depreciation	32,396	32,396
Gain/(loss) on disposal of fixed assets	(9,412)	(9,412)
Federal commodities	110,407	110,407
Change in assets and liabilities:		
(Increase) decrease in interfund receivable	-	-
(Increase) decrease in unearned revenue	14,911	14,911
(Increase) decrease in accounts receivable	938	938
(Increase) decrease in inventory	(19,176)	(19,176)
-	-	-
Increase (decrease) in accounts payable	(54,740)	(54,740)
Total adjustments	<u>75,324</u>	<u>75,324</u>
Net cash provided by (used in) operating activities	<u>\$ (265,001)</u>	<u>\$ (265,001)</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Trust				Agency			
	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trust Fund	Student Activity	Payroll	Flex Spending	Total Agency
ASSETS								
Cash and cash equivalents	\$ 705,218	\$ 2,076	\$ -	\$ 707,294	\$ 35,442	\$ 501,579	\$ 61,089	\$ 598,110
Other accounts receivable	-	-	-	-	-	-	-	-
Interfund receivable	125,000	-	-	125,000	-	-	-	-
Total assets	<u>830,218</u>	<u>2,076</u>	<u>-</u>	<u>832,294</u>	<u>\$ 35,442</u>	<u>\$ 501,579</u>	<u>\$ 61,089</u>	<u>\$ 598,110</u>
LIABILITIES								
Accounts payable	-	-	-	-	-	-	-	-
Payroll deductions and withholdings	-	-	-	-	-	501,579	45,604	547,183
Payable to student groups	-	-	-	-	35,442	-	-	35,442
Intrafund payable	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	15,485	15,485
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 35,442</u>	<u>\$ 501,579</u>	<u>\$ 61,089</u>	<u>\$ 598,110</u>
NET POSITION								
Held in trust for unemployment claims and other purposes	830,218	-	-	830,218	-	-	-	-
Reserved for scholarships	-	2,076	-	2,076	-	-	-	-
Total net position	<u>830,218</u>	<u>2,076</u>	<u>-</u>	<u>832,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 830,218</u>	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ 832,294</u>	<u>\$ 35,442</u>	<u>\$ 501,579</u>	<u>\$ 61,089</u>	<u>\$ 598,110</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trusts
ADDITIONS				
Contributions:				
Plan member	\$ 164,313	\$ -	\$ -	\$ 164,313
Other	-	1,400	-	1,400
Total Contributions	<u>164,313</u>	<u>1,400</u>	<u>-</u>	<u>165,713</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	-	-	-	-
Interest	6,508	9	62	6,579
Dividends	-	-	-	-
Less investment expense	-	-	-	-
Net investment earnings	<u>6,508</u>	<u>9</u>	<u>62</u>	<u>6,579</u>
Total additions	<u>170,821</u>	<u>1,409</u>	<u>62</u>	<u>172,292</u>
DEDUCTIONS				
Quarterly contribution reports	100,768	-	-	100,768
Unemployment claims	-	-	-	-
Scholarships awarded	-	5,173	-	5,173
Refunds of contributions	-	-	40,542	40,542
Administrative expenses	-	-	-	-
Total deductions	<u>100,768</u>	<u>5,173</u>	<u>40,542</u>	<u>146,483</u>
Change in net position	70,053	(3,764)	(40,480)	25,809
Net position—beginning of the year	<u>760,165</u>	<u>5,840</u>	<u>40,480</u>	<u>806,485</u>
Net position—end of the year	<u>\$ 830,218</u>	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ 832,294</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Description of the School District and Reporting Entity

Manalapan-Englishtown Regional School District ("District") is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of 32 square miles. It is located in Monmouth County and provides education for all of Manalapan-Englishtown Regional's students in grades K through 8. The District currently operates eight instructional buildings, a transportation depot, buildings and grounds office, and an administrative building. The District services approximately 4,889 students and is one of the largest K through 8 Districts in Monmouth County.

A. Reporting Entity

The Board of Education (Board) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include an early learning center, five elementary schools and two middle schools located in Manalapan and Englishtown, New Jersey.

In evaluating how to define the governmental reporting entity, the District follows the Governmental Accounting Standards, under which the financial statements include all the organizations, activities, functions and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's Board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units.

2. Summary of Significant Accounting Policies

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

A. Basis of Presentation

The School District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

District-wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These statements report financial information of the District as a whole excluding the fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported through taxes and user fees, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The School District's basic financial statements requiring the reporting of deferred outflows, deferred inflows, and net position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as an asset, deferred outflows, liability or deferred inflows have been charged to the Statement of Activities in the current year.

The School District did have items that needed to be reviewed for proper classification on the Statement of Net Position. The District has Bond Costs which were being amortized. Following these new guidelines the Bond Costs have been classified as a Deferred Outflow.

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

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide detail of the governmental, proprietary and fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

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

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

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

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.

The District reports the following proprietary fund:

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 is comprised of the Food Service Fund.

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

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund and Private Purpose Trust Funds.

B. Basis of Accounting

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

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting (Continued)

District-wide, proprietary, and fiduciary fund financial statements: The district-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the enterprise fund and fiduciary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 2.c.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all requirements have been satisfied.

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as per New Jersey State Statute whereby 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".

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. On Tuesday, January 17, 2012, Governor Christie signed into law A-4394/S-3148 (P.L. 2011, chapter 202), which established procedures for moving the date of a school district's annual school election from April to the General Election in November. Districts that choose to elect their school board members in November no longer have to submit their budgets for voter approval as long as it does not exceed the levy cap. Budgets that are in excess of the cap would still require voter approval. Once a school election is moved to November, no action can be taken (either by petition or resolution) to move the election back to April for four (4) years. Special Elections are still permitted in January, March, September and December should the need arise.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

D. Budgets/Budgetary Control (Continued)

On Tuesday, January 17, 2012, the Manalapan-Englishtown Regional Board of Education passed a resolution moving the annual school board election to the General Election in November and effectively eliminated the requirement for voter approval of the district school budget as long as it does not exceed the levy cap. This election is still in effect.

The 2019-20 budget was approved by the county in April 2019. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23:23-16.2(f).

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2020.

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

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

E. 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.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

F. 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 plus accrued interest. 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.

G. Interfund Activity

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

H. Allowances for Uncollectible Accounts

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

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs is not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

J. Capital Assets (Continued)

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

K. 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.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

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

L. Unearned Revenue

Unearned revenue in the general and special revenue funds represent cash which has been received but not yet earned.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due. The general fund is utilized to liquidate all long-term liabilities other than debt via annual budget appropriation.

N. Net Position

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

O. Fund Balance Reserves

The Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the District's highest level of decision-making authority.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

O. Fund Balance Reserves (Continued)

4. Assigned - amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. Unassigned - includes all spendable amounts not contained in the other classifications.

P. Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Q. Operating Revenues and Expenses

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

R. Management Estimates

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

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

S. Allocation of Indirect Expenses

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

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

U. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the School District's financial statements.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

U. GASB Pronouncements (Continued)

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 92, *Omnibus 2020*, The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 92 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 93, *Replacement of Interbank Offered Rates*, Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of Statement No. 93 are effective for reporting periods beginning after June 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies (Continued)

U. GASB Pronouncements (Continued)

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of Statement No. 95 are effective immediately.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

3. Cash and Cash Equivalents and Investments

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:2037 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 GUDPA. 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.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

3. Cash and Cash Equivalents and Investments (Continued)

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

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

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

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

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. The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which a government's deposits and investments are exposed to custodial credit risk. Pursuant to Governmental Accounting Standards, the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. As of June 30, 2020, all of the District's deposits, except as noted below, were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

As of June 30, 2020, the carrying amount of the District's deposits for all funds was \$16,804,849 and the bank balance was \$20,954,682. All bank deposits, as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

3. Cash and Cash Equivalents and Investments (Continued)

Investments:

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

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

As of June 30, 2020, the District's Cash and Cash Equivalents consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 16,136,077
Capital Reserve	668,647
Change Funds	<u>125</u>
Totals	<u>\$ 16,804,849</u>

The fiduciary funds had a balance of \$922,980 at June 30, 2020.

Custodial Credit Risk: Pursuant to Governmental Accounting Standards, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk other than depositing all of its funds in banks covered by GUDPA.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. Governmental Accounting Standards require that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

4. Restricted Cash Reserves

A. Capital Reserve Account

A capital reserve account was established by the District during fiscal year 2001-2002 in which it deposited \$100,000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 01, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 1,116,772
Add:	
Deposits	1,550,000
Interest earnings	10,229
Transfer of unspent funds	-
Less:	
Board resolution	-
FY 2018-2019 Budgeted withdrawal	<u>50,000</u>
Ending Balance, June 30, 2020	<u>\$ 2,627,001</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects is \$3,978,750. There were no withdrawals from the capital reserve for DOE approved facilities projects.

B. Maintenance Reserve

A maintenance reserve account was established by the District during fiscal year 2007-2008 in which it deposited \$484,791 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

4. Restricted Cash Reserves (Continued)

B. Maintenance Reserve (Continued)

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at the year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

The activity of the maintenance reserve for the July 01, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 1,615,796
Add:	
Deposits	1,500,000
Interest Earned	-
Less:	
FY 2018-2019 Budgeted withdrawal	<u>615,796</u>
Ending balance, June 30, 2020	<u><u>\$ 2,500,000</u></u>

5. Receivables

Receivables at June 30, 2020 consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 742,518	741,865
Federal Aid	306,172	312,417
Interfunds	492,613	181,995
Other	<u>46,956</u>	<u>65,227</u>
Gross Receivables	1,588,259	1,301,504
Less: Allowance for Uncollectible	-	-
Total Receivables, Net	<u><u>\$ 1,588,259</u></u>	<u><u>1,301,504</u></u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

6. Capital Assets

Capital assets consisted of the following at June 30, 2020:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land and land improvements	\$ 9,747,190	\$ -	\$ -	\$ 9,747,190
Construction in Progress	<u>903,050</u>	<u>-</u>	<u>(903,050)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>10,650,240</u>	<u>-</u>	<u>(903,050)</u>	<u>9,747,190</u>
Capital Assets Being Depreciated				
Building and Building Improvements	121,441,056	903,050	-	122,344,106
Machinery and Equipment	<u>16,063,544</u>	<u>765,790</u>	<u>-</u>	<u>16,829,334</u>
Totals at Historical Cost	<u>137,504,600</u>	<u>1,668,840</u>	<u>-</u>	<u>139,173,440</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(45,177,257)	(2,256,560)	-	(47,433,817)
Machinery and Equipment	<u>(12,365,385)</u>	<u>(1,974,737)</u>	<u>-</u>	<u>(14,340,122)</u>
Total Accumulated Depreciation	<u>(57,542,642)</u>	<u>(4,231,297)</u>	<u>-</u>	<u>(61,773,939)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>79,961,958</u>	<u>(2,562,457)</u>	<u>-</u>	<u>77,399,501</u>
Government Activity Capital Assets, Net	<u>90,612,198</u>	<u>(2,562,457)</u>	<u>(903,050)</u>	<u>87,146,691</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building improvements	192,533	-	-	192,533
Equipment	<u>1,145,518</u>	<u>24,329</u>	<u>(22,146)</u>	<u>1,147,701</u>
Totals at Historical Cost	1,338,051	24,329	(22,146)	1,340,234
Less Accumulated Depreciation for:				
Building Improvements	(170,117)	(8,945)	-	(179,062)
Machinery and Equipment	<u>(952,401)</u>	<u>(23,451)</u>	<u>-</u>	<u>(975,852)</u>
Total Accumulated Depreciation	<u>(1,122,518)</u>	<u>(32,396)</u>	<u>-</u>	<u>(1,154,914)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 215,533</u>	<u>\$ (8,067)</u>	<u>\$ (22,146)</u>	<u>\$ 185,320</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

6. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 3,136,237
Special school instruction	220,027
Student & instruction services	306,769
School administration	29,196
Plant operations & maintenance	223,836
Student transportation	<u>315,232</u>
Total depreciation expense	<u>\$ 4,231,297</u>

7. Long-term Liabilities

During the fiscal year ended June 30, 2020 the following changes occurred in the non-current liabilities:

	Balance July 01, 2019	Increase/ (Decrease)	Balance June 30, 2020	Due within one year
Bonds payable	\$ 30,145,000	\$ (2,495,000)	\$ 27,650,000	\$ 2,620,000
Obligations under capital leases	1,804,471	(333,781)	1,470,690	339,512
Compensated absences payable	2,371,155	285,854	2,657,009	156,537
Pension liability - PERS	<u>27,546,147</u>	<u>(2,567,670)</u>	<u>24,978,477</u>	-
	<u>\$ 61,866,773</u>	<u>\$ (5,110,597)</u>	<u>\$ 56,756,176</u>	<u>\$ 3,116,049</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Obligations under capital leases, compensated absences payable and pension liability - PERS are liquidated by the general fund.

A. Bonds Payable

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

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

Year ended June 30	Principal	Interest	Total
2021	\$ 2,620,000	\$ 1,119,106	\$ 3,739,106
2022	2,755,000	984,781	3,739,781
2023	2,895,000	844,825	3,739,825
2024	3,090,000	713,400	3,803,400
2025	3,010,000	591,400	3,601,400
2026-2029	<u>13,280,000</u>	<u>1,087,600</u>	<u>14,367,600</u>
	<u>\$ 27,650,000</u>	<u>\$ 5,341,112</u>	<u>\$ 32,991,112</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

7. Long-term Liabilities (Continued)

B. Bonds Authorized But Not Issued

As of June 30, 2020, the District had no authorized but not issued bonds.

C. Capital Leases

The District is leasing buses and a roof lease/purchase totaling \$2,868,259, with a net book value of \$1,804,471 under capital leases. All capital leases are for terms of two to ten years. The following is a schedule of the future minimum lease payments under capital leases and the present value of the net minimum leases payments as of June 30, 2020:

Year ended June 30,	
2021	\$ 379,119
2022	293,548
2023	293,548
2024	188,487
2025	140,623
2026-2028	<u>302,553</u>
Total minimum lease payments	1,597,878
Less: amounts representing interest	<u>(127,188)</u>
Present value of lease payments	<u>\$ 1,470,690</u>

Amortization of the leased equipment under capital assets is included with depreciation expense.

8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Plan Description (Continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Contributions (Continued)

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At

June 30, 2020, the School District reported a liability of \$24,978,477 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was .1376279961%, which was a decrease of .0022747174% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$1,487,453 in the government-wide financial statements consisting of employer contributions of \$1,338,715 and non-employer contributions of \$148,738. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 445,100	\$ 109,549
Changes of assumptions	2,476,219	8,607,473
Net difference between projected and actual earnings on pension plan investments	-	391,454
Changes in proportion and differences between District contributions and proportionate share of contributions	409,475	4,002,602
District contributions subsequent to the measurement date	<u>1,348,090</u>	<u>-</u>
Total	<u>\$ 4,678,884</u>	<u>\$ 13,111,078</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

\$1,348,090 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2019-2020 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (1,131,915)
2021	(3,671,913)
2022	(3,278,804)
2023	(1,539,568)
2024	(158,085)
Thereafter	-
Total	<u>\$ (9,780,285)</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% -7.00% Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	4.67 %
Cash Equivalents	5.00 %	2.00 %
U.S. Treasuries	5.00 %	2.68 %
Investment Grade Credit	10.00 %	4.25 %
High Yield	2.00 %	5.37 %
Private Credit	6.00 %	7.92 %
Real Assets	2.50 %	9.31 %
Real Estate	7.50 %	8.33 %
U.S. Equity	28.00 %	8.26 %
Non-U.S. Developed Markets Equity	12.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.37 %
Private Equity	12.00 %	10.85 %

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the net pension liability	31,542,421	24,978,477	19,433,633

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	<u>6/30/20</u>	<u>6/30/19</u>
Collective Deferred Outflows of Resources	3,149,522,616	4,684,852,302
Collective Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Collective Net Pension Liability	18,143,832,135	19,689,501,539
School District's Portion	.1376279961%	.1399027135%

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. 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.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

B. Teachers' Pension and Annuity (TPAF) (Continued)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

B. Teachers' Pension and Annuity (TPAF) (Continued)

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$198,198,477. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was .3229516518%, which was an decrease of .0042434558% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$7,201,998 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% based on years of service
Thereafter	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

B. Teachers' Pension and Annuity (TPAF) (Continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-term Expected Rate of Return -In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	4.67 %
Cash Equivalents	5.00 %	2.00 %
U.S. Treasuries	5.00 %	2.68 %
Investment Grade Credit	10.00 %	4.25 %
High Yield	2.00 %	5.37 %
Private Credit	6.00 %	7.92 %
Real Assets	2.50 %	9.31 %
Real Estate	7.50 %	8.33 %
U.S. Equity	28.00 %	8.26 %
Non-U.S. Developed Markets Equity	12.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.37 %
Private Equity	12.00 %	10.85 %

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Pension Plans (Continued)

B. Teachers' Pension and Annuity (TPAF) (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's proportionate share of the net pension liability	234,284,145	198,198,477	169,134,295

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

9. Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2020 were \$184,037. There was no liability for unpaid contributions at June 30, 2020.

10. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. **Post-Retirement Benefits (Continued)**

General Information about the OPEB Plan (Continued)

Plan description and benefits provided (Continued)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Employees covered by benefit terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	148,051
Active plan members	<u>216,892</u>
Total	<u><u>364,943</u></u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Post-Retirement Benefits (Continued)

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified returned PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.00%-6.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Salary Increases after 2026	PERS 3.00%-7.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Discount Rate	3.50%
Healthcare Cost Trend Rates	4.5%-5.7%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Post-Retirement Benefits (Continued)

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2018	\$ 46,110,832,982
Changes for the year:	
Service cost	1,734,404,850
Interest on the total OPEB liability	1,827,787,206
Differences Between Expected and Actual Experience	(7,323,140,818)
Changes in assumptions	622,184,027
Gross benefit payments by the state	(1,280,958,373)
Contributions from members	<u>37,971,171</u>
Net changes	<u>(4,381,751,937)</u>
Balance at June 30, 2019	<u>\$ 41,729,081,045</u>

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2019 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability of the State for School Retirees	\$49,298,534,898	\$41,729,081,045	\$35,716,321,820
Total OPEB Liability of the State Associated with the School District for School Retirees	\$180,097,362	\$152,444,637	\$130,478,828

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Post-Retirement Benefits (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Sensitivity of the total OPEB liability to changes in the health care cost trend rates

The following presents the June 30, 2019 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$34,382,902,820	\$41,729,081,045	\$51,453,912,586
Total OPEB Liability of the State Associated with the School District for School Retirees	\$125,369,790	\$152,444,637	\$187,971,387

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$2,671,809 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Manalapan-Englishtown Regional School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Post-Retirement Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$(10,484,965,300)
Changes of assumptions	-	(8,481,529,343)
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	-	-
Total	<u>\$ -</u>	<u>\$(18,966,494,643)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
Total	<u>\$ (18,966,494,643)</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

11. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASBS 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 are granted varying amounts of sick leave in accordance with the districts personnel policy. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

12. Deferred Compensation

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

Lincoln Investment Planning, Inc.
AXA/Equitable

13. Risk Management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from prior year and no settlements have exceeded insurance coverage's over the past three years.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Risk Management (Continued)

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 trust fund for the current and prior two years:

District Financial Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2019-2020	\$ 6,508	164,313	145,727	\$ 785,259
2018-2019	7,475	164,566	114,348	760,165
2017-2018	65	80,933	70,469	702,472

14. Interfund Balances and Activity

The following interfund balances remained on the balance sheet at June 30, 2020:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 478,013	\$ 139,600
Special Revenue Fund	14,600	171,018
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	-	291,509
Trust and Agency Fund	125,000	15,485
	<u>\$ 617,613</u>	<u>\$ 617,612</u>

The General Fund had to fund the Special Revenue Fund for shortages due to the delay in the District receiving State and Federal aid funds. All interfund balances are expected to be repaid within one year.

15. Inventory

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$ 20,402
Supplies	6,563
Commodities	11,443
	<u>\$ 38,408</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

16. Contingent Liabilities

Grant Programs

The school district participates in federal awards and state financial assistance 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.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

17. Fund Balances

General Fund - Of the \$18,858,513 General Fund balance at June 30, 2020, \$1,041,653 of encumbrances is assigned to other purposes, \$6,141,511 is restricted for excess surplus, \$6,377,577 is restricted for excess surplus designated for subsequent year's expenditures, \$- is assigned to offset 2019-20 general fund expenditures, \$2,627,001 is restricted for capital reserve, \$2,500,000 is restricted for maintenance reserve, and \$170,771 is unreserved and undesignated.

18. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$6,141,511.

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2020. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2017.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2020

20. Subsequent Events

Management has evaluated subsequent events through December 18, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the School District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the School District's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the School District's financial condition or results of operations is uncertain.

21. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

22. Economic Dependency

Economic Dependency - The School 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 School District's programs and activities.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 64,961,622	\$ -	\$ 64,961,622	\$ 64,961,622	\$ -
Tuition from individuals	-	-	-	8,275	8,275
Tuition from other LEA's Within	-	-	-	46,438	46,438
Tuition from governmental sources	-	-	-	-	-
Tuition from other sources	-	-	-	-	-
Interest on investments	500	-	500	184,072	183,572
Interest earned on emergency reserve	-	-	-	-	-
Interest earned on maintenance reserve	500	-	500	-	(500)
Interest earned on capital reserve funds	1,500	-	1,500	10,229	8,729
Miscellaneous	595,900	-	595,900	419,734	(176,166)
Total - local sources	<u>65,560,022</u>	<u>-</u>	<u>65,560,022</u>	<u>65,630,370</u>	<u>70,348</u>
State sources:					
Equalization aid	11,071,669	-	11,071,669	11,071,669	-
Transportation aid	1,968,298	-	1,968,298	1,968,298	-
Special education aid	3,767,124	-	3,767,124	3,767,124	-
Security aid	427,473	-	427,473	427,473	-
Adjustment aid	-	-	-	-	-
Extraordinary aid	350,000	-	350,000	608,728	258,728
Other state aid	-	-	-	5,980	5,980
TPAF - Post Retirement Medical (On-Behalf-Non-Budgeted)	-	-	-	2,671,809	2,671,809
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	7,201,998	7,201,998
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	5,207	5,207
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	2,548,373	2,548,373
Total state sources	<u>17,584,564</u>	<u>-</u>	<u>17,584,564</u>	<u>30,276,659</u>	<u>12,692,095</u>
Federal Sources					
Medicaid Reimbursement	59,428	-	59,428	80,902	21,474
Total - Federal Sources	<u>59,428</u>	<u>-</u>	<u>59,428</u>	<u>80,902</u>	<u>21,474</u>
Total revenues	<u>83,204,014</u>	<u>-</u>	<u>83,204,014</u>	<u>95,987,931</u>	<u>12,783,917</u>
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	2,050,970	(250,000)	1,800,970	1,707,687	93,283
Grades 1-5 - Salaries of teachers	11,373,905	(89,963)	11,283,942	11,137,871	146,071
Grades 6-8 - Salaries of teachers	8,152,395	(146,140)	8,006,255	7,802,320	203,935
Unused sick pay	-	21,163	21,163	21,163	-
Regular Programs - Home Instruction:					
Salaries of teachers	40,000	(5,000)	35,000	19,298	15,702
Purchased professional-educational services	7,500	12,000	19,500	12,385	7,115
Regular Programs - Undistributed Instruction					
Other salaries for instruction	29,550	-	29,550	-	29,550
Purchased professional-educational services	1,880	6,395	8,275	3,090	5,185
Other purchased services (400-500 series)	614,100	118	614,218	534,606	79,612
General supplies	1,389,664	103,618	1,493,282	1,221,941	271,341
Textbooks	69,644	(9,129)	60,515	50,299	10,216
Other objects	54,965	(7,521)	47,444	10,590	36,854
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>23,784,573</u>	<u>(364,459)</u>	<u>23,420,114</u>	<u>22,521,250</u>	<u>898,864</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	348,550	457,000	805,550	771,347	34,203
Other salaries for instruction	127,700	238,017	365,717	344,189	21,528
Unused sick pay	-	321	321	321	-
Purchased professional-educational services	-	28,000	28,000	24,039	3,961
Other purchased services (400-500 series)	500	-	500	-	500
General supplies	7,500	-	7,500	5,754	1,746
Total Learning and/or Language Disabilities	<u>484,250</u>	<u>723,338</u>	<u>1,207,588</u>	<u>1,145,650</u>	<u>61,938</u>
Multiple Disabilities:					
Salaries of teachers	318,750	(105,000)	213,750	141,526	72,224
Other salaries for instruction	271,977	(139,725)	132,252	102,481	29,771
Unused sick pay	-	1,575	1,575	1,575	-
Purchased technical services	1,000	-	1,000	-	1,000
General supplies	2,000	-	2,000	-	2,000
Other objects	9,000	-	9,000	-	9,000
Total Multiple Disabilities	<u>602,727</u>	<u>(243,150)</u>	<u>359,577</u>	<u>245,582</u>	<u>113,995</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	\$ 5,425,350	\$ (471,892)	\$ 4,953,458	\$ 4,848,749	\$ 104,709
Other salaries for instruction	499,277	50,000	549,277	462,686	86,591
Unused sick pay	-	6,216	6,216	6,216	-
Other purchased services (400-500 series)	500	-	500	-	500
General supplies	2,500	-	2,500	120	2,380
Total Resource Room/Resource Center	5,927,627	(415,676)	5,511,951	5,317,771	194,180
Preschool Disabilities - Part-Time:					
Salaries of teachers	68,700	176,984	245,684	240,824	4,860
Other salaries for instruction	149,150	(24,500)	124,650	98,346	26,304
General supplies	1,500	-	1,500	165	1,335
Total Preschool Disabilities - Part-Time:	219,350	152,484	371,834	339,335	32,499
Preschool Disabilities - Full-Time:					
Salaries of teachers	624,450	(120,884)	503,566	472,032	31,534
Other salaries for instruction	324,657	-	324,657	224,987	99,670
Unused sick pay	-	10,861	10,861	10,861	-
Purchased educational services	120,000	-	120,000	30,254	89,746
General supplies	1,000	-	1,000	-	1,000
Total Preschool Disabilities - Full-Time:	1,070,107	(110,023)	960,084	738,134	221,950
Home Instruction					
Salaries of teachers	5,000	2,000	7,000	6,847	153
Purchased professional-educational services	10,000	-	10,000	-	10,000
Total Home Instruction	15,000	2,000	17,000	6,847	10,153
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,319,061	108,973	8,428,034	7,793,319	634,715
Basic Skills/Remedial - Instruction					
Salaries of teachers	1,946,050	237,163	2,183,213	2,105,056	78,157
Unused sick pay	-	2,066	2,066	2,066	-
General supplies	3,500	(35)	3,465	2,574	891
Total Basic Skills/Remedial - Instruction	1,949,550	239,194	2,188,744	2,109,696	79,048
Bilingual Education - Instruction					
Salaries of teachers	376,375	75,800	452,175	450,937	1,238
Sub Ell Aide	1,500	58,350	59,850	58,127	1,723
Unused sick pay	-	196	196	196	-
Purchased educational services	-	11,000	11,000	10,150	850
Other purchased services (400-500 series)	1,700	-	1,700	-	1,700
General supplies	3,100	-	3,100	1,011	2,089
Total Bilingual Education - Instruction	382,675	145,346	528,021	520,421	7,600
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	200,000	(11,000)	189,000	152,614	36,386
Purchased services (300-500 series)	13,500	-	13,500	2,582	10,918
Supplies and materials	6,000	-	6,000	2,220	3,780
Other objects	3,500	-	3,500	100	3,400
Total School-Spon. Cocurric. Actvts. - Instruction	223,000	(11,000)	212,000	157,516	54,484
School-Spon. Athletics - Instruction					
Salaries	150,000	-	150,000	114,428	35,572
Purchased services (300-500 series)	15,000	(500)	14,500	7,212	7,288
Supplies and materials	15,000	800	15,800	12,593	3,207
Other objects	3,500	-	3,500	2,640	860
Total School-Spon. Athletics - Instruction	183,500	300	183,800	136,873	46,927
Total Instruction	34,842,359	118,354	34,960,713	33,239,075	1,721,638
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	337,233	175,000	512,233	394,868	117,365
Tuition to CSSD & Regional Day Schools	194,845	20,000	214,845	179,813	35,032
Tuition to Private Schools for the Disabled - Within State	1,159,313	(195,000)	964,313	826,077	138,236
Tuition - Other	229,527	-	229,527	122,030	107,497
Total Undistributed Expenditures - Instruction	1,920,918	-	1,920,918	1,522,788	398,130
Undist. Expend. - Attendance and Social Work					
Salaries	14,280	-	14,280	14,280	-
Total Undistributed Expenditures - Attendance and Social Work	14,280	-	14,280	14,280	-

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services					
Salaries	\$ 777,050	\$ (7,350)	\$ 769,700	\$ 657,582	\$ 112,118
Purchased professional and technical services	26,500	(1,150)	25,350	17,150	8,200
Other purchased services (400-500 series)	14,530	(6,208)	8,322	737	7,585
Supplies and materials	14,800	14,570	29,370	23,940	5,430
Other objects	500	-	500	300	200
Unused sick pay	-	5,889	5,889	4,773	1,116
Total Undistributed Expenditures - Health Services	833,380	5,751	839,131	704,482	134,649
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries of other professional staff	1,157,000	75,145	1,232,145	1,204,015	28,130
Purchased professional - educational services	232,500	-	232,500	65,909	166,591
Supplies and materials	3,500	-	3,500	3,207	293
Unused sick pay	-	9,552	9,552	9,552	-
Total Undist. Expend. - Speech, OT, PT & Related Services	1,393,000	84,697	1,477,697	1,282,683	195,014
Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.					
Salaries	1,036,728	(75,145)	961,583	748,248	213,335
Unused sick pay	-	15,550	15,550	15,550	-
Purchased professional - educational services	600,000	(575)	599,425	407,660	191,765
Supplies and materials	15,000	114	15,114	9,233	5,881
Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.	1,651,728	(60,056)	1,591,672	1,180,691	410,981
Undist. Expend. - Guidance					
Salaries of other professional staff	567,000	(1,527)	565,473	562,961	2,512
Salaries of secretarial and clerical assistants	39,250	2,600	41,850	39,327	2,523
Other salaries	2,000	1,527	3,527	2,247	1,280
Purchased professional - educational services	9,000	(850)	8,150	1,619	6,531
Other purchased services (400-500 series)	65,000	1,261	66,261	66,261	-
Supplies and materials	31,000	(15,996)	15,004	12,043	2,961
Total Undist. Expend. - Guidance	713,250	(12,985)	700,265	684,458	15,807
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	1,642,365	(69,775)	1,572,590	1,533,281	39,309
Salaries of secretarial and clerical assistants	169,100	5,775	174,875	118,351	56,524
Other salaries	6,000	-	6,000	191	5,809
Unused sick pay	-	4,657	4,657	4,638	19
Purchased professional - educational services	3,500	-	3,500	3,200	300
Other purchased professional and technical services	42,500	-	42,500	32,367	10,133
Other purchased services (400-500 series)	450	-	450	-	450
Supplies and materials	5,700	-	5,700	3,983	1,717
Other objects	550	-	550	275	275
Total Undist. Expend. - Child Study Teams	1,870,165	(59,343)	1,810,822	1,696,286	114,536
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	234,015	8,400	242,415	240,881	1,534
Salaries of other professional staff	314,150	54,000	368,150	359,238	8,912
Salaries of secretarial and clerical assist.	14,100	500	14,600	14,534	66
Other salaries	1,000	-	1,000	-	1,000
Unused sick pay	-	5,770	5,770	5,770	-
Purchased professional - educational services	15,000	-	15,000	-	15,000
Other purchased professional and technical services	5,200	-	5,200	-	5,200
Other purchased services (400-500)	5,500	18,614	24,114	21,401	2,713
Supplies and materials	2,500	-	2,500	-	2,500
Other objects	4,000	-	4,000	2,691	1,309
Total Undist. Expend. - Improvement of Instruction Services	595,465	87,284	682,749	644,515	38,234
Undist. Expend. - Educational Media Services/School Library					
Salaries	1,047,900	12,255	1,060,155	1,050,110	10,045
Unused sick pay	-	10,000	10,000	10,000	-
Supplies and materials	41,000	10,463	51,463	49,184	2,279
Other objects	15,500	-	15,500	14,143	1,357
Total Undist. Expend. - Ed. Media Services/School Library	1,104,400	32,718	1,137,118	1,123,437	13,681
Undist. Expend. - Instruction Staff Training Services					
Salaries of supervisors of instruction	251,222	625	251,847	245,839	6,008
Salaries of other professional staff	39,300	-	39,300	34,386	4,914
Salaries of secretarial & clerical assist.	21,150	660	21,810	21,802	8
Other salaries	-	5,000	5,000	4,265	735
Unused sick pay	-	8,654	8,654	8,654	-
Purchased professional - educational services	65,300	-	65,300	24,995	40,305
Other purchased services (400-500 series)	32,800	(1,700)	31,100	9,475	21,625
Supplies and materials	3,000	95	3,095	205	2,890
Other objects	800	(90)	710	183	527
Total Undist. Expend. - Instruction Staff Training Services	413,572	13,244	426,816	349,804	77,012

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - General Administration					
Salaries	\$ 262,400	\$ 851	\$ 263,251	\$ 262,251	\$ 1,000
Legal services	150,000	(86,000)	64,000	32,355	31,645
Audit fees	50,000	(351)	49,649	45,000	4,649
Architectural/Engineering Services	180,000	254,719	434,719	209,830	224,889
Other purchased professional services	55,000	(2,000)	53,000	38,700	14,300
Purchased technical services	-	11,500	11,500	3,743	7,757
Communications/Telephone	340,000	(37,640)	302,360	222,662	79,698
BOE other purchased services	5,000	-	5,000	1,700	3,300
Misc purchased services (400-500 series)	45,462	27,500	72,962	56,295	16,667
General supplies	4,000	(250)	3,750	3,339	411
BOE In-House Training/Meeting Supplies	4,000	-	4,000	811	3,189
Judgements against the School District	200,000	(130,000)	70,000	-	70,000
Miscellaneous expenditures	5,250	4,000	9,250	8,325	925
Membership Dues and Fees	28,000	-	28,000	26,729	1,271
Total Undist. Expend. - Support Service - Gen. Admin.	1,329,112	42,329	1,371,441	911,740	459,701
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	2,171,550	(2,000)	2,169,550	2,145,782	23,768
Salaries of other professional staff	275,100	-	275,100	275,055	45
Salaries of secretarial and clerical assistants	834,675	33,375	868,050	811,178	56,872
Other salaries	12,000	2,000	14,000	12,378	1,622
Unused vacation pay	-	38,291	38,291	38,291	-
Unused sick pay	-	28,861	28,861	28,861	-
Other purchased services (400-500 series)	35,750	(1,300)	34,450	18,317	16,133
Supplies and materials	54,415	23,881	78,296	72,213	6,083
Other objects	21,900	(222)	21,678	10,369	11,309
Total Undist. Expend. - Support Service - School Admin.	3,405,390	122,886	3,528,276	3,412,444	115,832
Undist. Expend. - Support Service - Central Services					
Salaries	830,848	-	830,848	809,088	21,760
Unused vacation pay	-	-	-	-	-
Unused sick pay	-	3,336	3,336	3,336	-
Purchased professional services	66,000	-	66,000	24,138	41,862
Purchased technical services	302,000	(45,013)	256,987	147,635	109,352
Other purchased services (400-500 series)	94,450	(8,200)	86,250	53,130	33,120
Supplies and materials	35,500	15,532	51,032	21,138	29,894
Other objects	6,700	-	6,700	5,198	1,502
Total Undist. Expend. - Support Service - Central Services	1,335,498	(34,345)	1,301,153	1,063,663	237,490
Undist. Expend. - Support Service - Admin. Information Tech.					
Salaries	212,950	2,000	214,950	213,445	1,505
Unused sick pay	-	-	-	-	-
Purchased technical services	294,100	(52,830)	241,270	241,270	-
Other purchased services	13,200	(10,651)	2,549	2,549	-
Supplies and materials	6,100	(646)	5,454	5,454	-
Other objects	1,300	(1,300)	-	-	-
Total Undist. Expend. - Support Service - Admin. Info. Tech.	527,650	(63,427)	464,223	462,718	1,505
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	500	-	500	-	500
Total Interest Earned on Maintenance Reserve	500	-	500	-	500
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	940,000	575,957	1,515,957	1,309,194	206,763
General supplies	160,000	69,931	229,931	173,924	56,007
Other objects	10,000	-	10,000	7,542	2,458
Total Undist. Expend. - Required Maint. for School Facilities	1,110,000	645,888	1,755,888	1,490,660	265,228
Undist. Expend. - Custodial services					
Salaries	3,622,154	(152,000)	3,470,154	3,398,636	71,518
Salaries of Non-instructional Aides	335,600	-	335,600	311,780	23,820
Unused vacation pay	-	14,576	14,576	14,466	110
Unused sick pay	-	1,799	1,799	1,799	-
Purchased professional and technical services	20,000	11,410	31,410	23,215	8,195
Cleaning, repair and maintenance services	315,000	28,500	343,500	251,245	92,255
Other purchased property services	175,000	(20,000)	155,000	141,548	13,452
Insurance	497,000	(19,000)	478,000	467,004	10,996
Miscellaneous purchased services	3,000	-	3,000	856	2,144
General supplies	300,000	183,573	483,573	374,639	108,934
Energy - Natural gas	510,000	500	510,500	337,233	173,267
Energy - Electricity	1,050,000	(52,500)	997,500	776,207	221,293
Energy - Gasoline	500	-	500	-	500
Other objects	13,800	3,490	17,290	15,989	1,301
Total Undist. Expend. - Custodial Services	6,842,054	348	6,842,402	6,114,617	727,785
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	295,000	(20,000)	275,000	248,417	26,583
Cleaning, Repair, and Maintenance Services	240,000	(129,044)	110,956	95,288	15,668
General Supplies	70,000	(5,318)	64,682	50,024	14,658
Other Objects	10,500	13,500	24,000	1,360	22,640
Total Undistributed Expenditures - Care and Upkeep of Grounds	615,500	(140,862)	474,638	395,089	79,549

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Security					
Salaries	\$ 258,200	\$ 74,500	\$ 332,700	\$ 331,584	\$ 1,116
Unused sick pay	-	425	425	425	-
Purchased Professional & Technical Services	178,000	(104,012)	73,988	68,788	5,200
Cleaning, Repair, and Maintenance Services	50,000	31,266	81,266	64,977	16,289
General Supplies	4,500	47,084	51,584	48,590	2,994
Other Objects	18,200	(1,025)	17,175	1,083	16,092
Total Undistributed Expenditures - Security	508,900	48,238	557,138	515,447	41,691
Undist. Expend. - Student Transportation Services					
Salaries of Non-instructional Aides	307,282	109,000	416,282	280,493	135,789
Salaries for pupil transp.(between home and school) - Regular	2,111,200	40,000	2,151,200	2,052,923	98,277
Salaries for pupil transp.(between home and school) - Special	606,200	(49,000)	557,200	450,849	106,351
Salaries for pupil transp.(other than between home and school)	25,000	-	25,000	4,278	20,722
Unused vacation pay	-	2,715	2,715	2,715	-
Social security contributions	248,213	-	248,213	208,443	39,770
Workers compensation	225,000	(130,000)	95,000	-	95,000
Health benefits	2,136,517	-	2,136,517	2,136,517	-
Unused sick pay	-	28,964	28,964	28,954	10
Other purchased professional and technical services	202,790	(30,755)	172,035	92,153	79,882
Cleaning, repair and maintenance services	125,000	11,500	136,500	99,416	37,084
Lease purchase payments - School buses	355,000	-	355,000	330,206	24,794
Contract services (bet. home & sch) - Vendors	20,000	(4,892)	15,108	450	14,658
Contract services (other than between home & school) - Vendors	-	-	-	-	-
Contract services - Aid in Lieu of Payment for NP school students	130,000	-	130,000	78,053	51,947
Contract services - Aid in Lieu of Payment - Charter Schools	2,000	-	2,000	-	2,000
Contract services - Aid in Lieu of Payment - Choice Schools	-	-	-	-	-
Contract services (Between Home and School) - Joint agreements	40,000	-	40,000	25,802	14,198
Contract services (Sp Ed Stds) - Joint agreements	1,000,000	-	1,000,000	961,014	38,986
Contract services - (regular education students) - ESCs & CTSAs	100,000	-	100,000	43,791	56,209
Miscellaneous purchased services - Transportation	118,000	2,072	120,072	94,373	25,699
General supplies	12,000	28,637	40,637	38,110	2,527
Transportation Supplies	800,000	54,967	854,967	441,257	413,710
Other objects	5,000	12	5,012	4,550	462
Total Undist. Expend. - Student Transportation Services	8,569,202	63,220	8,632,422	7,374,347	1,258,075
UNALLOCATED EMPLOYEE BENEFITS					
Group Insurance	15,000	-	15,000	14,211	789
Social Security Contributions	959,364	-	959,364	759,578	199,786
T.P.A.F. Retirement Contribution	-	-	-	-	-
Other Retirement Contributions - PERS	1,700,000	(120,925)	1,579,075	1,348,090	230,985
Unemployment Compensation	125,000	-	125,000	125,000	-
Workmen's Compensation	300,000	130,000	430,000	426,621	3,379
Health Benefits	14,721,830	(54,486)	14,667,344	12,390,911	2,276,433
Tuition Reimbursement	172,000	34,771	206,771	139,778	66,993
Other Employee Benefits	368,500	(170,479)	198,021	171,296	26,725
Unused sick days	-	25,539	25,539	18,389	7,150
TOTAL UNALLOCATED EMPLOYEE BENEFITS	18,361,694	(155,580)	18,206,114	15,393,874	2,812,240
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF pension Contributions (non-budgeted)	-	-	-	7,201,998	(7,201,998)
On-behalf TPAF OPEB (Post Retire. Medical) Contrib.(non-budgeted)	-	-	-	2,671,809	(2,671,809)
On-behalf TPAF - LTDI (Non-budgeted)	-	-	-	5,207	(5,207)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	2,548,373	(2,548,373)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	12,427,387	(12,427,387)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	18,361,694	(155,580)	18,206,114	27,821,261	(9,615,147)
TOTAL UNDISTRIBUTED EXPENDITURES	53,115,658	620,005	53,735,663	58,765,410	(5,029,747)
TOTAL GENERAL CURRENT EXPENDITURES	87,958,017	738,359	88,696,376	92,004,485	(3,308,109)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades Pre-Sch	-	-	-	-	-
Grades 1-5	2,500	20,643	23,143	20,643	2,500
Grades 6-8	-	30,956	30,956	24,456	6,500
Undistributed:					
Undistributed expenditures - Extraordinary Services	-	2,775	2,775	2,775	-
Undistributed expenditures - Central services	10,000	(4,280)	5,720	-	5,720
Undistributed expenditures - Admin Info Tech.	-	8,192	8,192	8,192	-
Undistributed expenditures - Custodial	45,000	66,412	111,412	56,260	55,152
Undistributed expenditures - Care and Upkeep of Grounds	15,000	92,126	107,126	106,296	830
Undistributed expenditures - Student transp. - Non-inst. Serv.	-	13,977	13,977	6,147	7,830
Undistributed expenditures - Student transp. - Buses Spec Ed	-	78,825	78,825	-	78,825
Undistributed expenditures - Non-instr. Serv.	10,000	-	10,000	-	10,000
Total Equipment	82,500	309,626	392,126	224,769	167,357

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Services					
Other Purchased Prof. & Tech. Serv.	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	50,000	-	50,000	-	50,000
Other Objects	-	-	-	-	-
Assessment for Debt Service on SDA	121,616	-	121,616	121,616	-
Total Facilities Acquisition and Construction Services	<u>171,616</u>	<u>-</u>	<u>171,616</u>	<u>121,616</u>	<u>50,000</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
School Administration	-	-	-	-	-
Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital reserve - Transfer to	1,500	-	1,500	-	1,500
TOTAL CAPITAL OUTLAY	<u>255,616</u>	<u>309,626</u>	<u>565,242</u>	<u>346,385</u>	<u>218,857</u>
Transfer of Funds to Charter Schools	60,000	2,300	62,300	62,220	80
TOTAL EXPENDITURES	<u>88,273,633</u>	<u>1,050,285</u>	<u>89,323,918</u>	<u>92,413,090</u>	<u>(3,089,172)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,069,619)</u>	<u>(1,050,285)</u>	<u>(6,119,904)</u>	<u>3,574,841</u>	<u>9,694,745</u>
Other Financing Sources(Uses):					
Capital leases - Non-budgeted	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(5,069,619)</u>	<u>(1,050,285)</u>	<u>(6,119,904)</u>	<u>3,574,841</u>	<u>9,694,745</u>
Fund Balance, July 1	16,977,323	-	16,977,323	16,977,323	-
Fund Balance, June 30	<u>\$ 11,907,704</u>	<u>\$ (1,050,285)</u>	<u>\$ 10,857,419</u>	<u>20,552,164</u>	<u>\$ 9,694,745</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				2,627,001	
Maintenance reserve				2,500,000	
Excess surplus - current year				6,141,511	
Excess surplus - designated for subsequent year's expenditures				6,377,577	
Assigned Fund Balance:					
Year-end encumbrances				1,041,653	
Designated for subsequent year's expenditures				-	
Unassigned fund balance				<u>\$ 1,864,422</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				\$ 20,552,164	
Last state aid payment not recognized on GAAP basis				(1,693,651)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 18,858,513</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 18,858,513</u>	

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local sources	\$ -	\$ 232,030	\$ 232,030	\$ 139,821	\$ (92,209)
State sources	11,962	(6,435)	5,527	4,911	(616)
Federal sources	1,733,064	269,780	2,002,844	1,624,946	(377,898)
Total Revenues	<u>1,745,026</u>	<u>495,375</u>	<u>2,240,401</u>	<u>1,769,678</u>	<u>(470,723)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	196,236	(4,007)	192,229	130,345	61,884
Purchased professional services	12,314	(526)	11,788	9,708	2,080
Textbooks	-	422	422	-	422
Tuition	860,000	-	860,000	846,429	13,571
Miscellaneous expenditures	-	-	-	-	-
General supplies	135,875	337,633	473,508	260,103	213,405
Total instruction	<u>1,204,425</u>	<u>333,522</u>	<u>1,537,947</u>	<u>1,246,585</u>	<u>291,362</u>
Support services:					
Other professional staff salaries	38,070	6,556	44,626	35,514	9,112
Personal services - employee benefits	54,627	(5,643)	48,984	40,918	8,066
Purchased professional - educational services	336,622	48,054	384,676	377,517	7,159
Other purchased professional services	92,000	-	92,000	-	92,000
Purchased technical services	-	-	-	-	-
Travel	-	30,810	30,810	17,684	13,126
Supplies & materials	19,282	10,285	29,567	8,923	20,644
Total support services	<u>540,601</u>	<u>90,062</u>	<u>630,663</u>	<u>480,556</u>	<u>150,107</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	71,791	71,791	42,537	29,254
Total facilities acquisition and const. serv.	<u>-</u>	<u>71,791</u>	<u>71,791</u>	<u>42,537</u>	<u>29,254</u>
Total expenditures	<u>1,745,026</u>	<u>495,375</u>	<u>2,240,401</u>	<u>1,769,678</u>	<u>470,723</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2020

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 95,987,931	[C-2]	\$ 1,769,678
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(77,101)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(7,201,998)		
The 2018-19 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.		1,847,438		-
The 2019-20 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.		(1,693,651)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 88,939,720</u>	[B-2]	<u>\$ 1,692,577</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 92,413,090	[C-2]	\$ 1,769,678
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(7,201,998)		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		(77,101)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 85,211,092</u>	[B-2]	<u>\$ 1,692,577</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2020

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability	0.1587539904%	0.1585112960%	0.1666900955%	0.1588287779%	0.1399027135%	0.1376279961%
District's proportionate share of the net pension liability	\$ 31,097,380	\$ 49,368,825	\$ 49,368,825	\$ 36,972,601	\$ 27,546,147	\$ 24,978,477
District's covered-employee payroll	\$ -	\$ 12,521,737	\$ 10,892,044	\$ 9,832,578	\$ 9,817,852	\$ 9,892,094
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	394.26%	453.26%	376.02%	280.57%	252.51%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2020

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contributions	\$ 1,308,745	\$ 1,374,291	\$ 1,489,636	\$ 1,487,427	\$ 1,394,605	\$ 1,341,479
Contributions in relation to the contractually required contribution	<u>1,308,745</u>	<u>1,489,636</u>	<u>1,489,636</u>	<u>1,487,427</u>	<u>1,408,621</u>	<u>1,348,090</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (115,345)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,016)</u>	<u>\$ (6,611)</u>
District's covered-employee payroll	\$ 12,521,737	\$ 10,892,044	\$ 9,832,578	\$ 9,817,852	\$ 9,892,094	\$ 9,275,875
Contributions as a percentage of covered-employee payroll	0.00%	12.62%	15.15%	15.13%	14.10%	14.46%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF
For the Year Ended June 30, 2020

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
State's proportion of the net pension liability	0.3077796387%	0.3268186055%	0.3170383423%	0.3217349288%	0.3271951076%	0.3229516518%
State's proportionate share of the net pension liability	\$ 164,498,200	\$ 206,563,315	\$ 249,402,546	\$ 216,925,290	\$ 208,154,499	\$ 198,198,477
District's covered-employee payroll	33,113,319	33,711,862	34,199,757	34,806,395	35,416,068	36,046,616
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	496.77%	612.73%	729.25%	623.23%	587.74%	549.84%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2020
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>
State's proportion of the OPEB liability associated with the District			
Service cost	\$ 8,180,454	\$ 6,778,475	\$ 5,811,455
Interest cost	6,070,034	7,034,186	6,685,078
Differences between Expected and Actual Experiences	-	(12,724,361)	(26,962,456)
Changes in assumptions	(25,026,705)	(19,414,077)	2,272,962
Member contributions	163,645	156,349	138,716
Gross benefit payments	<u>(4,444,155)</u>	<u>(4,523,772)</u>	<u>(4,679,596)</u>
Net change in total OPEB liability	(15,056,727)	(22,693,200)	(16,733,841)
Total OPEB liability - beginning	<u>206,928,405</u>	<u>191,871,678</u>	<u>169,178,478</u>
Total OPEB liability - ending	<u>\$ 191,871,678</u>	<u>\$ 169,178,478</u>	<u>\$ 152,444,637</u>
District's covered employee payroll	\$ 49,860,884	\$ 50,137,978	\$ 50,009,767
Total State's OPEB liability as a percentage of covered employee payroll	385%	337%	305%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Manalapan-Englishtown Regional School District
Notes to Required Supplementary Information - Part III
For the Year Ended June 30, 2020

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2020

	<u>Title I Part A 19/20</u>	<u>Title II Part A 19/20</u>	<u>Title III 19/20</u>	<u>Title IV 19/20</u>	<u>IDEA-Part B-Basic Reg Prog 19/20</u>
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	<u>253,378</u>	<u>100,209</u>	<u>20,402</u>	<u>12,217</u>	<u>1,161,589</u>
Total revenues	<u>253,378</u>	<u>100,209</u>	<u>20,402</u>	<u>12,217</u>	<u>1,161,589</u>
Expenditures:					
Instruction:					
Salaries of teachers	126,267	-	-	-	-
Purchased professional services	9,608	-	-	-	-
General supplies	70,652	19,172	16,822	12,217	48,696
Tuition	-	-	-	-	846,429
Textbooks	-	-	-	-	-
Miscellaneous expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>206,527</u>	<u>19,172</u>	<u>16,822</u>	<u>12,217</u>	<u>895,125</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	1,171	28,368	2,209	-	3,766
Purchased professional services	-	40,275	-	-	257,250
Purchased technical services	-	-	-	-	-
Employee benefits	40,918	-	-	-	-
Travel	-	11,686	398	-	4,750
General supplies	4,762	708	973	-	698
Purchased prof.-educ.services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>46,851</u>	<u>81,037</u>	<u>3,580</u>	<u>-</u>	<u>266,464</u>
Total expenditures	<u>\$ 253,378</u>	<u>\$ 100,209</u>	<u>\$ 20,402</u>	<u>\$ 12,217</u>	<u>\$ 1,161,589</u>

(continued on next page)

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2020

(Continued from prior page)

	IDEA-Part	Chapter 192/193 Nonpublic		
	B-Preschool	Classification	Speech	Instruction
	Reg Prog	19/20	19/20	19/20
	19/20	19/20	19/20	19/20
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	1,300	1,298	243
Federal sources	77,151	-	-	-
Total revenues	77,151	1,300	1,298	243
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	-	-	-
Tuition	-	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	-	-	-	-
Support services:				
Other support services -				
students - special:				
Other professional				
staff salaries	-	-	-	-
Purchased professional services	77,151	1,300	1,298	243
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
General supplies	-	-	-	-
Purchased prof.-educ.services	-	-	-	-
Total other support services -	77,151	1,300	1,298	243
students - special				
Total expenditures	\$ 77,151	\$ 1,300	\$ 1,298	\$ 243

(continued on next page)

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2020

(Continued from prior page)

	Non-Public			
	Nursing 19/20	Security 19/20	Textbook 19/20	Technology 19/20
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	582	1,200	-	288
Federal sources	-	-	-	-
Total revenues	<u>582</u>	<u>1,200</u>	<u>-</u>	<u>288</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	-	-	288
Tuition	-	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>288</u>
Support services:				
Other support services -				
students - special:				
Other professional				
staff salaries	-	-	-	-
Purchased professional services	-	-	-	-
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
General supplies	582	1,200	-	-
Purchased prof.-educ.services	-	-	-	-
Total expenditures	<u>\$ 582</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 288</u>

(continued on next page)

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2020

(Continued from prior page)

	Target Take Charge of Education 19/20	Foundation for MERS 19/20	Other Local Grants 19/20	Total 2020
Revenues:				
Local sources	\$ 3,261	\$ 136,281	\$ 279	\$ 139,821
State sources	-	-	-	4,911
Federal sources	-	-	-	1,624,946
Total revenues	<u>3,261</u>	<u>136,281</u>	<u>279</u>	<u>1,769,678</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	4,078		130,345
Purchased professional services	-	-	100	9,708
General supplies	3,261	88,816	179	260,103
Tuition	-	-	-	846,429
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>3,261</u>	<u>92,894</u>	<u>279</u>	<u>1,246,585</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	35,514
Purchased professional services	-	-	-	377,517
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	40,918
Travel	-	850	-	17,684
General supplies	-	-	-	8,923
Purchased prof.-educ.services	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>850</u>	<u>-</u>	<u>480,556</u>
Equipment:				
Regular programs instruction	-	42,537	-	42,537
Total equipment	<u>-</u>	<u>42,537</u>	<u>-</u>	<u>42,537</u>
Total expenditures	<u>\$ 3,261</u>	<u>\$ 136,281</u>	<u>\$ 279</u>	<u>\$ 1,769,678</u>

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Trust				Agency			
	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trust Fund	Student Activity	Payroll	Flex Spending	Total Agency
ASSETS								
Cash and cash equivalents	\$ 705,218	\$ 2,076	\$ -	\$ 707,294	\$ 35,442	\$ 501,579	\$ 61,089	\$ 598,110
Other Accounts Receivable	-	-	-	-	-	-	-	-
Interfund receivable	125,000	-	-	125,000	-	-	-	-
Intrafund receivable	-	-	-	-	-	-	-	-
Total assets	<u>830,218</u>	<u>2,076</u>	<u>-</u>	<u>832,294</u>	<u>35,442</u>	<u>501,579</u>	<u>61,089</u>	<u>598,110</u>
LIABILITIES								
Accounts payable	-	-	-	-	-	-	-	-
Payroll deductions and withholdings	-	-	-	-	-	501,579	45,604	547,183
Payable to student groups	-	-	-	-	35,442	-	-	35,442
Intrafund payable	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	15,485	15,485
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 35,442</u>	<u>\$ 501,579</u>	<u>\$ 61,089</u>	<u>\$ 598,110</u>
NET POSITION								
Held in trust for unemployment claims and other purposes	830,218	-	-	830,218	-	-	-	-
Reserved for scholarships	-	2,076	-	2,076	-	-	-	-
Total net position	<u>830,218</u>	<u>2,076</u>	<u>-</u>	<u>832,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 830,218</u>	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ 832,294</u>	<u>\$ 35,442</u>	<u>\$ 501,579</u>	<u>\$ 61,089</u>	<u>\$ 598,110</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trusts
ADDITIONS				
Contributions:				
Plan member	\$ 164,313	\$ -	\$ -	\$ 164,313
Other	-	1,400	-	1,400
Total Contributions	<u>164,313</u>	<u>1,400</u>	<u>-</u>	<u>165,713</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	-	-	-	-
Interest	6,508	9	62	6,579
Dividends	-	-	-	-
Less investment expense	-	-	-	-
Net investment earnings	<u>6,508</u>	<u>9</u>	<u>62</u>	<u>6,579</u>
Total additions	<u>170,821</u>	<u>1,409</u>	<u>62</u>	<u>172,292</u>
DEDUCTIONS				
Quarterly contribution reports	100,768	-	-	100,768.00
Unemployment claims	-	-	-	-
Scholarships awarded	-	5,173	-	5,173
Refunds of contributions	-	-	40,542	40,542
Administrative expenses	-	-	-	-
Total deductions	<u>100,768</u>	<u>5,173</u>	<u>40,542</u>	<u>146,483</u>
Change in net position	70,053	(3,764)	(40,480)	25,809
Net position—beginning of the year	<u>760,165</u>	<u>5,840</u>	<u>40,480</u>	<u>806,485</u>
Net position—end of the year	<u>\$ 830,218</u>	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ 832,294</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Pine Brook School	\$ 243	\$ 51	\$ 49	\$ 245
Manalapan-Englishtown Middle School	30,583	274	3,822	27,035
Wemrock Brook School	1,017	10	-	1,027
General - unallocated	3,576	3,559	-	7,135
Total all schools	<u>\$ 35,419</u>	<u>\$ 3,894</u>	<u>\$ 3,871</u>	<u>\$ 35,442</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Payroll deductions and withholdings	\$ 65,847	\$ 26,006,609	\$ 25,525,273	\$ 547,183
Accounts payable	-	-	-	-
Intrafund accounts payable	81,668	-	81,668	-
Interfund accounts payable	<u>9,332</u>	<u>6,153</u>	<u>-</u>	<u>15,485</u>
 Total	 <u>\$ 156,847</u>	 <u>\$ 26,012,762</u>	 <u>\$ 25,606,941</u>	 <u>\$ 562,668</u>

I. Long-Term Debt

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
School District Bonds	10/15/2004	\$ 18,995,000				5,320,000	-	1,320,000	4,000,000
			12/01/20	1,325,000	5.750%				
			12/01/21	1,335,000	5.750%				
School District Bonds	1/31/2012	\$ 12,840,000				8,535,000	-	1,175,000	7,360,000
			10/01/20	1,295,000	4.000%				
			10/01/21	1,420,000	4.500%				
			10/01/22	1,555,000	4.000%				
			10/01/23	3,090,000	4.000%				
School District Bonds	7/8/2016	\$ 16,585,000				16,290,000	-	-	16,290,000
			10/01/24	3,010,000	4.000%				
			10/01/25	3,130,000	4.000%				
			10/01/26	3,260,000	4.000%				
			10/01/27	3,380,000	4.000%				
			10/01/28	3,510,000	4.000%				
						<u>\$ 30,145,000</u>	<u>\$ -</u>	<u>\$ 2,495,000</u>	<u>\$ 27,650,000</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
June 30, 2020

	Interest Rate Payables	Amount of Original Issue	Balance July 1, 2019	Additions Current Year	Retired Current Year	Balance June 30, 2020
5 - 54 Passenger Buses	2.15%	478,384	\$ 217,023	-	52,541	\$ 164,482
6 - 54 and 2-24 Passenger Buses	1.94%	720,000	552,816	-	69,177	483,639
Network upgrade	8.19%	255,572	157,788	-	78,923	78,865
4 - 54, and 2 -24 Passenger Buses	2.02%	540,000	409,809	-	87,893	321,916
4 - 54, and 2 -24 Passenger Buses	3.99%	525,000	467,035	-	45,247	421,788
			<u>\$ 1,804,471</u>	<u>\$ -</u>	<u>\$ 333,781</u>	<u>\$ 1,470,690</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 3,341,050	\$ -	\$ 3,341,050	\$ 3,341,050	\$ -
Miscellaneous	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues - local sources	<u>3,341,050</u>	<u>-</u>	<u>3,341,050</u>	<u>3,341,050</u>	<u>-</u>
State sources:					
Debt service aid type II	398,500	-	398,500	398,500	-
Total state sources	<u>398,500</u>	<u>-</u>	<u>398,500</u>	<u>398,500</u>	<u>-</u>
TOTAL REVENUES	<u>3,739,550</u>	<u>-</u>	<u>3,739,550</u>	<u>3,739,550</u>	<u>-</u>
EXPENDITURES					
Regular debt service:					
Interest	1,244,550	-	1,244,550	1,244,550	-
Redemption of principal	2,495,000	-	2,495,000	2,495,000	-
Total regular debt service	<u>3,739,550</u>	<u>-</u>	<u>3,739,550</u>	<u>3,739,550</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,739,550</u>	<u>-</u>	<u>3,739,550</u>	<u>3,739,550</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
FUND BALANCES, July 1	-	-	-	-	-
FUND BALANCES, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**Manalapan-Englishtown Regional School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	111-116
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	117-120
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	121-124
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	125-126
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	127-132

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

Manalapan-Englishtown Regional School District
Net Positions by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 48,214,716	\$ 49,305,234	\$ 53,704,479	\$ 43,331,202	\$ 54,812,614	\$ 54,992,019	\$ 55,084,790	\$ 57,217,737	\$ 68,999,876	\$ 70,706,123
Restricted	8,644,609	11,796,996	10,421,869	10,386,596	10,132,234	11,886,877	12,426,296	11,191,038	13,513,968	17,646,089
Unrestricted	(2,140,375)	(1,271,895)	(3,581,192)	8,023,356	(35,281,898)	(35,923,798)	(36,255,427)	(36,483,995)	(47,596,808)	(49,007,762)
Total governmental activities net position	\$ 54,718,950	\$ 59,830,335	\$ 60,545,156	\$ 61,741,154	\$ 29,662,950	\$ 30,955,098	\$ 31,255,659	\$ 31,924,780	\$ 34,917,036	\$ 39,344,450
Business-type activities										
Net investment in capital assets	\$ 371,425	\$ 334,772	\$ 298,636	\$ 254,423	\$ 224,458	\$ 229,272	\$ 206,440	\$ 197,447	\$ 215,533	\$ 198,055
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	235,200	199,665	206,912	329,089	429,382	532,804	685,879	879,647	608,091	637,010
Total business-type activities net position	\$ 606,625	\$ 534,437	\$ 505,548	\$ 583,512	\$ 653,840	\$ 762,076	\$ 892,319	\$ 1,077,094	\$ 823,624	\$ 835,065
District-wide										
Net investment in capital assets	\$ 48,586,141	\$ 49,640,006	\$ 54,003,115	\$ 43,585,625	\$ 55,037,072	\$ 55,221,291	\$ 55,291,230	\$ 57,415,184	\$ 69,215,409	\$ 70,904,178
Restricted	8,644,609	11,796,996	10,421,869	10,386,596	10,132,234	11,886,877	12,426,296	11,191,038	13,513,968	17,646,089
Unrestricted	(1,905,175)	(1,072,230)	(3,374,280)	8,352,445	(34,852,516)	(35,390,994)	(35,569,548)	(35,604,348)	(46,988,717)	(48,370,752)
Total district net position	\$ 55,325,575	\$ 60,364,772	\$ 61,050,704	\$ 62,324,666	\$ 30,316,790	\$ 31,717,174	\$ 32,147,978	\$ 33,001,874	\$ 35,740,660	\$ 40,179,515

Source: CAFR Schedule A-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

Manalapan-Englishtown Regional School District
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 33,965,643	\$ 34,006,902	\$ 37,532,659	\$ 35,386,200	\$ 38,746,639	\$ 39,067,252	\$ 39,751,394	\$ 41,256,524	\$ 40,872,189	\$ 39,257,457
Special education	11,552,809	12,262,955	12,948,934	12,808,903	12,047,689	12,906,420	13,383,520	14,082,017	14,275,818	13,920,610
Other instruction	2,679,122	2,612,694	2,868,775	2,927,826	3,263,657	3,489,231	3,790,596	4,121,280	4,196,586	4,535,573
Nonpublic school programs	19,443	27,951	1,163	7,610	6,452	11,599	12,660	7,257	12,060	4,668
Support Services:										
Tuition	1,776,313	1,278,061	778,637	851,059	865,841	1,155,728	1,301,087	1,533,440	1,329,480	1,522,788
Student & instruction related services	6,291,708	7,303,248	7,114,304	7,357,737	7,590,149	7,829,552	8,156,242	8,178,758	8,449,975	7,987,405
General and Business administrative services	2,558,380	2,496,830	2,873,262	2,644,108	2,703,274	2,965,907	2,762,147	3,024,599	2,927,922	2,902,925
School administrative services	2,771,894	2,849,889	2,891,820	3,061,874	3,169,779	3,295,333	3,430,965	3,409,285	3,395,345	3,441,640
Plant operations and maintenance	7,355,550	7,975,529	7,939,864	9,433,435	8,662,640	8,142,265	9,105,355	7,859,192	9,264,036	8,360,081
Pupil transportation	5,723,635	5,754,887	6,540,131	7,133,698	7,207,730	6,971,802	6,422,458	7,700,610	8,032,709	7,689,579
Charter Schools	-	-	-	-	100,090	91,255	28,418	31,455	34,528	62,220
Interest on long-term debt	3,054,333	1,247,365	2,289,266	1,907,067	1,498,596	1,431,044	1,152,291	787,124	359,018	259,487
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>77,748,830</u>	<u>77,816,311</u>	<u>83,778,815</u>	<u>83,519,517</u>	<u>85,862,536</u>	<u>87,357,388</u>	<u>89,297,133</u>	<u>91,991,541</u>	<u>93,149,666</u>	<u>89,944,433</u>
Business-type activities:										
Food service	1,851,344	1,978,515	2,012,408	1,994,809	1,945,349	1,972,328	1,887,642	1,948,063	2,443,573	1,470,887
Total business-type activities expense	<u>1,851,344</u>	<u>1,978,515</u>	<u>2,012,408</u>	<u>1,994,809</u>	<u>1,945,349</u>	<u>1,972,328</u>	<u>1,887,642</u>	<u>1,948,063</u>	<u>2,443,573</u>	<u>1,470,887</u>
Total district expenses	<u>\$ 79,600,174</u>	<u>\$ 79,794,826</u>	<u>\$ 85,791,223</u>	<u>\$ 85,514,326</u>	<u>\$ 87,807,885</u>	<u>\$ 89,329,716</u>	<u>\$ 91,184,775</u>	<u>\$ 93,939,604</u>	<u>\$ 95,593,239</u>	<u>\$ 91,415,320</u>
Program Revenues										
Governmental activities:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,215	\$ 23,608	\$ 83,906	\$ 54,713
Operating grants and contributions	6,796,854	7,130,823	8,444,545	7,511,687	7,699,434	8,234,480	8,791,830	9,424,830	9,788,310	9,922,660
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>6,796,854</u>	<u>7,130,823</u>	<u>8,444,545</u>	<u>7,511,687</u>	<u>7,699,434</u>	<u>8,234,480</u>	<u>8,829,045</u>	<u>9,448,438</u>	<u>9,872,216</u>	<u>9,977,373</u>

Manalapan-Englishtown Regional School District
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Food service	1,494,172	1,519,902	1,548,527	1,624,960	1,576,958	1,613,078	1,592,432	1,672,147	1,722,015	1,130,562
Operating grants and contributions	360,597	386,425	434,992	447,780	438,677	467,434	425,389	460,611	457,100	342,462
Total business type activities program revenues	<u>1,854,769</u>	<u>1,906,327</u>	<u>1,983,519</u>	<u>2,072,740</u>	<u>2,015,635</u>	<u>2,080,512</u>	<u>2,017,821</u>	<u>2,132,758</u>	<u>2,179,115</u>	<u>1,473,024</u>
Total district program revenues	<u>\$ 8,651,623</u>	<u>\$ 9,037,150</u>	<u>\$ 10,428,064</u>	<u>\$ 9,584,427</u>	<u>\$ 9,715,069</u>	<u>\$ 10,314,992</u>	<u>\$ 10,846,866</u>	<u>\$ 11,581,196</u>	<u>\$ 12,051,331</u>	<u>\$ 11,450,397</u>
Net (Expense)/Revenue										
Governmental activities	\$ (70,951,976)	\$ (70,685,488)	\$ (75,334,270)	\$ (76,007,830)	\$ (78,163,102)	\$ (79,122,908)	\$ (80,468,088)	\$ (82,543,103)	\$ (83,277,450)	\$ (79,967,060)
Business-type activities	3,425	(72,188)	(28,889)	77,931	70,286	108,184	130,179	184,695	(264,458)	2,137
Total district-wide net expense	<u>\$ (70,948,551)</u>	<u>\$ (70,757,676)</u>	<u>\$ (75,363,159)</u>	<u>\$ (75,929,899)</u>	<u>\$ (78,092,816)</u>	<u>\$ (79,014,724)</u>	<u>\$ (80,337,909)</u>	<u>\$ (82,358,408)</u>	<u>\$ (83,541,908)</u>	<u>\$ (79,964,923)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 49,550,724	\$ 50,541,738	\$ 51,552,572	\$ 52,583,623	\$ 54,942,228	\$ 56,603,915	\$ 58,286,034	\$ 60,996,055	\$ 63,687,865	\$ 64,961,622
Taxes levied for debt service	3,500,861	3,504,357	3,386,723	3,454,447	3,451,646	3,457,532	3,421,639	3,312,400	3,315,664	3,341,050
Unrestricted grants and contributions	19,140,955	20,954,349	20,489,664	20,511,322	19,876,153	19,767,029	19,138,157	18,314,823	17,220,468	15,415,739
Tuition received	-	28,529	215,398	384,137	25,194	22,326	-	-	-	-
Investment earnings	5,380	4,769	2,419	2,310	1,973	3,055	5,141	10,121	224,914	194,301
Miscellaneous income	300,431	763,131	402,316	268,022	377,281	561,251	(82,322)	578,825	1,820,795	481,762
Total governmental activities	<u>72,498,351</u>	<u>75,796,873</u>	<u>76,049,092</u>	<u>77,203,861</u>	<u>78,674,475</u>	<u>80,415,108</u>	<u>80,768,649</u>	<u>83,212,224</u>	<u>86,269,706</u>	<u>84,394,474</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	64	80	10,988	9,304
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>80</u>	<u>10,988</u>	<u>9,304</u>
Total district-wide	<u>\$ 72,498,351</u>	<u>\$ 75,796,873</u>	<u>\$ 76,049,092</u>	<u>\$ 77,203,861</u>	<u>\$ 78,674,475</u>	<u>\$ 80,415,108</u>	<u>\$ 80,768,713</u>	<u>\$ 83,212,304</u>	<u>\$ 86,280,694</u>	<u>\$ 84,403,778</u>
Change in Net Position										
Governmental activities	\$ 1,546,375	\$ 5,111,385	\$ 714,822	\$ 1,196,031	\$ 511,373	\$ 1,292,200	\$ 300,561	\$ 669,121	\$ 2,992,256	\$ 4,427,414
Business-type activities	3,425	(72,188)	(28,889)	77,931	70,286	108,184	130,243	184,775	(253,470)	11,441
Total district	<u>\$ 1,549,800</u>	<u>\$ 5,039,197</u>	<u>\$ 685,933</u>	<u>\$ 1,273,962</u>	<u>\$ 581,659</u>	<u>\$ 1,400,384</u>	<u>\$ 430,804</u>	<u>\$ 853,896</u>	<u>\$ 2,738,786</u>	<u>\$ 4,438,855</u>

Source: CAFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

Manalapan-Englishtown Regional School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2011	2012	2013	2014	Fiscal Year Ended June 30, 2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,862,953	\$ 9,801,613	\$ 13,013,018	\$ 17,646,089
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	2,547,539	2,222,190	1,551,235	1,041,653
Unassigned	-	-	-	-	-	-	134,308	353,274	565,632	170,771
Reserved	6,244,982	9,914,147	10,301,335	10,266,327	10,079,164	11,833,833	-	-	-	-
Unreserved	(91,073)	(35,804)	(260,329)	(201,884)	(218,997)	167,884	-	-	-	-
Total general fund	\$ 6,153,909	\$ 9,878,343	\$ 10,041,006	\$ 10,064,443	\$ 9,860,167	\$ 12,001,717	\$ 12,544,800	\$ 12,377,077	\$ 15,129,885	\$ 18,858,513
All Other Governmental Funds										
Reserved	\$ 2,397,817	\$ 1,844,302	\$ 120,193	\$ 120,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debit service fund	1,810	38,547	341	76	53,070	53,044	15,804	15,804	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 2,399,627	\$ 1,882,849	\$ 120,534	\$ 120,269	\$ 53,070	\$ 53,044	\$ 15,804	\$ 15,804	\$ -	\$ -

Source: CAFR Schedule B-1 and District records.

Manalapan-Englishtown Regional School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 53,051,585	\$ 54,046,095	\$ 54,939,295	\$ 56,038,070	\$ 58,393,874	\$ 60,061,447	\$ 61,707,673	\$ 64,308,455	\$ 67,003,529	\$ 68,302,672
Tuition charges	-	28,529	215,398	384,137	25,194	22,326	37,215	23,608	83,906	54,713
Interest earnings	5,380	4,769	2,419	2,277	1,931	3,003	5,141	10,121	224,914	194,301
Miscellaneous	296,182	527,720	487,419	372,775	367,381	527,938	561,479	578,825	500,223	481,762
State sources	23,711,740	25,547,795	27,211,235	26,283,087	26,102,953	26,337,845	26,286,212	26,109,183	25,505,757	23,631,859
Federal sources	2,206,537	2,317,732	1,576,166	1,585,962	1,472,634	1,663,664	1,643,775	1,630,470	1,503,021	1,706,540
Total revenue	79,271,424	82,472,640	84,431,932	84,666,308	86,363,967	88,616,223	90,241,495	92,660,662	94,821,350	94,371,847
Expenditures										
Instruction										
Regular Instruction	23,784,432	23,947,743	25,451,372	25,555,459	26,906,059	26,245,090	26,624,026	26,604,243	26,133,342	25,450,237
Special education instruction	8,951,764	9,595,241	10,100,122	9,942,662	9,014,473	9,489,536	9,810,505	10,207,322	10,581,687	10,527,349
Other instruction	2,011,394	1,926,260	2,129,293	2,187,052	2,476,876	2,597,128	2,854,593	3,109,222	3,258,185	3,670,146
Nonpublic school programs	19,443	27,951	1,163	7,610	6,452	11,599	12,660	7,257	12,060	4,668
Support Services:										
Student & instruction related services	7,871,127	8,383,459	7,715,145	7,999,564	8,349,238	8,781,944	9,260,737	9,483,799	9,426,258	9,203,424
General administrative services	1,193,952	1,083,987	1,238,646	1,057,947	1,128,898	1,259,453	1,071,405	1,296,086	1,277,294	1,376,544
School Administrative services	2,752,470	2,832,183	2,874,384	3,042,105	3,150,236	3,276,121	3,412,390	3,387,548	3,361,730	3,412,444
Business administrative services	1,362,928	1,411,343	1,633,116	1,584,661	1,572,876	1,704,954	1,690,742	1,728,513	1,650,628	1,526,381
Plant operations and maintenance	7,404,814	7,184,989	7,487,507	8,627,838	7,916,526	7,560,116	7,605,564	8,088,562	7,857,209	8,515,813
Pupil transportation	5,728,581	5,730,278	6,366,826	6,918,548	6,995,038	6,762,715	6,940,133	7,465,910	7,669,769	7,374,347
Unallocated employee benefits	11,128,801	11,440,563	12,324,707	12,346,233	13,047,464	13,968,989	15,215,905	15,775,542	16,475,615	15,456,094
Capital outlay	2,906,548	2,692,389	5,390,179	1,509,705	2,607,956	890,423	2,031,326	1,927,919	1,952,541	386,222
Debt service:										
Principal	1,750,000	15,295,000	1,915,000	2,015,000	2,065,000	2,125,000	2,515,000	2,270,000	2,385,000	2,495,000
Interest and other charges	2,300,949	2,008,653	2,032,428	1,947,072	1,876,734	1,801,631	1,407,528	1,476,462	1,363,600	1,244,550
Total expenditures	79,167,203	93,560,039	86,659,888	84,741,456	87,113,826	86,474,699	90,452,514	92,828,385	93,404,918	90,643,219
Excess (Deficiency) of revenues over (under) expenditures	104,221	(11,087,399)	(2,227,956)	(75,148)	(749,859)	2,141,524	(211,019)	(167,723)	1,416,432	3,728,628
Other Financing sources (uses)										
Capital leases (non-budgeted)	117,599	1,000,000	571,815	98,320	478,384	-	706,862	-	1,320,572	-
Payoff of old debt	-	-	-	-	-	-	(19,377,096)	-	-	-
Bond proceeds	-	12,840,000	-	-	-	-	-	-	16,585,000	-
Bond premium	-	1,719,176	56,489	-	-	-	2,974,727	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Prepaid interest	-	(1,118,119)	-	-	-	-	-	-	-	-
Costs of issuance	-	(146,002)	-	-	-	-	(172,631)	-	-	-
Transfers in	1,382	244	2,046,045	27	53,042	-	-	-	-	-
Transfers out	(1,382)	(244)	(2,046,045)	(27)	(53,042)	-	-	-	-	-
Total other financing sources (uses)	117,599	14,295,055	628,304	98,320	478,384	-	716,862	-	1,320,572	-
Net change in fund balances	\$ 221,820	\$ 3,207,656	\$ (1,599,652)	\$ 23,172	\$ (271,475)	\$ 2,141,524	\$ 505,843	\$ (167,723)	\$ 2,737,004	\$ 3,728,628
Debt service as a percentage of noncapital expenditures	5.3%	19.0%	4.9%	4.8%	4.7%	4.6%	4.4%	4.1%	4.1%	4.1%

Source: CAFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

Manalapan-Englishtown Regional School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Total</u>
2011	2,350	-	28,095	248,555	279,000
2012	3,808	28,529	29,918	278,157	340,412
2013	1,238	215,398	25,145	371,955	613,736
2014	1,360	384,137	25,145	193,670	604,312
2015	1,375	25,194	25,145	271,236	322,950
2016	1,443	22,326	25,145	360,015	408,929
2017	1,588	37,215	25,145	415,459	479,407
2018	1,623	23,608	34,237	359,240	418,708
2019	210,204	83,906	-	328,361	622,471
2020	192,302	54,713	72,342	146,558	465,915

Source: District records

**Manalapan-Englishtown Regional School District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

MANALAPAN TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	102,803,800	5,111,395,600	32,933,900	2,253,000	380,040,400	22,667,200	-	5,652,093,900	-	9,382,496	5,661,476,396	1.888	6,281,820,516
2012	84,044,500	5,183,906,700	32,780,800	2,354,500	393,960,900	22,667,200	-	5,719,714,600	-	9,382,496	5,729,097,096	1.961	5,746,321,400
2013	58,673,900	5,299,331,500	31,538,900	2,316,400	378,911,200	20,269,600	-	5,791,041,500	-	9,382,496	5,800,423,996	1.995	6,109,982,591
2014	47,846,600	5,359,086,600	32,130,400	2,269,200	380,616,076	20,269,600	-	5,842,218,476	-	-	5,842,218,476	2.044	6,109,982,591
2015	47,846,600	5,393,486,200	32,130,400	2,269,200	380,616,076	20,269,600	-	5,876,618,076	-	-	5,876,618,076	1.990	6,109,982,591
2016	34,938,600	5,786,849,660	33,999,000	1,956,900	423,168,000	20,454,000	-	6,301,366,160	-	-	6,301,366,160	1.969	6,109,982,591
2017	35,776,600	5,872,797,400	35,508,500	1,944,000	432,624,800	20,863,100	-	6,399,514,400	-	-	6,399,514,400	1.986	6,478,903,327
2018	38,604,600	6,071,386,900	37,918,200	1,895,900	467,772,800	23,587,100	-	6,641,165,500	-	-	6,641,165,500	2.023	6,692,366,754
2019	39,292,500	6,362,922,900	37,983,500	1,822,700	478,389,800	23,999,000	-	6,944,410,400	-	-	6,944,410,400	0.420	7,316,476,259
2020	39,292,500	6,362,922,900	37,983,500	1,822,700	478,389,800	23,999,000	-	6,944,410,400	-	-	6,944,410,400	0.984	7,316,476,259

ENGLISHTOWN TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	3,788,700	198,279,700	-	-	39,134,100	9,879,300	1,262,100	252,343,900	-	4,454,063	256,797,963	1.775	242,547,058
2012	2,384,300	201,896,900	-	-	35,742,000	8,583,900	1,262,100	249,869,200	-	4,454,063	249,869,200	1.788	233,987,214
2013	3,274,100	206,535,000	-	-	35,332,500	7,617,200	1,262,100	254,020,900	-	4,454,063	258,474,963	1.909	221,639,386
2014	3,274,100	206,535,000	-	-	35,332,500	7,617,200	1,262,100	254,020,900	-	-	254,020,900	1.969	221,639,386
2015	1,654,800	183,619,000	-	-	34,989,900	6,358,900	1,328,100	227,950,700	-	-	227,950,700	2.114	221,639,386
2016	1,576,900	183,420,400	-	-	35,820,000	6,452,500	13,268,100	240,537,900	-	-	240,537,900	2.114	221,639,386
2017	1,348,800	185,500,700	-	-	36,071,000	6,393,900	13,302,100	242,616,500	-	-	242,616,500	2.258	240,482,239
2018	1,320,400	190,588,800	-	-	35,421,300	6,396,800	14,458,700	248,186,000	-	-	248,186,000	2.340	253,041,801
2019	1,583,000	195,430,000	-	-	36,867,300	6,865,300	15,711,000	256,456,600	-	-	256,456,600	0.422	257,909,176
2020	1,583,000	195,430,000	-	-	36,867,300	6,865,300	15,711,000	256,456,600	-	-	256,456,600	0.000	257,909,176

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at the same percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100

Manalapan-Englishtown Regional School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Manalapan-Englishtown Board of Education			Manalapan Township				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Freehold Regional School District	Manalapan Township	Library/Other	Monmouth County	
2011	0.849	0.060	0.909	0.421	0.332	0.020	0.279	1.961
2012	0.849	0.063	0.912	0.420	0.339	0.017	0.282	1.970
2013	0.862	0.063	0.925	0.425	0.345	0.018	0.282	1.995
2014	0.882	0.063	0.945	0.436	0.352	0.019	0.292	2.044
2015	0.869	0.063	0.932	0.420	0.341	0.018	0.279	1.990
2016	0.870	0.063	0.933	0.414	0.338	0.018	0.266	1.969
2017	0.887	0.063	0.950	0.418	0.341	0.018	0.259	1.986
2018	0.905	0.049	0.954	0.415	0.337	0.020	0.297	2.023
2019	0.935	0.049	0.984	0.417	0.340	0.019	0.299	2.059
2020	0.935	0.049	0.984	0.417	0.341	0.019	0.298	2.059

Fiscal Year Ended June 30,	Manalapan-Englishtown Board of Education			Englishtown Borough				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Freehold Regional School District	Englishtown Borough	Library/Other	Monmouth County	
2011	0.785	0.054	0.839	0.299	0.405	0.013	0.232	1.788
2012	0.729	0.049	0.778	0.393	0.462	0.014	0.262	1.909
2013	0.729	0.057	0.786	0.404	0.498	0.002	0.265	1.955
2014	0.755	0.057	0.812	0.372	0.558	0.002	0.253	1.997
2015	0.816	0.057	0.873	0.373	0.591	0.001	0.276	2.114
2016	0.816	0.057	0.913	0.380	0.621	0.212	0.266	2.392
2017	0.816	0.057	0.933	0.414	0.621	0.038	0.252	2.258
2018	0.951	0.047	0.998	0.402	0.632	-	0.308	2.340
2019	0.869	0.045	0.914	0.403	0.630	0.019	0.307	2.273
2020	-	-	-	-	-	-	-	-

Source: District Records and 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 calculation.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

**Manalapan-Englishtown Regional School District
Principal Property Taxpayers
Current Year and Nine Years Ago**

MANALAPAN TOWNSHIP

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Manalapan Realty	\$ 61,869,100		0.89%	Manalapan Realty	\$ 42,593,600	1	0.72%
Manalapan VF	33,542,700		0.48%	Manalapan VF	29,989,700	2	0.51%
Towne Point Associates	15,636,100		0.23%	K.Hovnanian at Manalapan III, LLC	28,026,800	3	0.47%
Fields of Dream Real Estate, LLC	14,800,000		0.21%	Towne Pointe Associates	11,867,500	4	0.20%
Washington Investmentfirst, LLC	11,000,000		0.16%	Trans Equity Realty, LLC	9,694,600	5	0.16%
Trans Equity Realty, LLC	10,946,000		0.16%	Reiss Manufacturing, Inc.	7,958,000	6	0.13%
Lenine, LLC	9,875,000		0.14%	Taylor 9 South Assoc., LLC	7,593,400	7	0.13%
HCRI NY-NJ Properties LLC	9,175,900		0.13%	Monmouth Investors, LLC	7,500,000	8	0.13%
Gordons Corner Realty, LLC	8,500,000		0.12%	Lenine, LLC	7,356,000	9	0.12%
Benbrooke Galleria	7,956,000		0.11%	Pension Road Realty	7,200,000	10	0.12%
Total	\$ 183,300,800		2.63%	Total	\$ 159,779,600		2.69%

ENGLISHTOWN BOROUGH

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Stamford Square LLC	n/a		0.00%	BAL Governor's Crossing LLC	\$ 7,425,200	1	4.01%
BAL Governor's Crossing LLC	n/a		0.00%	BTR Englishtown LLC	7,229,300	2	2.91%
Three Corners Venturs LLC	n/a		0.00%	Dorothy Leo, Inc.	3,495,400	3	2.02%
Village Center Associates, LLC	n/a		0.00%	Wernacs, LLC	3,366,700	4	1.37%
Ambe Holding, LLC	n/a		0.00%	Village Center Associates LLC	3,312,700	5	1.32%
Wernacs LLC	n/a		0.00%	Durling Realty, LLC	2,150,300	6	1.30%
DCD LLC	n/a		0.00%	Brooklawn Gardens, Inc.	2,021,800	7	0.84%
Five South Main St LLC	n/a		0.00%	K&K Englishtown, Inc.	1,782,800	8	0.84%
Degiacomo Realty LLC	n/a		0.00%	Moskowitz, K Trust & Berger, V Trust	1,374,700	9	0.70%
Santandar Bank	n/a		0.00%	Carr, Pauline H & Carr, John	1,293,800	10	0.54%
Total	\$ -		0.00%	Total	\$ 33,452,700		15.85%

**Manalapan-Englishtown Regional School District
Property Tax Levies and Collections
Last Ten Fiscal Years**

MANALAPAN TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	116,561,281	115,264,663	98.89%	-
2012	118,422,656	117,170,981	98.94%	-
2013	121,065,199	118,960,751	98.26%	-
2014	124,737,609	123,464,749	98.98%	-
2015	127,567,302	126,509,641	99.17%	-
2016	129,137,983	128,058,185	99.16%	-
2017	133,051,144	131,837,254	99.09%	-
2018	137,772,234	136,634,045	99.17%	-
2019	140,803,223	140,111,420	99.51%	-
2020	143,281,599	141,940,487	99.06%	-

ENGLISHTOWN BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	2,106,903	2,106,903	100.00%	-
2012	2,179,739	2,179,739	100.00%	-
2013	1,952,186	1,952,186	100.00%	-
2014	2,005,425	2,005,425	100.00%	-
2015	2,035,309	2,035,309	100.00%	-
2016	2,101,730	2,101,730	100.00%	-
2017	2,263,482	2,263,482	100.00%	-
2018	2,477,648	2,477,648	100.00%	-
2019	2,551,977	2,551,977	100.00%	-
2020	2,628,536	2,628,536	100.00%	-

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

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

**Manalapan-Englishtown Regional School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2011	50,305,000	-	478,959	-	-	50,783,959	0.11%	54,771
2012	47,850,000	-	1,181,435	-	-	49,031,435	0.12%	56,955
2013	45,935,000	-	1,258,930	-	-	47,193,930	0.12%	58,355
2014	43,920,000	-	1,026,782	-	-	44,946,782	0.14%	61,426
2015	41,855,000	-	1,111,256	-	-	42,966,256	0.15%	62,901
2016	39,730,000	-	727,455	-	-	40,457,455	0.16%	66,019
2017	34,800,000	-	1,026,183	-	-	35,826,183	0.19%	69,410
2018	32,530,000	-	889,134	-	-	33,419,134	0.21%	71,237
2019	30,145,000	-	1,804,471	-	-	31,949,471	0.23%	73,303
2020	27,650,000	-	1,470,690	-	-	29,120,690	0.28%	80,543

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

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Manalapan-Englishtown Regional School District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	50,305,000	-	50,305,000	0.85%	54,771
2012	47,850,000	-	47,850,000	0.80%	56,955
2013	45,935,000	-	45,935,000	0.76%	58,355
2014	43,920,000	-	43,920,000	0.72%	61,426
2015	41,855,000	-	41,855,000	0.68%	62,901
2016	39,730,000	-	39,730,000	0.61%	66,019
2017	34,800,000	-	34,800,000	0.52%	69,410
2018	32,530,000	-	32,530,000	0.47%	71,237
2019	30,145,000	-	30,145,000	0.42%	73,303
2020	27,650,000	-	27,650,000	0.38%	80,543

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

a See Exhibit NJ J-6 for property tax data.

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

**Manalapan-Englishtown Regional School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Manalapan Township	\$ 3,230,075	100.0000%	\$ 3,230,075
Englishtown Borough	110,975	100.0000%	110,975
Other debt			
Western Monmouth Utility Authority	7,749,213	50.2928%	3,897,296
Freehold Regional High School:			
Manalapan Township	5,205,000	19.90501%	1,036,056
Englishtown Borough	5,205,000	0.741706%	38,606
Monmouth County:			
Manalapan Township	490,865,797	5.5125%	27,058,977
Englishtown Borough	490,865,797	0.2068%	1,015,110
Subtotal, overlapping debt			36,387,095
Manalapan-Englishtown School District Direct Debt			<u>27,650,000</u>
Total direct and overlapping debt			<u><u>\$ 64,037,095</u></u>

Sources: Manalapan Township Finance Officer, Englishtown Borough Finance Officer, Monmouth County Finance Office and Utility Authorities.

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

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

**Manalapan-Englishtown Regional School District
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

MANALAPAN TOWNSHIP

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2011	38,872	2,129,058,312	54,771	7.8%
2012	38,872	2,213,954,760	56,955	7.8%
2013	39,229	2,289,208,295	58,355	8.3%
2014	39,851	2,447,887,526	61,426	7.0%
2015	39,987	2,515,222,287	62,901	4.4%
2016	40,169	2,651,917,211	66,019	4.4%
2017	40,018	2,777,649,380	69,410	4.1%
2018	39,956	-	71,237	0.0%
2019	-	-	73,303	0.0%
2020	39,596	3,189,180,628	80,543	2.8%

ENGLISHTOWN BOROUGH

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2011	1,916	104,941,236	54,771	6.8%
2012	1,916	109,125,780	56,955	6.8%
2013	1,909	111,399,695	58,355	7.1%
2014	1,948	119,657,848	61,426	6.4%
2015	1,962	123,411,762	62,901	6.4%
2016	1,955	129,067,145	66,019	5.4%
2017	1,938	134,516,580	69,410	4.5%
2018	1,925	-	71,237	5.8%
2019	-	-	73,303	0.0%
2020	2,078	167,368,354	80,543	4.7%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income not available by municipality

^c Per Capita Income not available by municipality

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

**Manalapan-Englishtown Regional School District
Principal Employers
Current Year and Ten Years Ago
UNAUDITED**

Employer	2020			2011		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Manalapan-Englishtown Regional School District	817	1	0.00%	815	1	0.00%
Wegman's Super Market	592	2	0.00%	588	2	0.00%
Manalapan Township	170	4	0.00%	171	4	0.00%
Target	196	3	0.00%	196	3	0.00%
Stop-N-Shop	89	5	0.00%	87	5	0.00%
Navicore Solutions	-	-	0.00%	-	-	0.00%
Applebee's	64	6	0.00%	65	6	0.00%
Rex Lumber	50	9	0.00%	50	9	0.00%
Western Monmouth Utilities	56	7	0.00%	55	7	0.00%
Babies R Us	51	8	0.00%	52	8	0.00%
Petsmart	39	10	0.00%	37	10	0.00%
Club Metro	-	-	0.00%	-	-	0.00%
Turning Point	-	-	0.00%	-	-	0.00%
Schoor DePalma	-	-	0.00%	-	-	0.00%
Best Buy, Inc.	-	-	0.00%	-	-	0.00%
Reiss Manufacturing, Inc.	-	-	0.00%	-	-	0.00%
Hair Systems, Inc.	-	-	0.00%	-	-	0.00%
Pinebrook Care Center	-	-	0.00%	-	-	0.00%
Liberty Manor	-	-	0.00%	-	-	0.00%
	<u>2,124</u>		<u>0.00%</u>	<u>2,116</u>		<u>0.00%</u>

Source: Township Administration Office

Note: Percentage of total employment not available.

**Manalapan-Englishtown Regional School District
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED**

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	270	271	273	296	289	291	291	291	291	290
Special education	160	156	166	180	172	172	180	180	180	180
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	133	135	133	84	120	114	110	113	109	109
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	35	42	37	38	39	39	39	39	38	38
Business administrative services	14	16	16	16	17	17	17	17	16	16
Plant operations and maintenance	65	62	96	96	98	101	97	97	97	97
Pupil transportation	86	85	89	91	89	90	86	86	86	86
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>765</u>	<u>769</u>	<u>812</u>	<u>803</u>	<u>826</u>	<u>826</u>	<u>822</u>	<u>825</u>	<u>819</u>	<u>818</u>

Source: District Personnel Records

**Manalapan-Englishtown Regional School District
Operating Statistics
Last Ten Fiscal Years
UNAUDITED**

Year Ended June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2011	5,275	72,209,706	13,689	-1.64%	765	13:01	14:01	5,292	5,047	-2.00%	95.90%
2012	5,161	73,563,998	14,254	4.13%	769	11:01	12:01	5,195	4,980	-1.83%	95.90%
2013	5,136	77,322,281	15,055	5.62%	812	11:01	12:01	5,118	4,906	-1.49%	95.87%
2014	5,090	79,269,679	15,574	3.45%	803	13:01	13:01	5,057	4,849	-1.19%	95.89%
2015	5,116	80,564,136	15,747	1.12%	826	12:01	12:01	5,097	4,889	0.79%	95.92%
2016	5,039	81,657,645	16,205	2.91%	826	12:01	12:01	5,097	4,889	0.00%	95.92%
2017	5,059	84,498,660	16,703	3.07%	822	12:01	12:01	5,010	4,799	-1.71%	95.79%
2018	5,051	87,160,758	17,256	6.49%	825	12:01	12:01	5,050	4,808	-0.92%	95.21%
2019	4,925	87,703,777	17,808	9.89%	819	12:01	12:01	4,985	4,780	-2.20%	95.89%
2020	4,889	86,517,447	17,696	9.20%	818	12:01	12:01	4,902	4,764	-3.83%	97.18%

Sources: District records, ASSA and Schedules J-4, J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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).

**Manalapan-Englishtown Regional School District
School Building Information
Last Ten Fiscal Years
UNAUDITED**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District Building										
Early Learning Center										
John I. Dawes Early Learning Center (2008)										
Square Feet	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	530	530	530	530	530	530	530	420	361	373
Elementary										
Clark Mills Elementary (1957)										
Square Feet	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551
Capacity (students)	851	851	851	851	851	851	851	851	851	851
Enrollment	605	605	605	605	605	605	605	535	510	494
Taylor Mills Elementary (1965)										
Square Feet	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454
Capacity (students)	521	521	521	521	521	521	521	521	521	521
Enrollment	519	519	519	519	519	519	519	577	601	600
Pine Brook Elementary (1966)										
Square Feet	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260
Capacity (students)	816	816	816	816	816	816	816	816	816	816
Enrollment	778	778	778	778	778	778	778	616	565	564
Lafayette Mills Elementary (1968)										
Square Feet	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230
Capacity (students)	517	517	517	517	517	517	517	517	517	517
Enrollment	508	508	508	508	508	508	508	513	515	476
Milford Brook Elementary (1971)										
Square Feet	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	604	604	604	604	604	604	604	535	544	529
Wemrock Brook Elementary (2002)										
Square Feet	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252
Capacity (students)	642	642	642	642	642	642	642	642	642	642
Enrollment	631	631	631	631	631	631	631	633	636	631
Middle School										
Manalapan Englishtown Middle (1992)										
Square Feet	278,977	278,977	278,977	278,977	278,977	278,977	278,977	278,977	278,977	278,977
Capacity (students)	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
Enrollment	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,222	1,193	1,224
Other										
Administration Building (1909)										
Square Feet	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109
Transportation (2002)										
Square Feet	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760
Bus Repair Facility (2003)										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Bus Wash Facility (2002)										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Number of Schools at June 30, 2020

Early Learning Center = 1
Elementary = 6

Source: District records, ASSA

Middle School = 1
Other = 5

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

**Manalapan-Englishtown Regional School District
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years
UNAUDITED**

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

* School Facilities Project # (s)	Clark Mills Elementary N/A	Lafayette Mills Elementary N/A	Manalapan- Englishtown Middle N/A	Milford Brook Elementary N/A	Pine Brook Elementary N/A	Taylor Mills Elementary N/A	Wemrock Brook Elementary N/A	John I. Dawes Early Learning Center N/A	Other Facilities	Total
2011	94,956	81,632	360,167	88,952	107,491	94,831	126,846	54,223	32,752	1,041,851
2012	84,031	72,239	318,727	78,717	95,123	83,920	112,251	47,984	28,984	921,976
2013	110,392	94,901	418,714	103,411	124,964	110,246	147,465	63,037	38,076	1,211,208
2014	117,546	101,052	445,850	110,113	133,063	117,391	157,022	67,123	40,544	1,289,704
2015	82,763	71,149	313,918	77,530	93,688	82,654	110,558	47,260	28,546	908,067
2016	84,014	72,225	318,662	78,701	95,104	83,903	112,228	47,975	28,978	921,790
2017	93,296	80,204	353,869	87,396	105,611	93,173	124,628	53,275	32,179	1,023,631
2018	111,907	96,204	424,460	104,830	126,679	111,759	149,489	63,902	38,599	1,227,829
2019	110,289	94,812	418,322	103,314	124,847	110,143	147,327	62,978	38,040	1,210,073
2020	135,862	116,797	515,320	127,271	153,796	135,683	181,489	77,581	46,861	1,490,660
Total School Facilities	\$ 1,025,055	\$ 881,215	\$ 3,888,008	\$ 960,236	\$ 1,160,366	\$ 1,023,703	\$ 1,369,303	\$ 585,339	\$ 353,559	\$ 11,246,789

* 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

Manalapan-Englishtown Regional School District
Insurance Schedule
June 30, 2020
Unaudited

Company	Type of Coverage	Coverage	Deductible
COMMERCIAL PACKAGE POLICY			
Utica Mutual Insurance	Property Blanket Building & Contents (Replacement Cost Values)	\$ 259,867,096	\$ 5,000
	Flood	2,515,000	25,000
	Earthquake	3,000,000	25,000
	Limited Water Damage	500,000	-
	Sewer Back Up	1,000,000	-
	Personal Property Limit	Included	-
	Business Income/Extra Expense	Actual loss sustained	-
	Property in Transit	100,000	-
	Property off Premises	100,000	-
	Data Processing Equipment	75,000	-
	Data Media & Computer Programs	10,000	-
	Extra Expense	10,000	-
	Boiler & Machinery	Included	25,000
	Ordinance or Law Coverage		
	Coverage A - Loss to undamaged portion of insured	Value per SOV	-
	Coverage B - Demolition Cost	1,000,000	-
	Coverage C - Inc Cost of Insurance	1,000,000	1,000
	Pollutant Clean-up & Removal	100,000	-
	Utility Services Per Building	500,000	-
	Miscellaneous Equipment	500,000	500
Utica Mutual Insurance	Inland Marine: Additional Limits		
	Data/Media Computer Programs -		
	Blanket All Locations	7,653,300	1,000
	Extra Expense - Blanket All Locations	240,000	-
	Musical Instruments	500,000	500
	Outside Equipment	25,000	-
	Valuable Papers & Records	100,000	-
Utica Mutual Insurance	Crime Coverage		
	Employee Dishonesty	100,000	500
	Forgery or Alteration	100,000	None
	Money & Securities		
	Inside Premises	25,000	-
	Outside Premises	25,000	-
Utica Mutual Insurance	Comprehensive General Liability		
	Per Occurrence	1,000,000	None
	General Aggregate	3,000,000	None
	Products/Completed Operations	3,000,000	None
	Personal/Advertising Injury	1,000,000	None
	Fire/Legal Damage	1,000,000	None
	Medical Expense	10,000	None
	Employee Benefit Liability(excludes students)	1,000,000	1,000
	Aggregate	3,000,000	1,000
	School District/Educational Legal		
	Occurrence	1,000,000	-
	Aggregate	3,000,000	-
	Retention	10,000	-
	Maximum Additional Defense	100,000/50,000	-
	Abuse/Molestation Liability	-	-
	Each Claim	1,000,000	-
	Aggregate	3,000,000	-

(Continued)

Source: District Records

Manalapan-Englishtown Regional School District
Insurance Schedule
June 30, 2020
Unaudited

Company	Type of Coverage	Coverage	Deductible
Utica Mutual Insurance	Automobile Policy		
	Automobile Liability	\$ 1,000,000	\$ -
	Uninsured/Underinsured Motorist	1,000,000	-
	Medical Payments	10,000	
	Comprehensive General Liability	Included	500
	Collision Coverage	Included	1,000
Utica Mutual Insurance	Umbrella Liability		
	Each Occurrence	10,000,000	-
	General Aggregate	10,000,000	-
	Self Insured Retention	10,000	-
Fireman's Fund	Excess Umbrella - NJ CAP Program		
	Limit of Insurance	50,000,000	None
	Aggregate	50,000,000	None
	Employment Practices Liability	25,000,000	
Midwest Employers Casualty Company	Excess Worker's Compensation		
	Coverage A - Worker's Compensation	25,000,000	-
	Coverage B - Employers Liability	1,000,000	-
	Self Insured Retention	400,000	-
	Cash Flow Protection	200,000	-
Peoples Benefit Life Insurance Company	Student Accident - Voluntary Program		
	Benefit Period - 5 years	1,000,000	-
Western Surety	Fidelity Bonds		
	School Business Administrator/Board Secy.	400,000	None
	Asst. School Bus. Admin./Asst. Bd. Secy.	200,000	None
Commerce & Industry	Underground Storage Tank		
	Each Occurrence	2,000,000	5,000
	Annual Aggregate	2,000,000	5,000

SINGLE AUDIT SECTION

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

Honorable President and
Members of the
Manalapan-Englishtown Regional School District
County of Monmouth
Englishtown, New Jersey 07728

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Manalapan-Englishtown Regional School District basic financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Manalapan-Englishtown Regional School District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

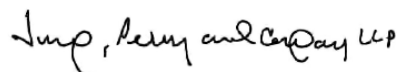
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Manalapan-Englishtown Regional School District financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 18, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW
JERSEY OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Manalapan-Englishtown Regional School District
County of Monmouth
Englishtown, New Jersey 07728

Report on Compliance for Each Major Federal and State Program

We have audited Manalapan-Englishtown Regional School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Manalapan-Englishtown Regional School District's major federal and state programs for the year ended June 30, 2020. Manalapan-Englishtown Regional School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Manalapan-Englishtown Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB Circular 15-08 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 Manalapan-Englishtown Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Manalapan-Englishtown Regional School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Manalapan-Englishtown Regional School District complied, in all material respects, with the types of compliance 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, 2020.

Report on Internal Control Over Compliance

Management of Manalapan-Englishtown Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Manalapan-Englishtown Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB 15-08, 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 Manalapan-Englishtown Regional 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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (continued)

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 18, 2020

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2019	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2020	(Accounts Receivable) at June 30, 2020	Due to Grantor at June 30, 2020
U.S. Department of Education General Fund: Medical Assistance Program (SEMI)	93.778	7/1/19-6/30/20	\$ 80,902	\$ -	\$ -	\$ 80,902	\$ (80,902)	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund				<u>-</u>	<u>-</u>	<u>80,902</u>	<u>(80,902)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund: Food Distribution Program Child Nutrition Cluster: Summer Food Service Program for Children National School Lunch Program National School Lunch Program Special Milk Program Special Milk Program Subtotal Child Nutrition Cluster	10.550 10.559 10.555 10.555 10.556 10.556	7/1/19-6/30/20 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20	110,407 19,608 303,496 207,338 230 24	- - (23,519) - (12) -	- - - - - -	110,407 19,608 23,519 207,338 12 24	(110,407) (19,608) - (207,338) - (24)	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -
Total Enterprise Fund				<u>(23,531)</u>	<u>-</u>	<u>360,908</u>	<u>(337,377)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Education Passed-through State Department of Education: Title I Title I Title II Part A Title II Part A Title III Title III Title IV Special Education Cluster: I.D.E.A. Part B Basic Regular I.D.E.A. Part B Basic Regular I.D.E.A. Part B Preschool I.D.E.A. Part B Preschool Subtotal Special Education Cluster Total Special Revenue Fund	84.010A 84.010A 84.367A 84.367A 84.365A 84.365A 84.424A 84.027 84.027 84.173 84.173	7/1/18-6/30/19 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20	278,091 332,308 72,774 103,620 16,284 29,742 18,511 1,146,774 1,226,243 54,683 79,848	(85,489) - (39,170) - (4,705) - - (166,753) - (32,651) -	- - - - - - - - - - -	85,489 168,126 39,170 81,389 4,705 5,225 12,217 166,753 987,519 32,651 64,298	- (253,378) - (100,209) - (20,402) (12,217) - (1,161,589) - - (77,151)	- - - - - - - - - - -	- - - - - - - - - - -	- (85,252) - (18,820) - - (15,177) - - - (174,070) - - - (12,853) (186,923)	- - - - - - - - - - - - - - -	
Total Expenditures of Federal Awards				<u>\$ (352,299)</u>	<u>\$ -</u>	<u>\$ 2,089,352</u>	<u>\$ (2,043,225)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (306,172)</u>	<u>\$ -</u>

See accompanying notes to schedules of expenditures.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2020

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Final Award Amount	Balance at June 30, 2019	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2020	(Accounts Receivable) at June 30, 2020	Due to Grantor at June 30, 2020	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	1,968,298	-	-	1,771,468	(1,968,298)	-	-	-	-	196,830	1,968,298
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	3,767,124	-	-	3,390,412	(3,767,124)	-	-	-	-	376,712	3,767,124
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	11,071,669	-	-	9,994,307	(11,071,669)	-	-	-	-	1,077,362	11,071,669
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	427,473	-	-	384,726	(427,473)	-	-	-	-	42,747	427,473
Extraordinary Aid	19-100-034-5120-473	7/1/18-6/30/19	752,755	(752,755)	-	752,755	-	-	-	-	-	-	-
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	608,728	-	-	-	(608,728)	-	(608,728)	-	-	-	608,728
Non-public transportation aid	19-495-034-5120-014	7/1/18-6/30/19	35,283	(35,283)	-	35,283	-	-	-	-	-	-	-
Non-public transportation aid	20-495-034-5120-014	7/1/19-6/30/20	5,980	-	-	-	(5,980)	-	(5,980)	-	-	-	5,980
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	2,548,373	-	-	2,548,373	(2,548,373)	-	-	-	-	-	2,548,373
On-behalf TPAF Contribution	19-495-034-5094-002	7/1/18-6/30/19	6,484,635	(121,359)	-	121,359	-	-	-	-	-	-	-
On-behalf TPAF Contribution	20-495-034-5094-002	7/1/19-6/30/20	7,201,998	-	-	7,074,928	(7,201,998)	-	-	(127,070)	-	-	7,201,998
On-behalf TPAF Post-Retirement Medical Contribution	20-495-034-5094-001	7/1/19-6/30/20	2,671,809	-	-	2,671,809	(2,671,809)	-	-	-	-	-	2,671,809
On-behalf TPAF LTDI	20-495-034-5094-004	7/1/19-6/30/20	5,207	-	-	5,207	(5,207)	-	-	-	-	-	5,207
Total General Fund			37,549,332	(909,397)	-	28,750,627	(30,276,659)	-	-	(741,778)	-	1,693,651	30,276,659
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Technology	20-100-034-5120-373	7/1/19-6/30/20	288	-	-	288	(288)	-	-	-	-	-	-
Textbook	19-100-034-5120-064	7/1/18-6/30/19	1,281	1,281	-	-	-	(1,281)	-	-	-	-	-
Textbook	20-100-034-5120-064	7/1/19-6/30/20	422	-	-	422	-	-	-	-	422	-	-
Nursing	20-100-034-5120-070	7/1/19-6/30/20	776	-	-	776	(582)	-	-	-	194	-	-
Security	20-100-034-5120-509	7/1/19-6/30/20	1,200	-	-	1,200	(1,200)	-	-	-	-	-	-
Exam and Classification	20-100-034-5120-066	7/1/19-6/30/20	1,300	-	-	953	(1,300)	-	-	(347)	-	-	-
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	243	-	-	195	(243)	-	-	(48)	-	-	-
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	1,298	-	-	953	(1,298)	-	-	(345)	-	-	-
Total Special Revenue Fund			6,808	1,281	-	4,787	(4,911)	(1,281)	-	(740)	616	-	-
Debt Service Fund:													
Debt service aid	20-495-034-5120-075	7/1/19-6/30/20	398,500	-	-	398,500	(398,500)	-	-	-	-	-	-
			398,500	-	-	398,500	(398,500)	-	-	-	-	-	-
Enterprise Fund:													
State School Lunch Program	19-100-010-3360-067	7/1/18-6/30/19	22,887	(1,797)	-	1,797	-	-	-	-	-	-	-
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	14,497	-	-	14,410	(14,497)	-	-	(87)	-	-	-
			37,384	(1,797)	-	16,207	(14,497)	-	-	(87)	-	-	-
Total Expenditures of State Awards			\$ 37,992,024	\$ (909,913)	\$ -	\$ 29,170,121	\$ (30,694,567)	\$ (1,281)	\$ -	\$ (742,605)	\$ 616	\$ 1,693,651	\$ 30,276,659
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-behalf TPAF Contribution	19-495-034-5094-002	7/1/18-6/30/19	6,484,635	-	-	121,359	-	-	-	-	-	-	-
On-behalf TPAF Contribution	20-495-034-5094-002	7/1/19-6/30/20	7,201,998	-	-	7,074,928	(7,201,998)	-	-	-	-	-	7,201,998
On-behalf TPAF Post-Retirement Medic	20-495-034-5094-001	7/1/19-6/30/20	2,671,809	-	-	2,671,809	(2,671,809)	-	-	-	-	-	-
On-behalf TPAF LTDI	20-495-034-5094-004	7/1/19-6/30/20	5,207	-	-	5,207	(5,207)	-	-	-	-	-	2,671,809
Total State Financial Assistance Not Subject to Single Audit Determination			-	-	-	9,873,303	(9,879,014)	-	-	-	-	-	9,873,807
Total for State Financial Assistance-Major Program Determination							\$ (20,815,553)						

See accompanying notes to schedules of expenditures.

(1) Not subject to Single Audit

Manalapan-Englishtown Regional School District

Notes to the Schedules of Awards and Financial Assistance

June 30, 2020

1. General

The accompanying schedules of expenditures of federal and state awards present the activity of all federal and state award programs of the Manalapan-Englishtown Regional School District (District). The District is defined in Note 1 to the District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented using the modified accrual basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting, and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with or reconcile to amounts reported in the basic financial statements which present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements and 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 fiscal 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 of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two 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 two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year.

Manalapan-Englishtown Regional School District

Notes to the Schedules of Awards and Financial Assistance

June 30, 2020

3. Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(7,048,211) for the General Fund and \$(77,101) for the Special Revenue Fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General Fund and Special Revenue Fund. Financial award revenues are reported in the District’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 80,902	\$ 23,228,448	\$ 23,309,350
Special Revenue Fund	1,625,638	4,911	1,630,549
Debt Service Fund	-	398,500	398,500
Food Service Fund	<u>226,970</u>	<u>14,497</u>	<u>241,467</u>
Total awards and financial assistance	<u>\$ 1,933,510</u>	<u>\$ 23,646,356</u>	<u>\$ 25,579,866</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. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions respectively. TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer’s share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2020.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Manalapan-Englishtown Regional School District

Schedule of Findings and Questioned Costs

June 30, 2020

Section I - Summary of Auditor's Results
Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to general-purpose financial statements noted? yes no

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. - Part B
84.173	I.D.E.A. - Part B Preschool

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Manalapan-Englishtown Regional School District
Schedule of Findings and Questioned Costs (Continued)
June 30, 2020

Section I - Summary of Auditor's Results (continued)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified
 that are not considered to be material
 weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
	State Aid - Public (Cluster)
495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

Manalapan-Englishtown Regional School District

Summary Schedule of Prior Audit Findings

June 30, 2020

Summary Schedule of Prior Year Audit Findings - N/A