

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, 2021

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of the

Manalapan-Englishtown Regional School District
of Monmouth County

Englishtown, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Manalapan-Englishtown Regional School District
Finance Department

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INTRODUCTORY SECTION



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

*Nicole Santora, Ed.D.
Superintendent*

*Veronica Wolf
Board Secretary*

BUSINESS OFFICE

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January 24, 2022

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 that we submit the Comprehensive Annual Financial Report (CAFR) of the Manalapan-Englishtown Regional School District for the fiscal year ended June 30, 2021. 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 school 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, composed 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 committees 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 can also be found on the website. The District also communicates with parents via Blackboard Mass Notifications, a system that provides both phone and email 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.

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 2012-13 through 2021-22.

Enrollment	
School Year	As of October 15
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
2020-21	4,642
2021-22	4,627

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 2020-2021 was approved on May 5, 2020. Overall tax revenue for 2020-2021 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 2020-2021 school year.

MAJOR INITIATIVES

The Manalapan-Englishtown Regional Schools has completed several phases of its One to One Digital Conversion Initiative. During the 2020-2021 school year additional Chromebook carts were introduced so every child had access to a Chromebook in second through eighth grade. In Kindergarten and first grade, all students had access to an IPAD or Chromebook. We also made sure to provide wireless services to those families in need.

CAPITAL IMPROVEMENTS

We did not have any capital improvements during the time other than a modest security camera upgrade.

HEALTH RELATED CLOSURE (COVID-19 PANDEMIC)

The Manalapan-Englishtown Regional Schools began the 2020-2021 school year in a hybrid model where students were attending in-person instruction a half a day and virtual instruction for the remainder of the day every other day, with the alternate day being virtual. Kindergarten attended every day for a ½ day. As the school year continued we began bringing students back. We first brought back special education, in specific programs, to attend every day for the entire day. We then brought back first grade students, second grade students, all special education students, ESL students, and some 504 students to attend a ½ day hybrid model with in person instruction during the morning and virtual instruction in the afternoon. By the end of the year, all students were following this model. We opened the 2021-2022 school year, with all students returning to full day in-person instruction.

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.

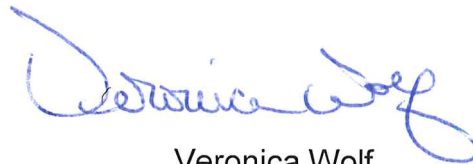
ACKNOWLEDGMENTS

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,

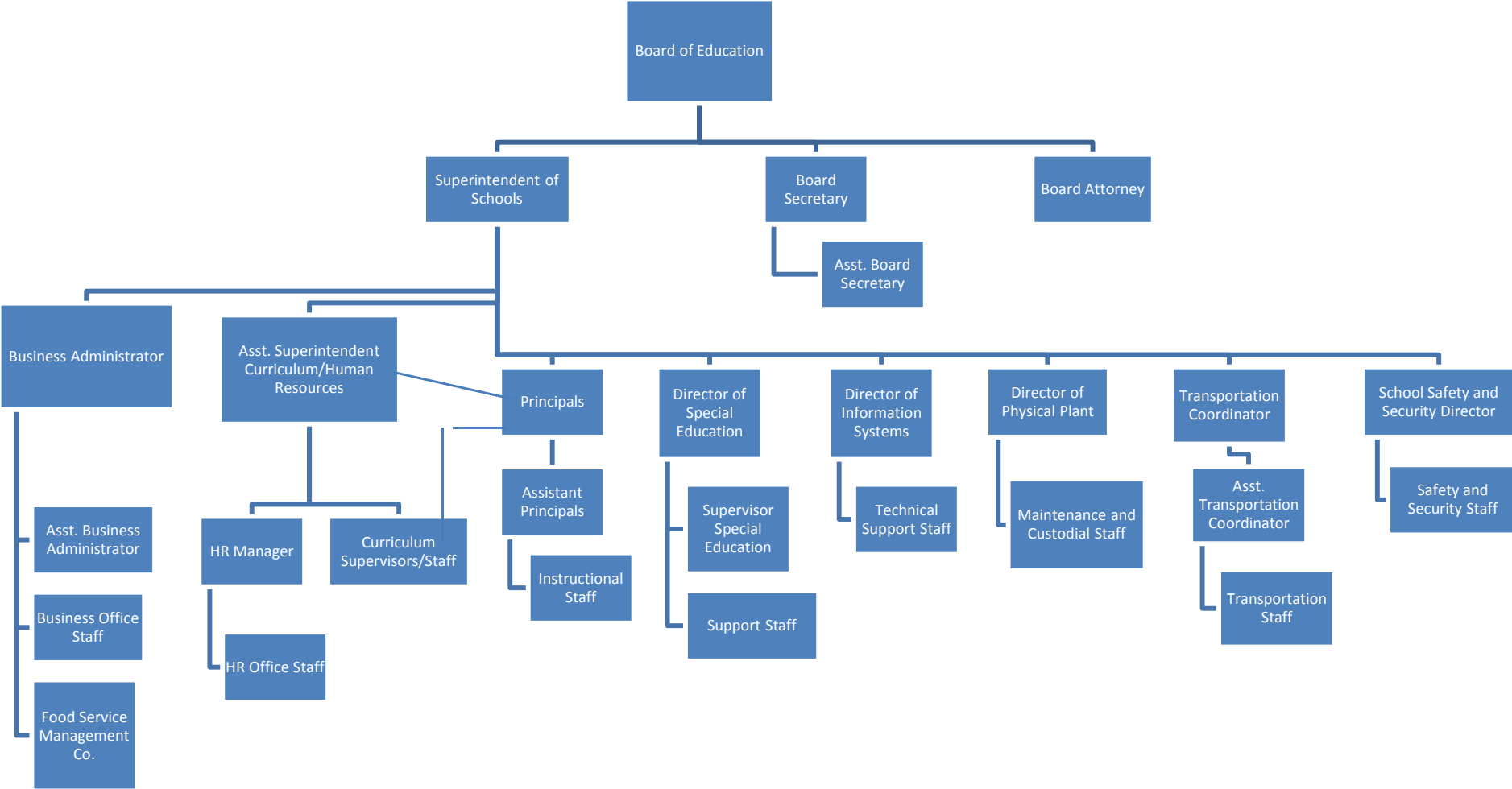


Nicole Santora, Ed.D.
Superintendent



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, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dotty Porcaro, President	2023
Brian Graime, Vice President	2021
Lori Semel	2021
David Kane	2022
Gerald Bruno	2022
John D'Amato	2023
Ryan Uργο	2023
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, 2021, 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, 2021 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 January 24, 2022 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

January 24, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Manalapan-Englishtown Regional School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

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, 2021. 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, 2021 are as follows:

Net position totaled \$46,695,638, which represents a 16.22 percent increase from June 30, 2020.

General revenues accounted for \$83,306,382 in revenue or 86.00 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 \$13,556,375 or 14.00 percent of total revenues of \$96,862,757.

Total assets increased by \$2,023,491 as current assets increased by \$5,538,248 and capital assets, net decreased by \$3,514,757.

The School Board had \$91,214,370 in expenses; only \$13,556,375 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$83,306,382 were adequate to provide for these programs.

Among major funds, the General Fund had \$88,907,561 in revenues and other financing sources and \$85,566,084 in expenditures and transfers. The General Fund's balance increased \$3,341,477 over June 30, 2020. The General Fund's balance is \$23,445,208.

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, 2021 and 2020.

Table 1

Net Position as of June 30, 2021 and June 30, 2020

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 25,194,859	\$ 1,332,579	\$ 26,527,438	\$ 19,985,251	\$ 1,003,939	\$ 20,989,190
Capital assets, net	83,665,678	164,311	83,829,989	87,146,691	198,055	87,344,746
Total assets	108,860,537	1,496,890	110,357,427	107,131,942	1,201,994	108,333,936
Deferred outflow of resources	3,887,112	-	3,887,112	4,678,884	-	4,678,884
Liabilities:						
Current liabilities	1,953,503	673,166	2,626,669	1,379,331	366,929	1,746,260
Long-term liabilities outstanding	51,949,666	-	51,949,666	56,756,176	-	56,756,176
Total liabilities	53,903,169	673,166	54,576,335	58,135,507	366,929	58,502,436
Deferred inflow of resources	12,972,566	-	12,972,566	14,330,869	-	14,330,869
Net position:						
Net investment in capital assets	71,954,497	164,311	72,118,808	70,706,123	198,055	70,904,178
Restricted	19,028,055	-	19,028,055	17,646,089	-	17,646,089
Unrestricted	(45,110,638)	659,413	(44,451,225)	(49,007,762)	637,010	(48,370,752)
Total Net Position	\$ 45,871,914	\$ 823,724	\$ 46,695,638	\$ 39,344,450	\$ 835,065	\$ 40,179,515

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 \$46,695,638 on June 30, 2021. This is a change of 16.22% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2021 and 2020.

Table 2

Changes in Net Position

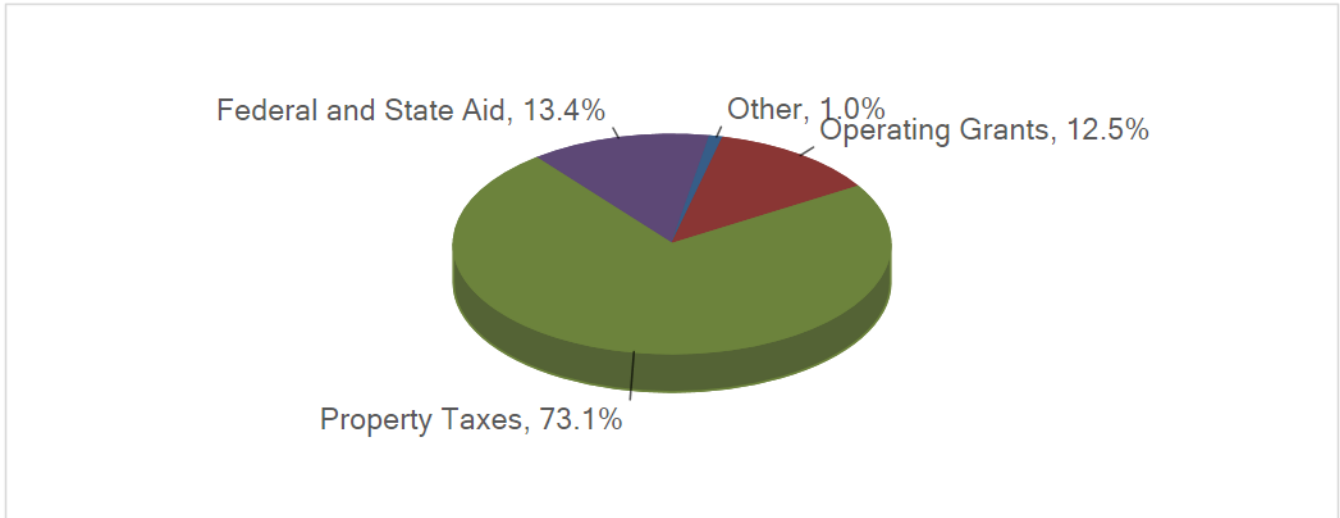
	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 34,379	\$ 30,281	\$ 64,660	\$ 54,713	\$ 1,130,562	\$ 1,185,275
Operating and capital grants and contributions	11,871,215	1,620,500	13,491,715	9,922,660	342,462	10,265,122
General revenues:						
Property taxes	69,619,291	-	69,619,291	68,302,672	-	68,302,672
Federal and state aid	12,787,479	-	12,787,479	15,415,739	-	15,415,739
Investment earnings	17,044	248	17,292	194,301	9,304	203,605
Miscellaneous	882,320	-	882,320	481,762	-	481,762
Total revenues	95,211,728	1,651,029	96,862,757	94,371,847	1,482,328	95,854,175
Expenses						
Instructional services	56,551,836	-	56,551,836	57,718,308	-	57,718,308
Support services	32,786,645	1,662,370	34,449,015	31,904,418	1,470,887	33,375,305
Charter schools	100,389	-	100,389	62,220	-	62,220
Interest on long-term liabilities	113,130	-	113,130	259,487	-	259,487
Total expenses	89,552,000	1,662,370	91,214,370	89,944,433	1,470,887	91,415,320
Change in net position	5,659,728	(11,341)	5,648,387	4,427,414	11,441	4,438,855
Net position - beginning	39,344,450	835,065	40,179,515	34,917,036	823,624	35,740,660
Prior period adjustment	867,736	-	867,736	-	-	-
Net position - beginning restated	40,212,186	835,065	41,047,251	34,917,036	823,624	35,740,660
Net position (deficit) - ending	\$ 45,871,914	\$ 823,724	\$ 46,695,638	\$ 39,344,450	\$ 835,065	\$ 40,179,515

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 decreases in salary and benefits as well as program maintenance and enhancements.

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

Sources of Revenue for Fiscal Year 2021



Expenses for Fiscal Year June 30, 2021

Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenues by \$11,341.

Charges for services represent \$30,281 of revenue. This represents the amount paid by patrons for daily food service.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$1,620,748.

Governmental Activities

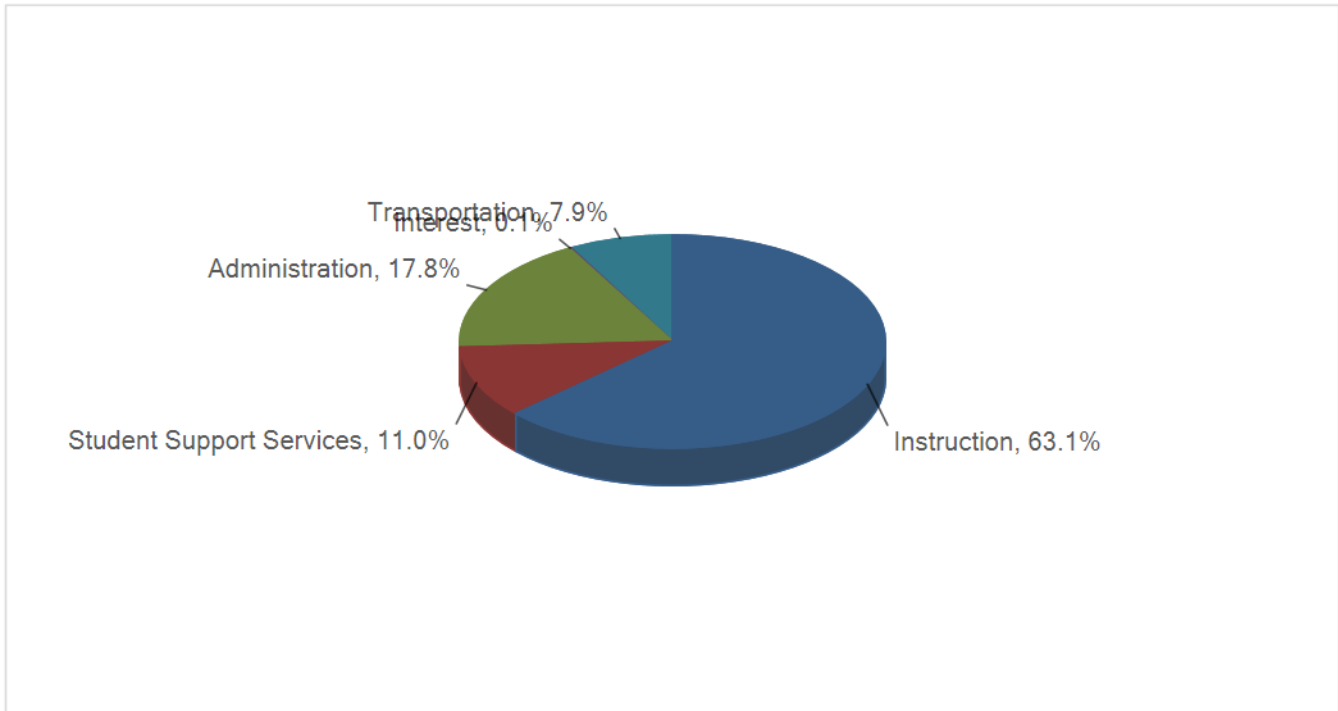
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each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

Table 3

Governmental Activities

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 56,551,836	\$ 49,322,537	\$ 57,718,308	\$ 51,564,475
Support Services:				
Pupils and Instructional Staff	9,828,458	9,290,918	9,572,413	9,092,113
General Administration, School Administration, Business Operation and Maintenance of Facilities	15,963,589	13,205,824	14,704,646	12,638,816
Pupil Transportation	7,094,987	5,733,527	7,689,579	6,448,619
Interest and Fiscal Charges	<u>113,130</u>	<u>93,600</u>	<u>259,487</u>	<u>223,037</u>
Total Expenses	<u>\$ 89,552,000</u>	<u>\$ 77,646,406</u>	<u>\$ 89,944,433</u>	<u>\$ 79,967,060</u>

Expenses for Fiscal Year 2021



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, 2021, it reported a combined fund balance of \$23,481,211, which is an increase of \$4,622,698. 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, 2021.

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 70,138,034	73.67 %	\$ 1,104,586	1.60 %
State Sources	22,275,940	23.40	(1,355,919)	(5.74)
Federal Sources	2,382,754	2.50	676,214	39.62
Other Financing Sources	<u>415,000</u>	<u>0.44</u>	<u>415,000</u>	<u>-</u>
Total	<u>\$ 95,211,728</u>	<u>100.01 %</u>	<u>\$ 839,881</u>	<u>0.89 %</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, 2021.

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 40,853,147	44.67 %	\$ 1,200,747	3.03 %
Undistributed Expenditures	45,976,871	50.27	(888,176)	(1.90)
Capital Outlay	887,641	0.97	501,419	129.83
Debt Service:				
Principal	2,620,000	2.86	125,000	5.01
Interest	<u>1,119,107</u>	<u>1.22</u>	<u>(125,443)</u>	<u>(10.08)</u>
Total	<u>\$ 91,456,766</u>	<u>99.99 %</u>	<u>\$ 813,547</u>	<u>0.90 %</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 \$13,066,997 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$158,196 less 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	\$ 6,141,511
Capital Reserve	3,889,000
Maintenance Reserve	3,500,000
Unemployment compensation	890,718
Excess Surplus - Current Year	4,606,826

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 increased 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 2020-2021 fiscal year and will be used to reduce the local tax levy for the 2022-2023 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2021, the School Board had \$83,829,989 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 9,747,190	\$ 9,747,190	\$ -	\$ -	\$ 9,747,190	\$ 9,747,190
Construction in Progress	-	-	-	-	-	-
Building and Improvements	72,653,729	74,910,289	4,716	13,471	72,658,445	74,923,760
Machinery and Equipment	1,264,759	2,489,212	159,595	184,584	1,424,354	2,673,796
Total	\$ 83,665,678	\$ 87,146,691	\$ 164,311	\$ 198,055	\$ 83,829,989	\$ 87,344,746

During the current fiscal year, \$750,284 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, 2021	June 30, 2020
Bonds Payable (net)	\$ 25,030,000	\$ 27,650,000
Capital Leases payable	1,501,257	1,470,690
Pension Liability-PERS	22,705,160	24,978,477
Compensated Absences payable	<u>2,713,249</u>	<u>2,657,009</u>
Total long-term liabilities	\$ <u>51,949,666</u>	\$ <u>56,756,176</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 2020-2021 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 26.33% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 73.67% of total revenue is from local sources.

The \$(45,110,638) 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 2020-2021 budget was adopted in March 2020 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 2021-2022 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, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 22,641,648	\$ 1,013,901	\$ 23,655,549
Receivables, net	-	18,271	18,271
Receivables - state	1,045,649	6,562	1,052,211
Receivables - federal	881,721	262,596	1,144,317
Interfund receivable	561,437	-	561,437
Inventory	-	31,249	31,249
Miscellaneous accounts receivable	64,404	-	64,404
Capital assets, non-depreciable	9,747,190	-	9,747,190
Capital assets, depreciable, net	73,918,488	164,311	74,082,799
Total assets	<u>108,860,537</u>	<u>1,496,890</u>	<u>110,357,427</u>
DEFERRED OUTFLOWS			
Deferred outflows - PERS	3,887,112	-	3,887,112
Total deferred outflows	<u>3,887,112</u>	<u>-</u>	<u>3,887,112</u>
LIABILITIES			
Accounts payable	472,737	52,958	525,695
Accrued bond interest	239,855	-	239,855
Payroll deductions and withholding payable	546,181	-	546,181
Other current liabilities	556,497	-	556,497
Unearned revenue	138,233	58,771	197,004
Interfund payable	-	561,437	561,437
Noncurrent liabilities:			
Due within one year	3,266,783	-	3,266,783
Due beyond one year	48,682,883	-	48,682,883
Total liabilities	<u>53,903,169</u>	<u>673,166</u>	<u>54,576,335</u>
DEFERRED INFLOWS			
Deferred inflows - PERS	12,361,581	-	12,361,581
Deferred bond issuance costs, net	610,985	-	610,985
Total deferred inflows	<u>12,972,566</u>	<u>-</u>	<u>12,972,566</u>
NET POSITION			
Net investment in capital assets	71,954,497	164,311	72,118,808
Restricted for:			
Unemployment	890,718	-	890,718
Debt service	-	-	-
Other purposes	18,137,337	-	18,137,337
Unrestricted	(45,110,638)	659,413	(44,451,225)
Total net position	<u>\$ 45,871,914</u>	<u>\$ 823,724</u>	<u>\$ 46,695,638</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

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	\$ 37,346,450	\$ 34,369	\$ 3,876,070	\$ -	\$ (33,436,011)	\$ -	\$(33,436,011)
Special schools instruction	14,796,599	-	2,554,410	-	(12,242,189)	-	(12,242,189)
Other special instruction	4,405,450	-	760,540	-	(3,644,910)	-	(3,644,910)
Nonpublic school programs	3,337	-	3,910	-	573	-	573
Support services and undistributed costs:							
Tuition	1,595,283	-	-	-	(1,595,283)	-	(1,595,283)
Student & instruction related services	8,132,786	-	520,210	-	(7,612,576)	-	(7,612,576)
General administration	1,672,542	10	290,615 *	-	(1,381,917)	-	(1,381,917)
School administrative services	3,560,958	-	614,750	-	(2,946,208)	-	(2,946,208)
Central services	1,032,690	-	178,280	-	(854,410)	-	(854,410)
Administrative information technology	461,748	-	79,710	-	(382,038)	-	(382,038)
Plant operations & maintenance	9,235,651	-	1,594,400	-	(7,641,251)	-	(7,641,251)
Pupil transportation	7,094,987	-	1,361,460	-	(5,733,527)	-	(5,733,527)
Charter Schools	100,389	-	17,330	-	(83,059)	-	(83,059)
Interest on long-term debt	113,130	-	19,530	-	(93,600)	-	(93,600)
Unallocated depreciation	-	-	-	-	-	-	-
Total governmental activities	89,552,000	34,379	11,871,215	-	(77,646,406)	-	(77,646,406)
Business-type activities:							
Food service	1,662,370	30,281	1,620,500	-	-	(11,589)	(11,589)
Total business-type activities	1,662,370	30,281	1,620,500	-	-	(11,589)	(11,589)
Total primary government	\$ 91,214,370	\$ 64,660	\$ 13,491,715	\$ -	\$ (77,646,406)	\$ (11,589)	\$(77,657,995)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 66,260,854	\$ -	\$ 66,260,854
Taxes levied for debt service					3,358,437	-	3,358,437
Federal and state aid - not restricted					12,350,439	-	12,350,439
Federal and State aid - restricted					437,040	-	437,040
Miscellaneous income					467,320	-	467,320
Investment earnings - restricted					17,044 ****	248	17,292
Other financing sources/uses					415,000	-	415,000
Total general revenues					83,306,134	248	83,306,382
Change in net position					5,659,728	(11,341)	5,648,387
Net position, July 1					39,344,450	835,065	40,179,515
Prior Period Adjustments					867,736	-	867,736
Net position, July 1 (Restated)					40,212,186	835,065	41,047,251
Net position, June 30					\$ 45,871,914	\$ 823,724	\$ 46,695,638

* Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"

** Internal service fund (ex. Worker's comp) revenue is reported as "charges for services"

*** Includes interest earnings on the flexible benefits bank account

**** Includes the interest earnings on the unemployment compensation bank account and workers' compensation bank account

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
ASSETS				
Cash and cash equivalents	\$ 15,216,645 *	\$ 36,003 *	\$ -	\$ 15,252,648
Receivables, net	-	-	-	-
Due from other funds	953,535	-	-	953,535
Receivables from federal	-	881,721	-	881,721
Receivables from state	1,045,649	-	-	1,045,649
Miscellaneous accounts receivable	58,975	5,429	-	64,404
Restricted cash and cash equivalents	7,389,000	-	-	7,389,000
Total assets	<u>\$ 24,663,804</u>	<u>\$ 923,153</u>	<u>\$ -</u>	<u>\$ 25,586,957</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	398,273	74,464	-	472,737
Interfund payable	15,635	376,463	-	392,098
Payable to state government	-	2,834	-	2,834
Payroll deductions and withholding payable	546,181	-	-	546,181
Unearned revenue	46,630	91,603	-	138,233
Other current liabilities	211,877	341,786	-	553,663
Total liabilities	<u>1,218,596</u>	<u>887,150</u>	<u>-</u>	<u>2,105,746</u>
Fund Balances:				
Restricted for:				
Excess surplus	4,606,826	-	-	4,606,826
Excess surplus -- designated for				
Subsequent year's expenditures	6,141,511	-	-	6,141,511
Maintenance reserve account	3,500,000	-	-	3,500,000
Capital reserve account	3,889,000	-	-	3,889,000
Debt service fund	-	-	-	-
Capital Projects	-	-	-	-
Unemployment compensation	890,718	-	-	890,718
Scholarships	-	551	-	551
Student activities	-	35,452	-	35,452
Committed to:				
Other purposes	-	-	-	-
Assigned to:				
Other purposes	1,851,095	-	-	1,851,095
Designated by the BOE for				
subsequent year's expenditures	500,000	-	-	500,000
Unassigned, reported in:				
General fund	2,066,058	-	-	2,066,058
Total Fund balances	<u>23,445,208</u>	<u>36,003</u>	<u>-</u>	<u>23,481,211</u>
Total liabilities and fund balances	<u>\$ 24,663,804</u>	<u>\$ 923,153</u>	<u>\$ -</u>	

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 \$148,962,567 and the accumulated depreciation is \$65,296,889.	83,665,678
Deferred outflows related to the PERS pension plan	3,887,112
Deferred inflows related to the PERS pension plan	(12,361,581)
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.	(610,985)
Accrued bond interest	(239,855)
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.	(51,949,666)
Net position of governmental activities	<u>\$ 45,871,914</u>

* Include former fiduciary fund cash and cash equivalents

** Include payable due to the State for unreimbursed unemployment invoices

*** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

**** Include unspent employee payroll unemployment contributions

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	\$ 66,260,854	\$ -	\$ 3,358,437	\$ 69,619,291
Tuition charges	34,369	-	-	34,369
Interest on investments	6,440	-	-	6,440
Interest earned on capital and maintenance reserve funds	10,412	-	-	10,412
Interest earned on unemployment - restricted	192 *	-	-	192
Miscellaneous	647,800	(180,470) **	-	467,330
Total - Local Sources	66,960,067	(180,470)	3,358,437	70,138,034
State sources	21,891,124	4,146	380,670	22,275,940
Federal sources	56,370	2,326,384	-	2,382,754
Total revenues	88,907,561	2,150,060	3,739,107	94,796,728
EXPENDITURES				
Current:				
Regular instruction	23,820,690	1,487,230	-	25,307,920
Special education instruction	11,873,611	-	-	11,873,611
Other special instruction	3,668,279	-	-	3,668,279
Nonpublic school programs	-	3,337	-	3,337
Undistributed - current:				
Tuition	1,595,283	-	-	1,595,283
Student & instruction related services	7,826,017	-	-	7,826,017
General administration	1,077,639	594,903 ***	-	1,672,542
School administrative services	3,531,762	-	-	3,531,762
Central services	1,032,690	-	-	1,032,690
Administrative information technology	461,748	-	-	461,748
Plant operations & maintenance	8,459,458	-	-	8,459,458
Pupil transportation	6,779,755	-	-	6,779,755
Other support services	-	-	-	-
Employee benefits	14,517,227	-	-	14,517,227
Unallocated employee benefits	-	-	-	-
Non-budgeted expenditures	-	-	-	-
Special schools	-	-	-	-
Transfer to Charter Schools	100,389	-	-	100,389
Debt service:				
Principal	-	-	2,620,000	2,620,000
Interest and other charges	-	-	1,119,107	1,119,107
Capital outlay	821,536	66,105	-	887,641
Total expenditures	85,566,084	2,151,575	3,739,107	91,456,766
Excess (Deficiency) of revenues over expenditures	3,341,477	(1,515)	-	3,339,962
OTHER FINANCING SOURCES (USES)				
Capital leases	415,000	-	-	415,000
Total other financing sources and uses	415,000	-	-	415,000
Net change in fund balances	3,756,477	(1,515)	-	3,754,962
Fund balance—July 1	18,858,513	-	-	18,858,513
Prior period adjustments	830,218 ****	37,518 *****	-	867,736
Fund balance—July 1, restated	19,688,731	37,518	-	19,726,249
Fund balance—June 30	\$ 23,445,208	\$ 36,003	\$ -	\$ 23,481,211

* Includes interest earnings on the unemployment compensation bank account.

** Special revenue fund now includes revenues from scholarships and student activities.

*** Special Revenue fund now includes expenditures from scholarships and student activities.

**** Unemployment Fund Net Position as of June 30, 2020.

***** Scholarship Fund and Student Activity Fund Net Position as of June 30, 2020.

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, 2021

Total net change in fund balances - governmental funds (from B-2) **\$ 3,754,962**

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>(335,284)</u>	(3,896,013)

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, 2021	(473,775)	
	Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2021	<u>473,775</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. 2,231,042

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. 2,620,000

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. 12,738

In the Statement of Activities, the bond premium is reclassified as a liability. In the governmental funds, the payment is an expenditure. 608,806

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. 384,433

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. (56,240)

Change in net position of governmental activities **\$ 5,659,728**

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type-Activities	
	Enterprise Funds	
	Food Service	Total Enterprise
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,013,901	\$ 1,013,901
Accounts receivable state	6,562	6,562
Accounts receivable federal	262,596	262,596
Other receivables	18,271	18,271
Inventories	31,249	31,249
Total current assets	<u>1,332,579</u>	<u>1,332,579</u>
Noncurrent assets:		
Building improvements	192,533	192,533
Furniture, machinery & equipment	1,147,702	1,147,702
Less accumulated depreciation	<u>(1,175,924)</u>	<u>(1,175,924)</u>
Total noncurrent assets	<u>164,311</u>	<u>164,311</u>
Total assets	<u>\$ 1,496,890</u>	<u>\$ 1,496,890</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 52,958	\$ 52,958
Interfund payable	561,437	561,437
Unearned revenue	58,771	58,771
Total current liabilities	<u>673,166</u>	<u>673,166</u>
NET POSITION		
Net investment in capital assets	164,311	164,311
Unrestricted	659,413	659,413
Total net position	<u>823,724</u>	<u>823,724</u>
Total liabilities and net position	<u>\$ 1,496,890</u>	<u>\$ 1,496,890</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type-Activities Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 21,803	\$ 21,803
Daily sales - non-reimbursable programs	3	3
Special functions	8,475	8,475
Total operating revenues	<u>30,281</u>	<u>30,281</u>
Operating expenses:		
Cost of sales - reimbursable programs	740,412	740,412
Cost of sales - non-reimbursable programs	204	204
Salaries	530,757	530,757
Employee benefits	142,961	142,961
Purchased property service	-	-
Other purchased professional services	27,687	27,687
Cleaning, repair and maintenance services	69,632	69,632
Management fee	95,115	95,115
Miscellaneous expense	4,089	4,089
General supplies	17,769	17,769
Depreciation	33,744	33,744
Total Operating Expenses	<u>1,662,370</u>	<u>1,662,370</u>
Operating income (loss)	<u>(1,632,089)</u>	<u>(1,632,089)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	50,853	50,853
Federal sources:		
National school lunch program	-	-
Special milk program	-	-
Summer Food Service Program for Children	1,428,789	1,428,789
Miscellaneous revenue	-	-
Food distribution program	140,858	140,858
Gain/(loss) on disposal of asset	-	-
Interest and investment revenue	248	248
Total nonoperating revenues (expenses)	<u>1,620,748</u>	<u>1,620,748</u>
Change in net position	<u>(11,341)</u>	<u>(11,341)</u>
Total net position—beginning	835,065	835,065
Total net position—ending	<u>\$ 823,724</u>	<u>\$ 823,724</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities	
	Enterprise Funds	
	Food Service	Total Enterprise
Cash Flows from Operating Activities:		
Receipts from customers and other funds	\$ 26,101	\$ 26,101
Payments to employees	(530,757)	(530,757)
Payments for employee benefits	(142,961)	(142,961)
Payments to suppliers	(496,474)	(496,474)
Net cash provided by (used in) operating activities	(1,144,091)	(1,144,091)
Cash Flows from Noncapital Financing Activities		
State sources	44,378	44,378
Federal sources	1,171,698	1,171,698
Net cash provided by (used in) noncapital financing activities	1,216,076	1,216,076
Cash Flows from Investing Activities		
Interest on investments	248	248
Net cash provided by (used in) investing activities	248	248
Net increase (decrease) in cash and cash equivalents	72,233	72,233
Balances-beginning of the year	941,668	941,668
Balances-end of the year	\$ 1,013,901	\$ 1,013,901
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (1,632,089)	\$ (1,632,089)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:		
Depreciation	33,744	33,744
Gain/(loss) on disposal of fixed assets	-	-
Federal commodities	140,858	140,858
Change in assets and liabilities:		
(Increase) decrease in interfund receivable	-	-
(Increase) decrease in unearned revenue	(4,180)	(4,180)
(Increase) decrease in accounts receivable	-	-
(Increase) decrease in inventory	7,159	7,159
(Increase) decrease in interfund payable	269,928	269,928
Increase (decrease) in accounts payable	40,489	40,489
Total adjustments	487,998	487,998
Net cash provided by (used in) operating activities	\$ (1,144,091)	\$ (1,144,091)

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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 - 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, 2021

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, 2021

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. The implementation of GASB 84 moved the Student Activities Fund and Scholarship Fund to the Special Revenue Fund. The Student Activities Fund and Scholarship Fund have been previously included in the Agency Fund.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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
-----------	------------

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.

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, 2021

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, 2021

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, 2021.

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

2. Summary of Significant Accounting Policies (Continued)

U. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

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.

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.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Objectives 1 and 2 above are effective immediately. Objective 3 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.

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.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

3. Cash and Cash Equivalents and Investments (Continued)

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.

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%.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

3. Cash and Cash Equivalents and Investments (Continued)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. 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, 2021, 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, 2021, the carrying amount of the District's deposits for all funds was \$23,655,551 and the bank balance was \$24,497,859. 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.

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, 2021, the District's Cash and Cash Equivalents consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 22,976,138
Capital Reserve	679,288
Change Funds	<u>125</u>
Totals	<u>\$ 23,655,551</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

3. Cash and Cash Equivalents and Investments (Continued)

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.

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 2,627,001
Add:	
Deposits	3,143,587
Interest earnings	412
Transfer of unspent funds	-
Less:	
Board resolution	-
FY 2020-2021 Budgeted withdrawal	<u>1,882,000</u>
Ending Balance, June 30, 2021	<u>\$ 3,889,000</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects is \$3,978,750.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

4. Restricted Cash Reserves (Continued)

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.

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 2,500,000
Add:	
Deposits	1,500,000
Interest Earned	-
Less:	
FY 2020-2021 Budgeted withdrawal	<u>500,000</u>
Ending balance, June 30, 2021	<u>\$ 3,500,000</u>

5. Receivables

Receivables at June 30, 2021 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 Statements	District-Wide Financial Statements
State Aid	\$ 1,045,649	1,052,211
Federal Aid	881,721	1,144,317
Interfunds	953,535	561,437
Other	<u>64,404</u>	<u>82,675</u>
Gross Receivables	2,945,309	2,840,640
Less: Allowance for Uncollectible	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 2,945,309</u>	<u>2,840,640</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

6. Capital Assets

Capital assets consisted of the following at June 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land and land improvements	\$ 9,747,190	\$ -	\$ -	\$ 9,747,190
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>9,747,190</u>	<u>-</u>	<u>-</u>	<u>9,747,190</u>
Capital Assets Being Depreciated				
Building and Building Improvements	122,344,106	-	-	122,344,106
Machinery and Equipment	<u>16,594,762</u>	<u>750,284</u>	<u>(473,775)</u>	<u>16,871,271</u>
Totals at Historical Cost	<u>138,938,868</u>	<u>750,284</u>	<u>(473,775)</u>	<u>139,215,377</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(47,433,817)	(2,256,560)	-	(49,690,377)
Machinery and Equipment	<u>(14,105,550)</u>	<u>(1,974,737)</u>	<u>473,775</u>	<u>(15,606,512)</u>
Total Accumulated Depreciation	<u>(61,539,367)</u>	<u>(4,231,297)</u>	<u>473,775</u>	<u>(65,296,889)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>77,399,501</u>	<u>(3,481,013)</u>	<u>-</u>	<u>73,918,488</u>
Government Activity Capital Assets, Net	<u>\$ 87,146,691</u>	<u>\$ (3,481,013)</u>	<u>\$ -</u>	<u>\$ 83,665,678</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building improvements	\$ 192,533	\$ -	\$ -	\$ 192,533
Equipment	<u>1,147,702</u>	<u>-</u>	<u>-</u>	<u>1,147,702</u>
Totals at Historical Cost	1,340,235	-	-	1,340,235
Less Accumulated Depreciation for:				
Building Improvements	(179,062)	(8,755)	-	(187,817)
Machinery and Equipment	<u>(963,118)</u>	<u>(24,989)</u>	<u>-</u>	<u>(988,107)</u>
Total Accumulated Depreciation	<u>(1,142,180)</u>	<u>(33,744)</u>	<u>-</u>	<u>(1,175,924)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 198,055</u>	<u>\$ (33,744)</u>	<u>\$ -</u>	<u>\$ 164,311</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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	315,232
Total depreciation expense	<u>\$ 4,231,297</u>

7. Long-term Liabilities

During the fiscal year ended June 30, 2021 the following changes occurred in the non-current liabilities:

	Balance June 30, 2020	Increase/ (Decrease)	Balance June 30, 2021	Due within one year
Bonds payable	\$ 27,650,000	\$ (2,620,000)	\$ 25,030,000	\$ 2,755,000
Obligations under capital leases	1,470,690	30,567	1,501,257	303,920
Compensated absences payable	2,657,009	56,240	2,713,249	207,863
Pension liability - PERS	<u>24,978,477</u>	<u>(2,273,317)</u>	<u>22,705,160</u>	<u>-</u>
	<u>\$ 56,756,176</u>	<u>\$ (4,806,510)</u>	<u>\$ 51,949,666</u>	<u>\$ 3,266,783</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
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	3,130,000	468,600	3,598,600
2027-2029	<u>10,150,000</u>	<u>619,000</u>	<u>10,769,000</u>
	<u>\$ 25,030,000</u>	<u>\$ 4,222,006</u>	<u>\$ 29,252,006</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

7. Long-term Liabilities (Continued)

B. Bonds Authorized But Not Issued

As of June 30, 2021, the District had no authorized but not issued bonds.

C. Capital Leases

The District is leasing buses totaling \$2,933,956, with a net book value of \$1,501,257 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, 2021:

Year ended June 30,	
2022	\$ 339,736
2023	339,736
2024	234,675
2025	186,811
2026	186,811
2027-2030	<u>346,686</u>
Total minimum lease payments	1,634,455
Less: amounts representing interest	<u>(133,198)</u>
Present value of lease payments	<u>\$ 1,501,257</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/annual-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.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021

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, 2021, the School District reported a liability of \$22,705,160 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, 2019, 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 .1392323789%, which was an increase of .0016043828% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$1,185,613 in the government-wide financial statements consisting of employer contributions of \$1,523,132 and non-employer contributions of \$(337,519). 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	\$ 413,424	\$ 80,295
Changes of assumptions	736,581	9,506,865
Net difference between projected and actual earnings on pension plan investments	776,081	-
Changes in proportion and differences between District contributions and proportionate share of contributions	430,220	2,774,421
District contributions subsequent to the measurement date	<u>1,530,806</u>	<u>-</u>
Total	<u>\$ 3,887,112</u>	<u>\$ 12,361,581</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

8. Pension Plans (Continued)

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

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

\$1,530,806 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:	
2021	\$ (3,720,868)
2022	(3,392,301)
2023	(1,938,613)
2024	(783,943)
2025	(169,550)
Thereafter	-
Total	<u>\$ (10,005,275)</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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
June 30, 2020	5.16	-
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
June 30, 2020	-	5.16
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
June 30, 2020	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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2019, 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	28,806,760	22,705,160	17,857,821

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	2,347,583,337	3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's Portion	.1392323789%	.1376279961%

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/annual-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, 2021

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, 2021

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 \$212,408,087. 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, 2019, 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 .3225694287%, which was an decrease of .0003822231% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized a pension expense in the amount of \$9,558,313 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, 2019, 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-2020.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

8. Pension Plans (Continued)

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

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 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 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

8. Pension Plans (Continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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 (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	250,046,444	212,408,087	182,010,083

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.

Additional Information - The following is a summary of the collective balances of the local group.

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	9,626,548,228	10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's Portion	.3225694287%	.3229516518%

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021 were \$201,138. There was no liability for unpaid contributions at June 30, 2021.

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, 2021

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, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	149,304
Active plan members	<u>216,804</u>
Total	<u><u>366,108</u></u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2020 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%-5.6%
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-2020. 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-2020. 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-2020

The actuarial assumptions used in the June 30, 2019 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, 2021

10. Post-Retirement Benefits (Continued)

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

Balance at June 30, 2019	\$ 41,729,081,045
Changes for the year:	
Service cost	1,790,973,822
Interest on the total OPEB liability	1,503,341,357
Differences Between Expected and Actual Experience	11,544,750,637
Changes in assumptions	12,386,549,981
Gross benefit payments by the state	(1,180,515,618)
Contributions from members	<u>35,781,384</u>
Net changes	<u>26,080,881,563</u>
Balance at June 30, 2020	<u>\$ 67,809,962,608</u>

Discount rate

The discount rate for June 30, 2020 was 2.21%. 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, 2020 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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability of the State for School Retirees	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160
Total OPEB Liability of the State Associated with the School District for School Retirees	\$303,508,834	\$251,759,306	\$211,296,148

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Post-Retirement Benefits (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% 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 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% 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, 2020 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	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$203,228,596	\$251,759,306	\$309,548,590

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$2,995,427 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 29, 2020, 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, 2021

10. Post-Retirement Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,294,318,750	\$ (9,170,703,615)
Changes of assumptions	11,534,251,250	(7,737,500,827)
Contributions made in fiscal year ending 2020 after June 30, 2019 measurement date	-	-
Total	<u>\$ 21,828,570,000</u>	<u>\$(16,908,204,442)</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:	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
Total	<u>\$ 4,921,365,558</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021

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
2020-2021	\$ 192	125,000	64,692	\$ 890,718
2019-2020	6,508	164,313	100,768	830,218
2018-2019	7,475	164,566	114,348	760,165

14. Interfund Balances and Activity

The following interfund balances remained on the balance sheet at June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 953,535	\$ 15,635
Special Revenue Fund	-	376,463
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	-	561,437
Trust and Agency Fund	-	-
	<u>\$ 953,535</u>	<u>\$ 953,535</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, 2021 consisted of the following:

Food	\$ 10,123
Supplies	9,508
Commodities	<u>11,618</u>
	<u>\$ 31,249</u>

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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 \$23,445,208 General Fund balance at June 30, 2021, \$1,851,095 of encumbrances is assigned to other purposes, \$4,606,826 is restricted for excess surplus, \$6,141,511 is restricted for excess surplus designated for subsequent year's expenditures, \$500,000 is assigned to offset 2021-22 general fund expenditures, \$3,889,000 is restricted for capital reserve, \$3,500,000 is restricted for maintenance reserve, \$890,718 is restricted for unemployment and \$2,066,058 is unreserved and undesignated.

Special Revenue Fund - Of the \$36,003 Special Revenue Fund balance at June 30, 2021, \$551 is restricted for scholarships and \$35,452 is restricted for student activities.

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, 2021 is \$4,606,826.

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2021. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2018.

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

20. Subsequent Events

Management has evaluated subsequent events through January 24, 2022, 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.

23. Prior Period Adjustment

GASB Statement No. 84 established criteria for identifying funds to be included as Fiduciary Funds. The implementation of GASB 84 created new accounting and reporting requirements for funds previously included in Fiduciary Funds as follows:

- Unemployment Compensation Fund is included in the General Fund
- Scholarship Fund is included in the Special Revenue Fund
- Student Activity Fund is included in the Special Revenue Fund
- Payroll Agency, Flexible Spending Accounts and Summer Savings Funds are included in the General Fund

Manalapan-Englishtown Regional School District

Notes to Financial Statements

For the Year Ended June 30, 2021

23. Prior Period Adjustment (Continued)

The Unemployment Compensation Fund had a fund balance of \$830,218 at June 30, 2020. This balance is shown as a prior period adjustment to the General Fund's beginning fund balance. The restated beginning fund balance is \$19,688,731.

The Student Activity Fund had a fund balance of \$35,442 at June 30, 2020 and the Scholarship Fund had a fund balance of \$2,076 at June 30, 2020. The combined balance of \$37,518 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$37,518.

The adoption of GASB 84 and the inclusion of the activity of the above referenced funds in the General Fund and Special Revenue Fund that were previously included in the Fiduciary Funds also created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 66,260,854	\$ -	\$ 66,260,854	\$ 66,260,854	\$ -
Tuition from individuals	-	-	-	34,369	34,369
Tuition from other LEA's Within	-	-	-	-	-
Tuition from governmental sources	-	-	-	-	-
Tuition from other sources	-	-	-	-	-
Interest on investments	-	-	-	6,440	6,440
Interest earned on emergency reserve	-	-	-	-	-
Interest earned on maintenance reserve	500	-	500	-	(500)
Interest earned on capital reserve funds	1,500	-	1,500	412	(1,088)
Interest earned on unemployment - restricted	-	-	-	192 *	192
Rents and royalties	116,000	-	116,000	10,000	(106,000)
Sale of property	700,000	-	700,000	-	(700,000)
Miscellaneous	388,153	-	388,153	647,800 **	259,647
Total - local sources	67,467,007	-	67,467,007	66,960,067	(506,940)
State sources:					
Equalization aid	8,768,467	-	8,768,467	8,768,467	-
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	750,000	-	750,000	1,048,886	298,886
Other state aid	-	-	-	46,110	46,110
TPAF - Post Retirement Medical (On-Behalf-Non-Budgeted)	-	-	-	2,995,427	2,995,427
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	9,558,313	9,558,313
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	4,760	4,760
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	2,630,675	2,630,675
Total state sources	15,681,362	-	15,681,362	31,215,533	15,534,171
Federal Sources					
Medicaid Reimbursement	50,248	2,374	52,622	56,370	3,748
Total - Federal Sources	50,248	2,374	52,622	56,370	3,748
Total revenues	83,198,617	2,374	83,200,991	98,231,970	15,030,979
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	1,765,350	(92,500)	1,672,850	1,564,448	108,402
Grades 1-5 - Salaries of teachers	12,033,000	(646,350)	11,386,650	11,099,570	287,080
Grades 6-8 - Salaries of teachers	8,180,000	(113,460)	8,066,540	7,884,847	181,693
Unused sick pay	-	31,180	31,180	17,839	13,341
Regular Programs - Home Instruction:					
Salaries of teachers	40,000	-	40,000	29,402	10,598
Purchased professional-educational services	20,000	-	20,000	-	20,000
Regular Programs - Undistributed Instruction					
Other salaries for instruction	10,000	-	10,000	-	10,000
Purchased professional-educational services	1,750	3,661	5,411	3,860	1,551
Purchased technical services	-	10,191	10,191	9,717	474
Other purchased services (400-500 series)	638,950	107,409	746,359	653,932	92,427
General supplies	1,499,521	23,713	1,523,234	1,121,191	402,043
Textbooks	107,100	(48,640)	58,460	54,320	4,140
Other objects	46,070	(38,597)	7,473	3,672	3,801
TOTAL REGULAR PROGRAMS - INSTRUCTION	24,341,741	(763,393)	23,578,348	22,442,798	1,135,550

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	802,400	47,500	849,900	795,268	54,632
Other salaries for instruction	419,110	(13,000)	406,110	377,741	28,369
Unused sick pay	-	5,833	5,833	5,512	321
Purchased professional-educational services	-	24,000	24,000	17,011	6,989
Other purchased services (400-500 series)	500	-	500	-	500
General supplies	7,500	-	7,500	507	6,993
Total Learning and/or Language Disabilities	1,229,510	64,333	1,293,843	1,196,039	97,804
Multiple Disabilities:					
Salaries of teachers	152,100	145,000	297,100	223,677	73,423
Other salaries for instruction	133,000	(48,200)	84,800	55,486	29,314
Unused sick pay	-	-	-	-	-
Purchased professional-educational services	-	35,200	35,200	32,437	2,763
Purchased technical services	1,000	-	1,000	-	1,000
General supplies	2,000	-	2,000	-	2,000
Total Multiple Disabilities	288,100	132,000	420,100	311,600	108,500
Resource Room/Resource Center:					
Salaries of teachers	5,429,675	89,500	5,519,175	5,357,295	161,880
Other salaries for instruction	490,600	(28,000)	462,600	425,105	37,495
Unused sick pay	-	27,105	27,105	22,693	4,412
Purchased professional-educational services	-	7,000	7,000	3,432	3,568
Other purchased services (400-500 series)	500	-	500	-	500
General supplies	1,500	(100)	1,400	-	1,400
Total Resource Room/Resource Center	5,922,275	95,505	6,017,780	5,808,525	209,255
Preschool Disabilities - Part-Time:					
Salaries of teachers	307,150	(14,350)	292,800	282,979	9,821
Other salaries for instruction	105,650	22,850	128,500	127,971	529
General supplies	1,000	100	1,100	-	1,100
Total Preschool Disabilities - Part-Time:	413,800	8,600	422,400	410,950	11,450
Preschool Disabilities - Full-Time:					
Salaries of teachers	467,500	28,500	496,000	483,591	12,409
Other salaries for instruction	230,500	85,000	315,500	288,277	27,223
Unused sick pay	-	-	-	-	-
Purchased educational services	120,500	(40,500)	80,000	-	80,000
General supplies	750	-	750	-	750
Total Preschool Disabilities - Full-Time:	819,250	73,000	892,250	771,868	120,382
Home Instruction					
Salaries of teachers	5,000	30,500	35,500	32,525	2,975
Purchased professional-educational services	10,000	(7,000)	3,000	484	2,516
Total Home Instruction	15,000	23,500	38,500	33,009	5,491
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,687,935	396,938	9,084,873	8,531,991	552,882
Basic Skills/Remedial - Instruction					
Salaries of teachers	2,296,325	(159,100)	2,137,225	2,039,031	98,194
Unused sick pay	-	1,013	1,013	506	507
General supplies	3,500	346	3,846	3,005	841
Total Basic Skills/Remedial - Instruction	2,299,825	(157,741)	2,142,084	2,042,542	99,542
Bilingual Education - Instruction					
Salaries of teachers	453,150	182,600	635,750	478,046	157,704
Other salaries for instruction	62,150	22,000	84,150	58,985	25,165
Unused sick pay	-	-	-	-	-
Purchased educational services	-	-	-	-	-
Other purchased services (400-500 series)	1,900	-	1,900	-	1,900
General supplies	3,100	-	3,100	1,216	1,884
Total Bilingual Education - Instruction	520,300	204,600	724,900	538,247	186,653
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	200,000	-	200,000	121,688	78,312
Purchased services (300-500 series)	13,500	(5,000)	8,500	2,536	5,964
Supplies and materials	6,000	10,000	16,000	11,617	4,383
Other objects	3,500	-	3,500	-	3,500
Total School-Spon. Cocurric. Actvts. - Instruction	223,000	5,000	228,000	135,841	92,159
School-Spon. Athletics - Instruction					
Salaries	150,000	-	150,000	30,276	119,724
Purchased services (300-500 series)	15,000	(6,000)	9,000	2,884	6,116
Supplies and materials	15,000	10,149	25,149	7,139	18,010
Other objects	3,500	(2,000)	1,500	-	1,500
Total School-Spon. Athletics - Instruction	183,500	2,149	185,649	40,299	145,350
TOTAL INSTRUCTION	36,256,301	(312,447)	35,943,854	33,731,718	2,212,136

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	311,142	223,762	534,904	515,921	18,983
Tuition to CSSD & Regional Day Schools	218,535	113,423	331,958	324,037	7,921
Tuition to Private Schools for the Disabled - Within State	916,549	(194,925)	721,624	635,291	86,333
Tuition - Other	272,445	(97,650)	174,795	120,034	54,761
Total Undistributed Expenditures - Instruction	1,718,671	44,610	1,763,281	1,595,283	167,998
Undist. Expend. - Attendance and Social Work					
Salaries	14,566	75	14,641	14,626	15
Total Undistributed Expenditures - Attendance and Social Work	14,566	75	14,641	14,626	15
Undist. Expend. - Health Services					
Salaries	702,095	9,550	711,645	666,842	44,803
Purchased professional and technical services	31,500	(3,000)	28,500	15,000	13,500
Other purchased services (400-500 series)	10,000	(6,920)	3,080	165	2,915
Supplies and materials	19,300	11,305	30,605	23,135	7,470
Other objects	500	-	500	-	500
Unused sick pay	-	4,298	4,298	3,560	738
Total Undistributed Expenditures - Health Services	763,395	15,233	778,628	708,702	69,926
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries of other professional staff	1,246,930	21,600	1,268,530	1,187,939	80,591
Purchased professional - educational services	250,000	(9,300)	240,700	67,118	173,582
Supplies and materials	3,500	(218)	3,282	1,324	1,958
Unused sick pay	-	4,343	4,343	4,343	-
Total Undist. Expend. - Speech, OT, PT & Related Services	1,500,430	16,425	1,516,855	1,260,724	256,131
Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.					
Salaries	824,025	(100,300)	723,725	651,135	72,590
Unused sick pay	-	5,336	5,336	4,939	397
Purchased professional - educational services	650,000	18,276	668,276	392,715	275,561
Supplies and materials	10,000	4,965	14,965	14,324	641
Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.	1,484,025	(71,723)	1,412,302	1,063,113	349,189
Undist. Expend. - Guidance					
Salaries of other professional staff	573,215	7,400	580,615	572,800	7,815
Salaries of secretarial and clerical assistants	40,115	-	40,115	40,108	7
Other salaries	4,000	-	4,000	1,348	2,652
Purchased professional - educational services	9,000	(8,000)	1,000	-	1,000
Other purchased services (400-500 series)	70,000	(8,142)	61,858	61,858	-
Supplies and materials	17,700	(13,535)	4,165	3,526	639
Total Undist. Expend. - Guidance	714,030	(22,277)	691,753	679,640	12,113
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	1,703,610	(2,900)	1,700,710	1,658,822	41,888
Salaries of secretarial and clerical assistants	132,500	(7,000)	125,500	96,496	29,004
Other salaries	2,500	16,000	18,500	14,266	4,234
Unused sick pay	-	4,582	4,582	4,582	-
Purchased professional - educational services	3,500	-	3,500	-	3,500
Other purchased professional and technical services	36,500	-	36,500	17,246	19,254
Other purchased services (400-500 series)	450	-	450	-	450
Supplies and materials	5,500	(2,747)	2,753	1,042	1,711
Other objects	550	-	550	275	275
Total Undist. Expend. - Child Study Teams	1,885,110	7,935	1,893,045	1,792,729	100,316
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	252,400	-	252,400	252,131	269
Salaries of other professional staff	379,080	138,000	517,080	499,625	17,455
Salaries of secretarial and clerical assist.	14,830	-	14,830	14,825	5
Other salaries	1,000	-	1,000	-	1,000
Other purchased services (400-500)	5,800	17,000	22,800	16,918	5,882
Supplies and materials	2,500	688	3,188	3,188	-
Other objects	4,000	-	4,000	3,080	920
Total Undist. Expend. - Improvement of Instruction Services	659,610	155,688	815,298	789,767	25,531
Undist. Expend. - Educational Media Services/School Library					
Salaries	1,088,370	47,000	1,135,370	1,129,532	5,838
Unused sick pay	-	-	-	-	-
Supplies and materials	40,000	(11,105)	28,895	27,891	1,004
Other objects	15,500	-	15,500	14,759	741
Total Undist. Expend. - Ed. Media Services/School Library	1,143,870	35,895	1,179,765	1,172,182	7,583

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instruction Staff Training Services					
Salaries of supervisors of instruction	260,875	-	260,875	255,465	5,410
Salaries of other professional staff	39,865	-	39,865	36,039	3,826
Salaries of secretarial & clerical assist.	22,240	-	22,240	22,237	3
Other salaries	5,000	25,000	30,000	725	29,275
Unused sick pay	-	-	-	-	-
Purchased professional - educational services	68,900	(6,000)	62,900	13,317	49,583
Other purchased services (400-500 series)	36,900	2,237	39,137	14,696	24,441
Supplies and materials	3,000	160	3,160	1,348	1,812
Other objects	800	308	1,108	707	401
Total Undist. Expend. - Instruction Staff Training Services	437,580	21,705	459,285	344,534	114,751
Undist. Expend. - Support Service - General Administration					
Salaries	268,000	-	268,000	267,295	705
Legal services	150,000	1,883	151,883	51,666	100,217
Audit fees	50,000	-	50,000	45,000	5,000
Architectural/Engineering Services	235,000	189,547	424,547	259,789	164,758
Other purchased professional services	53,000	-	53,000	36,000	17,000
Purchased technical services	15,000	-	15,000	12,845	2,155
Communications/Telephone	500,000	1,119	501,119	327,240	173,879
BOE other purchased services	5,000	-	5,000	900	4,100
Misc purchased services (400-500 series)	48,400	(8,271)	40,129	27,214	12,915
General supplies	4,000	5,271	9,271	501	8,770
BOE In-House Training/Meeting Supplies	4,000	3,000	7,000	3,112	3,888
Judgements against the School District	200,000	(129,100)	70,900	-	70,900
Miscellaneous expenditures	9,500	-	9,500	7,444	2,056
Membership Dues and Fees	27,000	12,000	39,000	38,633	367
Total Undist. Expend. - Support Service - Gen. Admin.	1,568,900	75,449	1,644,349	1,077,639	566,710
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	2,210,220	102,450	2,312,670	2,304,580	8,090
Salaries of other professional staff	282,600	10,000	292,600	291,803	797
Salaries of secretarial and clerical assistants	849,365	(4,700)	844,665	799,200	45,465
Other salaries	14,000	80	14,080	6,079	8,001
Unused vacation pay	-	12,232	12,232	12,223	9
Unused sick pay	-	21,574	21,574	21,160	414
Other purchased services (400-500 series)	27,000	(80)	26,920	16,853	10,067
Travel - All Other	8,250	(1,565)	6,685	-	6,685
Supplies and materials	58,255	13,344	71,599	57,536	14,063
Other objects	21,900	2,278	24,178	22,328	1,850
Total Undist. Expend. - Support Service - School Admin.	3,471,590	155,613	3,627,203	3,531,762	95,441
Undist. Expend. - Support Service - Central Services					
Salaries	824,600	-	824,600	817,092	7,508
Purchased professional services	46,000	750	46,750	24,156	22,594
Purchased technical services	242,150	(26,950)	215,200	127,680	87,520
Other purchased services (400-500 series)	83,550	-	83,550	42,397	41,153
Supplies and materials	37,800	(611)	37,189	15,103	22,086
Other objects	9,350	-	9,350	6,262	3,088
Total Undist. Expend. - Support Service - Central Services	1,243,450	(26,811)	1,216,639	1,032,690	183,949
Undist. Expend. - Support Service - Admin. Information Tech.					
Salaries	218,550	-	218,550	217,080	1,470
Unused sick pay	-	-	-	-	-
Purchased technical services	293,175	(31,660)	261,515	241,960	19,555
Other purchased services	13,200	(12,724)	476	276	200
Supplies and materials	5,000	672	5,672	2,432	3,240
Other objects	1,300	(1,300)	-	-	-
Total Undist. Expend. - Support Service - Admin. Info. Tech.	531,225	(45,012)	486,213	461,748	24,465
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	796,907	1,736,907	1,266,811	470,096
General supplies	160,000	48,969	208,969	197,851	11,118
Other objects	10,000	-	10,000	8,188	1,812
Total Undist. Expend. - Required Maint. for School Facilities	1,110,000	845,876	1,955,876	1,472,850	483,026

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial services					
Salaries	3,695,800	(184,200)	3,511,600	3,428,449	83,151
Salaries of Non-instructional Aides	355,150	-	355,150	18,052	337,098
Unused vacation pay	-	8,870	8,870	8,857	13
Unused sick pay	-	1,233	1,233	1,219	14
Purchased professional and technical services	20,000	(2,000)	18,000	14,360	3,640
Cleaning, repair and maintenance services	310,000	12,574	322,574	306,797	15,777
Other purchased property services	175,000	-	175,000	141,636	33,364
Insurance	537,000	(35,500)	501,500	484,262	17,238
Miscellaneous purchased services	3,000	-	3,000	-	3,000
General supplies	300,000	130,183	430,183	381,461	48,722
Energy - Natural gas	510,000	-	510,000	399,107	110,893
Energy - Electricity	1,200,000	(128,357)	1,071,643	724,500	347,143
Energy - Gasoline	500	-	500	-	500
Other objects	12,750	21,250	34,000	30,815	3,185
Total Undist. Expend. - Custodial Services	7,119,200	(175,947)	6,943,253	5,939,515	1,003,738
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	248,650	29,500	278,150	267,562	10,588
Cleaning, Repair, and Maintenance Services	240,000	14,350	254,350	251,930	2,420
General Supplies	70,000	10,000	80,000	63,522	16,478
Other Objects	10,500	(6,000)	4,500	320	4,180
Total Undistributed Expenditures - Care and Upkeep of Grounds	569,150	47,850	617,000	583,334	33,666
Undistributed Expenditures - Security					
Salaries	\$ 324,875	\$ 23,750	\$ 348,625	\$ 348,137	\$ 488
Unused sick pay	-	-	-	-	-
Purchased Professional & Technical Services	78,000	(6,625)	71,375	65,685	5,690
Cleaning, Repair, and Maintenance Services	50,000	23,564	73,564	44,245	29,319
General Supplies	26,500	(9,500)	17,000	4,732	12,268
Other Objects	18,300	-	18,300	960	17,340
Total Undistributed Expenditures - Security	497,675	31,189	528,864	463,759	65,105
Undist. Expend. - Student Transportation Services					
Salaries of Non-instructional Aides	322,200	-	322,200	286,637	35,563
Salaries for pupil transp.(between home and school) - Regular	2,236,000	(140,000)	2,096,000	1,912,035	183,965
Salaries for pupil transp.(between home and school) - Special	496,800	140,000	636,800	494,339	142,461
Salaries for pupil transp.(other than between home and school)	20,000	-	20,000	1,893	18,107
Unused vacation pay	-	-	-	-	-
Social security contributions	250,000	-	250,000	201,974	48,026
Workers compensation	225,000	-	225,000	75,019	149,981
Health benefits	1,890,000	-	1,890,000	1,890,000	-
Unused sick pay	-	21,615	21,615	16,088	5,527
Other purchased professional and technical services	70,000	-	70,000	24,152	45,848
Cleaning, repair and maintenance services	125,000	33,690	158,690	73,845	84,845
Lease purchase payments - School buses	450,000	-	450,000	395,145	54,855
Contract services (bet. home & sch) - Vendors	15,000	-	15,000	1,179	13,821
Contract services (other than between home & school) - Vendors	-	-	-	-	-
Contract services - Aid in Lieu of Payment for NP school students	150,000	-	150,000	140,110	9,890
Contract services - Aid in Lieu of Payment - Charter Schools	-	-	-	-	-
Contract services - Aid in Lieu of Payment - Choice Schools	-	-	-	-	-
Contract services (Between Home and School) - Joint agreements	40,000	3,296	43,296	-	43,296
Contract services (Sp Ed Stds) - Joint agreements	1,300,000	(216,539)	1,083,461	719,508	363,953
Contract services - (regular education students) - ESCs & CTSA's	50,000	37,059	87,059	28,899	58,160
Miscellaneous purchased services - Transportation	113,000	-	113,000	77,966	35,034
General supplies	15,000	845	15,845	4,442	11,403
Transportation Supplies	800,000	27,405	827,405	432,353	395,052
Other objects	5,000	453	5,453	4,171	1,282
Total Undist. Expend. - Student Transportation Services	8,573,000	(92,176)	8,480,824	6,779,755	1,701,069
UNALLOCATED EMPLOYEE BENEFITS					
Group Insurance	20,000	-	20,000	15,827	4,173
Social Security Contributions	950,000	-	950,000	850,623	99,377
T.P.A.F. Retirement Contribution	-	-	-	-	-
Other Retirement Contributions - PERS	1,700,000	(166,000)	1,534,000	1,530,806	3,194
Unemployment Compensation	125,000	-	125,000	24,565	100,435
Workmen's Compensation	350,000	-	350,000	336,980	13,020
Health Benefits	13,880,000	(230,900)	13,649,100	11,526,786	2,122,314
Tuition Reimbursement	211,000	13,952	224,952	118,869	106,083
Other Employee Benefits	445,800	(175,214)	270,586	91,714	178,872
Unused sick days	-	27,000	27,000	21,057	5,943
TOTAL UNALLOCATED EMPLOYEE BENEFITS	17,681,800	(531,162)	17,150,638	14,517,227	2,633,411

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF pension Contributions (non-budgeted)	-	-	-	9,558,313	(9,558,313)
On-behalf TPAF OPEB (Post Retire. Medical) Contrib.(non-budgeted)	-	-	-	2,995,427	(2,995,427)
On-behalf TPAF - LTDI (Non-budgeted)	-	-	-	4,760	(4,760)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	2,630,675	(2,630,675)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	15,189,175	(15,189,175)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	17,681,800	(531,162)	17,150,638	29,706,402	(12,555,764)
TOTAL UNDISTRIBUTED EXPENDITURES	52,687,777	488,435	53,176,212	60,470,754	(7,294,542)
TOTAL GENERAL CURRENT EXPENDITURES	88,944,078	175,988	89,120,066	94,202,472	(5,082,406)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades Pre-Sch	-	-	-	-	-
Grades 1-5	-	95,360	95,360	50,140	45,220
Grades 6-8	-	63,892	63,892	18,451	45,441
Undistributed:					
Undistributed expenditures - Extraordinary Services	-	-	-	-	-
Undistributed expenditures - Central services	10,000	-	10,000	-	10,000
Undistributed expenditures - Admin Info Tech.	-	-	-	-	-
Undistributed expenditures - Operation & maint. Of plant services	-	-	-	-	-
Undistributed expenditures - Required Maintenance for School Fac.	-	31,896	31,896	31,896	-
Undistributed expenditures - Custodial	162,000	72,443	234,443	62,886	171,557
Undistributed expenditures - Care and Upkeep of Grounds	52,000	(9,267)	42,733	42,733	-
Undistributed expenditures - Security	-	-	-	-	-
Undistributed expenditures - Student transp. - Non-inst. Serv.	-	-	-	-	-
Undistributed expenditures - Student transp. - Buses Spec Ed	-	224,364	224,364	78,814	145,550
Undistributed expenditures - Student transp. - Buses Regular	-	101,950	101,950	-	101,950
Undistributed expenditures - Non-instr. Serv.	10,000	262,010	272,010	-	272,010
Total Equipment	234,000	842,648	1,076,648	284,920	791,728
Facilities Acquisition and Construction Services					
Other Purchased Prof. & Tech. Serv.	-	-	-	-	-
Construction Services	2,486,000	-	2,486,000	-	2,486,000
Other Objects	96,000	-	96,000	-	96,000
Assessment for Debt Service on SDA	121,616	-	121,616	121,616	-
Total Facilities Acquisition and Construction Services	2,703,616	-	2,703,616	121,616	2,582,000
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
School Administration	-	-	-	415,000	(415,000)
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	415,000	(415,000)
Capital reserve - Transfer to	1,500	-	1,500	-	1,500
TOTAL CAPITAL OUTLAY	2,939,116	842,648	3,781,764	821,536	2,960,228
Transfer of Funds to Charter Schools	75,000	25,389	100,389	100,389	-
TOTAL EXPENDITURES	91,958,194	1,044,025	93,002,219	95,124,397	(2,122,178)

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,759,577)	(1,041,651)	(9,801,228)	3,107,573	12,908,801
Other Financing Sources(Uses):					
Capital leases - Non-budgeted	-	-	-	415,000	415,000
Total Other Financing Sources:	-	-	-	415,000	415,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(8,759,577)	(1,041,651)	(9,801,228)	3,522,573	13,323,801
Fund Balance, July 1	20,552,164	-	20,552,164	20,552,164	-
Prior Period Adjustment	-	-	-	830,218	-
Fund Balance, July 1, Restated	20,552,164	-	20,552,164	21,382,382	***
Fund Balance, June 30	<u>\$ 11,792,587</u>	<u>\$ (1,041,651)</u>	<u>\$ 10,750,936</u>	<u>\$ 24,904,955</u>	<u>\$ 13,323,801</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				3,889,000	
Maintenance reserve				3,500,000	
Excess surplus - current year				4,606,826	
Excess surplus - designated for subsequent year's expenditures				6,141,511	
Unemployment compensation				890,718	
Assigned Fund Balance:					
Year-end encumbrances				1,851,095	
Designated for subsequent year's expenditures				500,000	
Unassigned fund balance				<u>\$ 3,525,805</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				\$ 24,904,955	
Last state aid payment not recognized on GAAP basis				(1,459,747)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 23,445,208</u>	

* Include interest earnings on the unemployment compensation bank account

** Include interest earnings on the flexible benefits bank account

*** Represents unemployment fund net position as of June 30, 2020

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ 174,424	\$ 174,424	\$ 58,743	\$ (115,681)
State sources	10,163	(3,183)	6,980	4,146	(2,834)
Federal sources	1,650,154	1,586,116	3,236,270	2,333,148	(903,122)
Total Revenues	<u>1,660,317</u>	<u>1,757,357</u>	<u>3,417,674</u>	<u>2,396,037</u>	<u>(1,021,637)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	1,424,493	(1,179,021)	245,472	204,653	40,819
Purchased professional services	15,734	(5,174)	10,560	2,293	8,267
Textbooks	-	-	-	-	-
Tuition	-	900,000	900,000	806,234	93,766
Miscellaneous expenditures	-	240	240	-	240
General supplies	103,071	486,858	589,929	412,476	177,453
Total instruction	<u>1,543,298</u>	<u>202,903</u>	<u>1,746,201</u>	<u>1,425,656</u>	<u>320,545</u>
Support services:					
Other professional staff salaries	-	44,071	44,071	27,669	16,402
Personal services - employee benefits	-	76,742	76,742	72,342	4,400
Purchased professional - educational services	13,224	446,490	459,714	385,200	74,514
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Purchased property services	92,000	(89,120)	2,880	2,880	-
Travel	-	30,969	30,969	15,782	15,187
Supplies & materials	11,795	120,594	132,389	79,348	53,041
Scholarships awarded	-	-	-	3,400	(3,400) Note 1
Student activities	-	-	-	-	-
Total support services	<u>117,019</u>	<u>629,746</u>	<u>746,765</u>	<u>586,621</u>	<u>160,144</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	924,708	924,708	385,275	539,433
Total facilities acquisition and const. serv.	<u>-</u>	<u>924,708</u>	<u>924,708</u>	<u>385,275</u>	<u>539,433</u>
Total expenditures	<u>1,660,317</u>	<u>1,757,357</u>	<u>3,417,674</u>	<u>2,397,552</u>	<u>1,020,122</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,515)</u>	<u>\$ (1,515)</u>
Fund Balance, July 1				-	
Prior Period Adjustment				<u>37,518</u>	
Fund Balance, July 1 (Restated)				<u>37,518</u>	
Fund Balance, June 30				<u>\$ 36,003</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 35,452	
Student Activities				<u>551</u>	
Total Fund Balance				<u>\$ 36,003</u>	

Note 1 - Not required to budget for these funds.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2021

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]	\$ 98,231,970	[C-2]	\$ 2,396,037
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(245,977)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(9,558,313)		
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		-
The 2020-21 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.		(1,459,747)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 88,907,561</u>	[B-2]	<u>\$ 2,150,060</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 95,124,397	[C-2]	\$ 2,397,552
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(9,558,313)		
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.		-		(245,977)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 85,566,084</u>	[B-2]	<u>\$ 2,151,575</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, 2021

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.1587539904%	0.1585112960%	0.1666900955%	0.1588287779%	0.1399027135%	0.1376279961%	0.1392323789%
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	\$ 22,705,160
District's covered-employee payroll	\$ -	\$ 12,521,737	\$ 10,892,044	\$ 9,832,578	\$ 9,817,852	\$ 9,892,094	\$ 9,275,875
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%	244.78%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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, 2021

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 1,308,745	\$ 1,374,291	\$ 1,489,636	\$ 1,487,427	\$ 1,394,605	\$ 1,341,479	\$ 1,530,806
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>	<u>1,530,806</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (115,345)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,016)</u>	<u>\$ (6,611)</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 12,521,737	\$ 10,892,044	\$ 9,832,578	\$ 9,817,852	\$ 9,892,094	\$ 9,275,875	\$ 8,968,632
Contributions as a percentage of covered-employee payroll	0.00%	12.62%	15.15%	15.13%	14.10%	14.46%	17.07%

* 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, 2021

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability associated with the District	0.3077796387%	0.3268186055%	0.3170383423%	0.3217349288%	0.3271951076%	0.3229516518%	0.3225694287%
State's proportionate share of the net pension liability associated with the District	\$ 164,498,200	\$ 206,563,315	\$ 249,402,546	\$ 216,925,290	\$ 208,154,499	\$ 198,198,477	\$ 212,408,087
District's covered-employee payroll	33,113,319	33,711,862	34,199,757	34,806,395	35,416,068	36,046,616	36,350,575
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%	584.33%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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, 2021
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the OPEB liability associated with the District				
Service cost	\$ 8,180,454	\$ 6,778,475	\$ 5,811,455	\$ 5,926,091
Interest cost	6,070,034	7,034,186	6,685,078	5,469,239
Differences between Expected and Actual Experiences	-	(12,724,361)	(26,962,456)	46,181,641
Changes in assumptions	(25,026,705)	(19,414,077)	2,272,962	45,987,774
Member contributions	163,645	156,349	138,716	132,846
Gross benefit payments	<u>(4,444,155)</u>	<u>(4,523,772)</u>	<u>(4,679,596)</u>	<u>(4,382,922)</u>
Net change in total OPEB liability	(15,056,727)	(22,693,200)	(16,733,841)	99,314,669
Total OPEB liability - beginning	<u>206,928,405</u>	<u>191,871,678</u>	<u>169,178,478</u>	<u>152,444,637</u>
Total OPEB liability - ending	<u>\$ 191,871,678</u>	<u>\$ 169,178,478</u>	<u>\$ 152,444,637</u>	<u>\$ 251,759,306</u>
District's covered employee payroll	\$ 49,860,884	\$ 50,137,978	\$ 50,009,767	\$ 50,585,661
Total State's OPEB liability as a percentage of covered employee payroll	385%	337%	305%	498%

* 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, 2021

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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, 2021

	Title I Part A 20/21	Title II Part A 20/21	Title III 20/21	Title IV 20/21	IDEA-Part B-Basic Reg Prog 20/21
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	<u>327,315</u>	<u>66,084</u>	<u>14,442</u>	<u>12,472</u>	<u>1,143,181</u>
Total revenues	<u>327,315</u>	<u>66,084</u>	<u>14,442</u>	<u>12,472</u>	<u>1,143,181</u>
Expenditures:					
Instruction:					
Salaries of teachers	200,056	-	3,872	-	-
Purchased professional services	-	-	-	-	-
General supplies	54,365	-	4,615	12,472	31,543
Tuition	-	-	-	-	806,234
Textbooks	-	-	-	-	-
Miscellaneous expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>254,421</u>	<u>-</u>	<u>8,487</u>	<u>12,472</u>	<u>837,777</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	552	22,656	2,715	-	1,746
Purchased professional services	-	41,300	-	-	291,200
Purchased technical services	-	-	-	-	-
Purchased property services	-	-	-	-	-
Employee benefits	72,342	-	-	-	-
Travel	-	2,128	1,196	-	12,458
General supplies	-	-	2,044	-	-
Scholarships awarded	-	-	-	-	-
Student activities	-	-	-	-	-
Purchased prof.-educ.services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>72,894</u>	<u>66,084</u>	<u>5,955</u>	<u>-</u>	<u>305,404</u>
Total support services	<u>72,894</u>	<u>66,084</u>	<u>5,955</u>	<u>-</u>	<u>305,404</u>
Equipment:					
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 327,315</u>	<u>\$ 66,084</u>	<u>\$ 14,442</u>	<u>\$ 12,472</u>	<u>\$ 1,143,181</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2021

(Continued from prior page)

	IDEA-Part B-Preschool	Chapter 192/193 Nonpublic		
	Reg Prog 20/21	Classification 20/21	Speech 20/21	Instruction 20/21
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	372	1,742	809
Federal sources	52,700	-	-	-
Total revenues	<u>52,700</u>	<u>372</u>	<u>1,742</u>	<u>809</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	-	-	-
Tuition	-	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	-
Purchased professional services	52,700	-	-	-
Purchased technical services	-	-	-	-
Purchased property services	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
General supplies	-	372	1,742	809
Scholarships awarded	-	-	-	-
Student activities	-	-	-	-
Purchased prof.-educ.services	-	-	-	-
Total other support services - students - special	<u>52,700</u>	<u>372</u>	<u>1,742</u>	<u>809</u>
Total support services	<u>52,700</u>	<u>372</u>	<u>1,742</u>	<u>809</u>
Equipment:				
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 52,700</u>	<u>\$ 372</u>	<u>\$ 1,742</u>	<u>\$ 809</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2021

(Continued from prior page)

	<u>Nonpublic Nursing 20/21</u>	<u>CARES 20/21</u>	<u>ESSER 20/21</u>	<u>Coronavirus Relief 20/21</u>	<u>Digital Divide 20/21</u>
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	1,223	-	-	-	-
Federal sources	-	216,266	329,170	170,996	522
Total revenues	<u>1,223</u>	<u>216,266</u>	<u>329,170</u>	<u>170,996</u>	<u>522</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	137,380	-	132,935	522
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>-</u>	<u>137,380</u>	<u>-</u>	<u>132,935</u>	<u>522</u>
Support services:					
Other support services - students - special:					
Other professional					
staff salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Purchased property services	-	2,880	-	-	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
General supplies	1,223	35,097	-	38,061	-
Scholarships awarded	-	-	-	-	-
Student activities	-	-	-	-	-
Purchased prof.-educ.services	-	-	-	-	-
Total other support services - students - special	<u>1,223</u>	<u>37,977</u>	<u>-</u>	<u>38,061</u>	<u>-</u>
Total support services	<u>1,223</u>	<u>37,977</u>	<u>-</u>	<u>38,061</u>	<u>-</u>
Equipment:					
Non-instructional equipment	-	40,909	329,170	-	-
Total equipment	<u>-</u>	<u>40,909</u>	<u>329,170</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 1,223</u>	<u>\$ 216,266</u>	<u>\$ 329,170</u>	<u>\$ 170,996</u>	<u>\$ 522</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued on next page)

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2021

(Continued from prior page)

	<u>Student Activity 20/21</u>	<u>Foundation for MERS 20/21</u>	<u>Scholarship Activity 20/21</u>	<u>Total 2021</u>
Revenues:				
Local sources	\$ 10	\$ 56,858	\$ 1,875	\$ 58,743
State sources	-	-	-	4,146
Federal sources	-	-	-	2,333,148
Total revenues	<u>10</u>	<u>56,858</u>	<u>1,875</u>	<u>2,396,037</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	725	-	204,653
Purchased professional services	-	2,293	-	2,293
General supplies	-	38,644	-	412,476
Tuition	-	-	-	806,234
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>-</u>	<u>41,662</u>	<u>-</u>	<u>1,425,656</u>
Support services:				
Other support services - students - special:				
Other professional				
staff salaries	-	-	-	27,669
Purchased professional services	-	-	-	385,200
Purchased technical services	-	-	-	-
Purchased property services	-	-	-	2,880
Employee benefits	-	-	-	72,342
Travel	-	-	-	15,782
General supplies	-	-	-	79,348
Scholarship awarded	-	-	3,400	3,400
Student activities	-	-	-	-
Purchased prof.-educ.services	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>3,400</u>	<u>586,621</u>
Equipment:				
Regular programs instruction	-	15,196	-	385,275
Total equipment	<u>-</u>	<u>15,196</u>	<u>-</u>	<u>385,275</u>
Total expenditures	<u>\$ -</u>	<u>\$ 56,858</u>	<u>\$ 3,400</u>	<u>\$ 2,397,552</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>10</u>	<u>-</u>	<u>(1,525)</u>	<u>(1,515)</u>
Fund Balance, July 1				
Prior Period Adjustment	35,442	-	2,076	37,518
Fund Balance, July 1 (Restated)	<u>35,442</u>	<u>-</u>	<u>2,076</u>	<u>37,518</u>
Fund Balance, June 30	<u>\$ 35,452</u>	<u>\$ -</u>	<u>\$ 551</u>	<u>\$ 36,003</u>

F. Capital Projects Fund
Not Applicable

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

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2021

<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, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
School District Bonds	10/15/2004	\$ 18,995,000	12/01/21	1,335,000	5.750%	4,000,000	-	1,325,000	2,675,000
School District Bonds	1/31/2012	\$ 12,840,000	10/01/21	1,420,000	4.500%	7,360,000	-	1,295,000	6,065,000
			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	10/01/24	3,010,000	4.000%	16,290,000	-	-	16,290,000
			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>\$ 27,650,000</u>	<u>\$ -</u>	<u>\$ 2,620,000</u>	<u>\$ 25,030,000</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
June 30, 2021

	Interest Rate Payables	Amount of Original Issue	Balance July 1, 2020	Additions Current Year	Retired Current Year	Balance June 30, 2021
5 - 54 Passenger Buses	2.15%	478,384	\$ 164,482	-	53,668	\$ 110,814
6 - 54 and 2-24 Passenger Buses	1.94%	720,000	483,639	-	70,522	413,117
Network upgrade	8.19%	255,572	78,865	-	78,865	-
4 - 54, and 2 -24 Passenger Buses	2.02%	540,000	321,916	-	89,677	232,239
4 - 54, and 2 -24 Passenger Buses	3.99%	525,000	421,788	-	46,780	375,008
4 - 54 Passenger Buses	2.39%	415,000	-	415,000	44,921	370,079
			<u>\$ 1,470,690</u>	<u>\$ 415,000</u>	<u>\$ 384,433</u>	<u>\$ 1,501,257</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 3,358,437	\$ -	\$ 3,358,437	\$ 3,358,437	\$ -
Miscellaneous	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues - local sources	<u>3,358,437</u>	<u>-</u>	<u>3,358,437</u>	<u>3,358,437</u>	<u>-</u>
State sources:					
Debt service aid type II	380,670	-	380,670	380,670	-
Total state sources	<u>380,670</u>	<u>-</u>	<u>380,670</u>	<u>380,670</u>	<u>-</u>
TOTAL REVENUES	<u>3,739,107</u>	<u>-</u>	<u>3,739,107</u>	<u>3,739,107</u>	<u>-</u>
EXPENDITURES					
Regular debt service:					
Interest	1,119,107	-	1,119,107	1,119,107	-
Redemption of principal	2,620,000	-	2,620,000	2,620,000	-
Total regular debt service	<u>3,739,107</u>	<u>-</u>	<u>3,739,107</u>	<u>3,739,107</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,739,107</u>	<u>-</u>	<u>3,739,107</u>	<u>3,739,107</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>	109-114
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	115-118
<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>	119-122
<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>	123-124
<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>	125-130

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 Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 71,954,497
Restricted	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	19,028,055
Unrestricted	(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)	(45,110,638)
Total governmental activities net position	\$ 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	\$ 45,871,914
Business-type activities										
Net investment in capital assets	\$ 334,772	\$ 298,636	\$ 254,423	\$ 224,458	\$ 229,272	\$ 206,440	\$ 197,447	\$ 215,533	\$ 198,055	\$ 164,311
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	199,665	206,912	329,089	429,382	532,804	685,879	879,647	608,091	637,010	659,413
Total business-type activities net position	\$ 534,437	\$ 505,548	\$ 583,512	\$ 653,840	\$ 762,076	\$ 892,319	\$ 1,077,094	\$ 823,624	\$ 835,065	\$ 823,724
District-wide										
Net investment in capital assets	\$ 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	\$ 72,118,808
Restricted	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	19,028,055
Unrestricted	(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)	(44,451,225)
Total district net position	\$ 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	\$ 46,695,638

Source: CAFR Schedule A-1 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
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 37,346,450
Special education	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	14,796,599
Other instruction	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	4,405,450
Nonpublic school programs	27,951	1,163	7,610	6,452	11,599	12,660	7,257	12,060	4,668	3,337
Support Services:										
Tuition	1,278,061	778,637	851,059	865,841	1,155,728	1,301,087	1,533,440	1,329,480	1,522,788	1,595,283
Student & instruction related services	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	8,132,786
General and Business administrative services	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	3,166,980
School administrative services	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	3,560,958
Plant operations and maintenance	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	9,235,651
Pupil transportation	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	7,094,987
Charter Schools	-	-	-	100,090	91,255	28,418	31,455	34,528	62,220	100,389
Interest on long-term debt	1,247,365	2,289,266	1,907,067	1,498,596	1,431,044	1,152,291	787,124	359,018	259,487	113,130
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<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>	<u>89,552,000</u>
Business-type activities:										
Food service	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	1,662,370
Total business-type activities expense	<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>	<u>1,662,370</u>
Total district expenses	<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>	<u>\$ 91,214,370</u>
Program Revenues										
Governmental activities:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,215	\$ 23,608	\$ 83,906	\$ 54,713	\$ 34,379
Operating grants and contributions	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	11,871,215
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>11,905,594</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Food service	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	30,281
Operating grants and contributions	386,425	434,992	447,780	438,677	467,434	425,389	460,611	457,100	342,462	1,620,500
Total business type activities program revenues	1,906,327	1,983,519	2,072,740	2,015,635	2,080,512	2,017,821	2,132,758	2,179,115	1,473,024	1,650,781
Total district program revenues	\$ 9,037,150	\$ 10,428,064	\$ 9,584,427	\$ 9,715,069	\$ 10,314,992	\$ 10,846,866	\$ 11,581,196	\$ 12,051,331	\$ 11,450,397	\$ 13,556,375
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (77,646,406)
Business-type activities	(72,188)	(28,889)	77,931	70,286	108,184	130,179	184,695	(264,458)	2,137	(11,589)
Total district-wide net expense	\$ (70,757,676)	\$ (75,363,159)	\$ (75,929,899)	\$ (78,092,816)	\$ (79,014,724)	\$ (80,337,909)	\$ (82,358,408)	\$ (83,541,908)	\$ (79,964,923)	\$ (77,657,995)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 66,260,854
Taxes levied for debt service	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	3,358,437
Unrestricted grants and contributions	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	12,787,479
Tuition received	28,529	215,398	384,137	25,194	22,326	-	-	-	-	-
Investment earnings	4,769	2,419	2,310	1,973	3,055	5,141	10,121	224,914	194,301	17,044
Miscellaneous income	763,131	402,316	268,022	377,281	561,251	(82,322)	578,825	1,820,795	481,762	882,320
Total governmental activities	75,796,873	76,049,092	77,203,861	78,674,475	80,415,108	80,768,649	83,212,224	86,269,706	84,394,474	83,306,134
Business-type activities:										
Investment earnings	-	-	-	-	-	64	80	10,988	9,304	248
Total business-type activities	-	-	-	-	-	64	80	10,988	9,304	248
Total district-wide	\$ 75,796,873	\$ 76,049,092	\$ 77,203,861	\$ 78,674,475	\$ 80,415,108	\$ 80,768,713	\$ 83,212,304	\$ 86,280,694	\$ 84,403,778	\$ 83,306,382
Change in Net Position										
Governmental activities	\$ 5,111,385	\$ 714,822	\$ 1,196,031	\$ 511,373	\$ 1,292,200	\$ 300,561	\$ 669,121	\$ 2,992,256	\$ 4,427,414	\$ 5,659,728
Business-type activities	(72,188)	(28,889)	77,931	70,286	108,184	130,243	184,775	(253,470)	11,441	(11,341)
Total district	\$ 5,039,197	\$ 685,933	\$ 1,273,962	\$ 581,659	\$ 1,400,384	\$ 430,804	\$ 853,896	\$ 2,738,786	\$ 4,438,855	\$ 5,648,387

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)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,862,953	\$ 9,801,613	\$ 13,013,018	\$ 17,646,089	\$ 19,028,055
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,547,539	2,222,190	1,551,235	1,041,653	2,351,095
Unassigned	-	-	-	-	-	134,308	353,274	565,632	170,771	2,066,058
Reserved	9,914,147	10,301,335	10,266,327	10,079,164	11,833,833	-	-	-	-	-
Unreserved	(35,804)	(260,329)	(201,884)	(218,997)	167,884	-	-	-	-	-
Total general fund	<u>\$ 9,878,343</u>	<u>\$ 10,041,006</u>	<u>\$ 10,064,443</u>	<u>\$ 9,860,167</u>	<u>\$ 12,001,717</u>	<u>\$ 12,544,800</u>	<u>\$ 12,377,077</u>	<u>\$ 15,129,885</u>	<u>\$ 18,858,513</u>	<u>\$ 23,445,208</u>
All Other Governmental Funds										
Reserved	\$ 1,844,302	\$ 120,193	\$ 120,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debit service fund	38,547	341	76	53,070	53,044	15,804	15,804	-	-	36,003
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,882,849</u>	<u>\$ 120,534</u>	<u>\$ 120,269</u>	<u>\$ 53,070</u>	<u>\$ 53,044</u>	<u>\$ 15,804</u>	<u>\$ 15,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,003</u>

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 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	\$ 69,619,291
Tuition charges	28,529	215,398	384,137	25,194	22,326	37,215	23,608	83,906	54,713	34,369
Interest earnings	4,769	2,419	2,277	1,931	3,003	5,141	10,121	224,914	194,301	17,044
Miscellaneous	527,720	487,419	372,775	367,381	527,938	561,479	578,825	500,223	481,762	467,330
State sources	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	22,275,940
Federal sources	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	2,382,754
Total revenue	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	94,796,728
Expenditures										
Instruction										
Regular Instruction	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	25,307,920
Special education instruction	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	11,873,611
Other instruction	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	3,668,279
Nonpublic school programs	27,951	1,163	7,610	6,452	11,599	12,660	7,257	12,060	4,668	3,337
Support Services:										
Student & instruction related services	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	9,421,300
General administrative services	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	1,672,542
School Administrative services	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	3,531,762
Business administrative services	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	1,494,438
Plant operations and maintenance	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	8,459,458
Pupil transportation	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	6,779,755
Unallocated employee benefits	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	14,617,616
Capital outlay	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	887,641
Debt service:										
Principal	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	2,620,000
Interest and other charges	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	1,119,107
Total expenditures	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	91,456,766
Excess (Deficiency) of revenues over (under) expenditures	(11,087,399)	(2,227,956)	(75,148)	(749,859)	2,141,524	(211,019)	(167,723)	1,416,432	3,728,628	3,339,962
Other Financing sources (uses)										
Capital leases (non-budgeted)	1,000,000	571,815	98,320	478,384	-	706,862	-	1,320,572	-	415,000
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	244	2,046,045	27	53,042	-	-	-	-	-	-
Transfers out	(244)	(2,046,045)	(27)	(53,042)	-	-	-	-	-	-
Total other financing sources (uses)	14,295,055	628,304	98,320	478,384	-	716,862	-	1,320,572	-	415,000
Net change in fund balances	\$ 3,207,656	\$ (1,599,652)	\$ 23,172	\$ (271,475)	\$ 2,141,524	\$ 505,843	\$ (167,723)	\$ 2,737,004	\$ 3,728,628	\$ 3,754,962
Debt service as a percentage of noncapital expenditures	19.0%	4.9%	4.8%	4.7%	4.6%	4.4%	4.1%	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)

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Misc.	Total
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
2021	-	34,369	10,000	-	44,369

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)
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
2021	37,215,500	6,536,009,200	41,063,800	1,874,800	524,132,500	25,026,600	-	7,165,322,400	-	-	7,165,322,400	0.427	7,477,540,523

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)
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
2021	1,315,500	213,226,400	-	-	37,974,100	7,939,100	16,343,100	276,798,200	-	-	276,798,200	0.362	259,441,744

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when 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	Overlapping Rates				
				Freehold Regional School District	Manalapan Township	Library/Other	Monmouth County	
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
2021	-	-	-	-	-	-	-	-

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	Overlapping Rates				
				Freehold Regional School District	Englishtown Borough	Library/Other	Monmouth County	
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	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-

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	2021			Taxpayer	2012		
	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		0.86%	Manalapan Realty	\$ 42,593,600	1	0.75%
Manalapan VF	33,542,700		0.47%	Manalapan VF	29,989,700	2	0.53%
Meridian Living at Manalapan LLC	20,133,500		0.28%	K.Hovnanian at Manalapan III, LLC	17,925,700	3	0.31%
Towne Pointe Associates	16,231,200		0.23%	Towne Pointe Associates	12,917,500	4	0.23%
Fields of Dreams Real Estate, LLC	14,700,000		0.21%	Trans Equity Realty, LLC	9,694,600	5	0.17%
Trans Equity Realty, LLC	10,946,000		0.15%	Reiss Manufacturing, Inc.	7,958,000	6	0.14%
Tennent 9 Plaza, LLC	10,635,000		0.15%	Taylor 9 South Assoc., LLC	7,593,400	7	0.13%
Welltower NNN Group, LLC	9,359,400		0.13%	Monmouth Investors, LLC	7,500,000	8	0.13%
GAC Catering, Inc.	9,040,200		0.13%	Lenine, LLC	7,356,000	9	0.13%
Gordons Corner Realty	8,670,000		0.12%	Pension Road Realty	7,200,000	10	0.13%
Total	\$ 195,127,100		2.73%	Total	\$ 150,728,500		2.65%

ENGLISHTOWN BOROUGH

Taxpayer	2021			Taxpayer	2012		
	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	\$ 14,641,900		5.29%	BTR Enlishtown LLC	\$ 7,229,300	1	2.86%
BAL Governor's Crossing LLC	5,096,000		1.84%	BAL Governor's Crossing LLC	4,200,000	2	1.66%
Three Corners Venturs LLC	4,243,500		1.53%	Stamford Square, LLC	3,750,700	3	1.49%
Village Center Associates, LLC	3,753,200		1.36%	Wernacs, LLC	3,366,700	4	1.33%
Ambe Holding, LLC	3,293,900		1.19%	Village Center Associates LLC	3,165,700	5	1.25%
Wernacs LLC	3,025,000		1.09%	Dorothy Leo, Inc.	2,200,000	6	0.87%
DCD LLC	2,194,600		0.79%	DCD LLC	2,150,300	7	0.85%
Brooklawn Gardens	2,134,300		0.77%	Brooklawn Gardens, Inc.	2,021,800	8	0.80%
Five South Main St LLC	2,076,900		0.75%	K&K Englishtown, Inc.	1,782,800	9	0.71%
Degiacomo Realty, LLC	1,665,000		0.60%	Moskowitz, K Trust & Berger, V Trust	1,374,700	10	0.54%
Total	\$ 42,124,300		15.21%	Total	\$ 31,242,000		12.36%

**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	
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%	-
2021	-	-	#DIV/0!	-

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	
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%	-
2021	-	-	0.00%	-

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				
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	
2021	25,030,000	-	1,501,257	-	-	26,531,257	0.00%	-	

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		
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	-	-	-	0.00%	80,543
2021	25,030,000	-	25,030,000	0.34%	-

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, 2021**

<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	\$ -	0.0000%	\$ -
Englishtown Borough	-	0.0000%	-
Other debt			
Western Monmouth Utility Authority	-	0.0000%	-
Freehold Regional High School:			
Manalapan Township	-	0.00000%	-
Englishtown Borough	-	0.000000%	-
Monmouth County:			
Manalapan Township	-	0.0000%	-
Englishtown Borough	-	0.0000%	-
Subtotal, overlapping debt			-
Manalapan-Englishtown School District Direct Debt			<u>25,030,000</u>
Total direct and overlapping debt			<u><u>\$ 25,030,000</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
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED**

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis

Average equalized valuation of taxable property

Debt limit (3% of average equalization value)
Net bonded school debt
Legal debt margin

2021	\$	7,477,540,523
2020		7,316,476,259
2019		7,316,476,259
[A]	\$	<u>22,110,493,041</u>
[A/3]	\$	7,370,164,347
[B]		221,104,930 ^a
[C]		23,946,201
[B-C]	\$	<u>197,158,729</u>

Fiscal Year for Manalapan Township

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 185,708,190	\$ 181,381,245	\$ 179,662,866	\$ 184,518,826	\$ 187,299,015	\$ 190,988,223	\$ 131,712,701	\$ 204,877,463	\$ 213,253,193	\$ 221,104,930
Total net debt applicable to limit	<u>45,778,095</u>	<u>43,946,015</u>	<u>42,018,264</u>	<u>40,042,679</u>	<u>38,009,691</u>	<u>33,293,160</u>	<u>31,121,451</u>	<u>28,839,722</u>	<u>26,452,755</u>	<u>23,946,201</u>
Legal debt margin	<u>\$ 139,930,095</u>	<u>\$ 137,435,230</u>	<u>\$ 137,644,602</u>	<u>\$ 144,476,147</u>	<u>\$ 149,289,324</u>	<u>\$ 157,695,063</u>	<u>\$ 100,591,250</u>	<u>\$ 176,037,742</u>	<u>\$ 186,800,438</u>	<u>\$ 197,158,729</u>
Total net debt applicable to the limit as a percentage of debt limit	24.65%	24.23%	23.39%	21.70%	20.29%	17.43%	23.63%	14.08%	12.40%	10.83%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis

Average equalized valuation of taxable property

Debt limit (3% of average equalization value)
Net bonded school debt
Legal debt margin

2021	\$	259,441,744
2020		257,909,176
2019		257,909,176
[A]	\$	<u>775,260,096</u>
[A/3]	\$	258,420,032
[B]		7,752,601 ^a
[C]		1,083,799
[B-C]	\$	<u>6,668,802</u>

Fiscal Year for Englishtown Borough

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 7,271,776	\$ 6,981,737	\$ 6,772,660	\$ 6,702,030	\$ 6,778,499	\$ 6,966,928	\$ 4,935,240	\$ 7,514,332	\$ 7,688,602	\$ 7,752,601
Total net debt applicable to limit	<u>2,071,905</u>	<u>1,988,986</u>	<u>1,901,736</u>	<u>1,812,322</u>	<u>1,720,309</u>	<u>1,506,840</u>	<u>1,408,549</u>	<u>1,305,279</u>	<u>1,197,245</u>	<u>1,083,799</u>
Legal debt margin	<u>\$ 5,199,871</u>	<u>\$ 4,992,751</u>	<u>\$ 4,870,924</u>	<u>\$ 4,889,708</u>	<u>\$ 5,058,190</u>	<u>\$ 5,460,088</u>	<u>\$ 3,526,691</u>	<u>\$ 6,209,054</u>	<u>\$ 6,491,357</u>	<u>\$ 6,668,802</u>
Total net debt applicable to the limit as a percentage of debt limit	28.49%	28.49%	28.08%	27.04%	25.38%	21.63%	28.54%	17.37%	15.57%	13.98%

Source: Abstract of Ratables and District Records CAFR Schedule J-6

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**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>
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%
2021	-	-	-	0.0%

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>
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%
2021	2,078	-	-	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	2021			2012		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Manalapan-Englishtown Regional School District	-	1	0.00%	-	1	0.00%
Wegman's Super Market	-	2	0.00%	-	2	0.00%
Manalapan Township	-	4	0.00%	-	4	0.00%
Target	-	3	0.00%	-	3	0.00%
Stop-N-Shop	-	5	0.00%	-	5	0.00%
Navicore Solutions	-	-	0.00%	-	-	0.00%
Applebee's	-	6	0.00%	-	6	0.00%
Rex Lumber	-	9	0.00%	-	9	0.00%
Western Monmouth Utilities	-	7	0.00%	-	7	0.00%
Babies R Us	-	8	0.00%	-	8	0.00%
Petsmart	-	10	0.00%	-	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%
	-		0.00%	-		0.00%

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**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	271	273	296	289	291	291	291	291	290	290
Special education	156	166	180	172	172	180	180	180	180	180
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	135	133	84	120	114	110	113	109	109	109
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	42	37	38	39	39	39	39	38	38	38
Business administrative services	16	16	16	17	17	17	17	16	16	16
Plant operations and maintenance	62	96	96	98	101	97	97	97	97	97
Pupil transportation	85	89	91	89	90	86	86	86	86	86
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Total	769	812	803	826	826	822	825	819	818	818

Source: District Personnel Records

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

Fiscal 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				
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%
2021	-	86,830,018	#DIV/0!	#DIV/0!	818	0:00	0:00	-	-	-100.00%	#DIV/0!

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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	420	361	373	317
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	535	510	494	465
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	577	601	600	551
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	616	565	564	587
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	513	515	476	494
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	535	544	529	526
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	633	636	631	576
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	1,222	1,193	1,224	1,166
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
Fuel Facility (2002)										
Number of Schools at June 30, 2021										
Early Learning Center = 1										
Elementary = 6										
Middle School = 1										
Other = 5										

Source: District records, ASSA

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
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
2021	134,239	115,402	509,163	125,750	151,959	134,062	179,321	76,655	46,301	1,472,850
Total School Facilities	\$ 1,159,294	\$ 996,617	\$ 4,397,172	\$ 1,085,986	\$ 1,312,325	\$ 1,157,764	\$ 1,548,624	\$ 661,994	\$ 399,861	\$ 12,719,639

* 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, 2021
Unaudited

Company	Type of Coverage	Coverage	Deductible
COMMERCIAL PACKAGE POLICY			
Utica Mutual Insurance	Property Blanket Building & Contents (Replacement Cost Values)	\$ 278,393,150	\$ 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 insuranc	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	7,893,300	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)

Manalapan-Englishtown Regional School District
Insurance Schedule
June 30, 2021
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	25,000,000	None
Star Insurance 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	-
Zurich	Student Accident - Voluntary Program		
	Accident Medical Class I	1,000,000	-
	Accident Medical Class II	50,000	
Western Surety Ohio Casualty	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
Lloyd's of London	Cyber Liability		
	Limit of Liability	1,000,000	
	Retention	10,000	
Lloyd's Syndicate	Environmental Liability		
	Limit of Liability	1,000,000	25,000

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, 2021, 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 January 24, 2022.

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

January 24, 2022

**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, 2021. 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, 2021.

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

January 24, 2022

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2020</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Adjustments</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2021</u>	<u>(Accounts Receivable) at June 30, 2021</u>	<u>Due to Grantor at June 30, 2021</u>
U.S. Department of Education General Fund: Medical Assistance Program (SEMI)	93.778	7/1/20-6/30/21	\$ 56,370	\$ -	\$ -	\$ 56,370	\$ (56,370)	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund				<u>-</u>	<u>-</u>	<u>56,370</u>	<u>(56,370)</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	10.550	7/1/20-6/30/21	140,858	-	-	140,858	(140,858)	-	-	-	-	-
Child Nutrition Cluster: Summer Food Service Program for Children	10.559	7/1/20-6/30/21	1,428,789	-	-	1,166,193	(1,428,789)	-	-	-	(262,596)	-
National School Lunch Program	10.555	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	-
Special Milk Program	10.556	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	-
Subtotal Child Nutrition Cluster				<u>-</u>	<u>-</u>	<u>1,166,193</u>	<u>(1,428,789)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(262,596)</u>	<u>-</u>
Total Enterprise Fund				<u>-</u>	<u>-</u>	<u>1,307,051</u>	<u>(1,569,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(262,596)</u>	<u>-</u>
U.S. Department of Education Passed-through State Department of Education: Education: Title I	84.010A	7/1/19-6/30/20	332,308	(85,252)	-	85,252	-	-	-	-	-	-
Title I	84.010A	7/1/20-6/30/21	403,240	-	-	174,912	(327,315)	-	-	-	(152,403)	-
Title II Part A	84.367A	7/1/19-6/30/20	103,620	(18,820)	-	18,820	-	-	-	-	-	-
Title II Part A	84.367A	7/1/20-6/30/21	77,874	-	-	47,260	(66,084)	-	-	-	(18,824)	-
Title III	84.365A	7/1/19-6/30/20	29,742	(15,177)	-	15,177	-	-	-	-	-	-
Title III	84.365A	7/1/20-6/30/21	31,482	-	-	9,278	(14,442)	-	-	-	(5,164)	-
Title IV	84.424A	7/1/20-6/30/21	26,527	-	-	10,105	(12,472)	-	-	-	(2,367)	-
ESSER II	84.425D	7/1/20-6/30/21	858,383	-	-	-	(329,170)	-	-	-	(329,170)	-
CARE	84.425D	7/1/20-6/30/21	209,045	-	-	62,342	(216,266)	-	-	-	(153,924)	-
Coronavirus Relief fund	84.425D	7/1/20-6/30/21	170,996	-	-	170,996	(170,996)	-	-	-	-	-
Nonpublic Digital Divide	84.425D	7/1/20-6/30/21	522	-	-	522	(522)	-	-	-	-	-
Special Education Cluster: I.D.E.A. Part B Basic Regular	84.027	7/1/19-6/30/20	1,226,243	(174,070)	-	174,070	-	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/20-6/30/21	1,288,220	-	-	940,335	(1,143,181)	-	-	-	(202,846)	-
I.D.E.A. Part B Preschool	84.173	7/1/19-6/30/20	79,848	(12,853)	-	12,853	-	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/20-6/30/21	58,095	-	-	35,677	(52,700)	-	-	-	(17,023)	-
Subtotal Special Education Cluster				<u>(186,923)</u>	<u>-</u>	<u>1,162,935</u>	<u>(1,195,881)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(219,869)</u>	<u>-</u>
Total Special Revenue Fund				<u>(306,172)</u>	<u>-</u>	<u>1,523,739</u>	<u>(2,333,148)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(881,721)</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ (306,172)</u>	<u>\$ -</u>	<u>\$ 2,887,160</u>	<u>\$ (3,959,165)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,144,317)</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, 2021

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Final Award Amount	Balance at June 30, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2021	(Accounts Receivable) at June 30, 2021	Due to Grantor at June 30, 2021	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	1,968,298	-	-	1,771,468	(1,968,298)	-	-	-	-	196,830	1,968,298
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	3,767,124	-	-	3,390,412	(3,767,124)	-	-	-	-	376,712	3,767,124
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	8,768,467	-	-	7,925,009	(8,768,467)	-	-	-	-	843,458	8,768,467
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	427,473	-	-	384,726	(427,473)	-	-	-	-	42,747	427,473
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	608,728	(669,700)	-	669,700	-	-	-	-	-	-	-
Extraordinary Aid	21-100-034-5120-473	7/1/20-6/30/21	987,914	-	-	-	(987,914)	-	-	(987,914)	-	-	987,914
Non-public transportation aid	20-495-034-5120-014	7/1/19-6/30/20	5,980	(5,980)	-	5,980	-	-	-	-	-	-	-
Non-public transportation aid	21-495-034-5120-014	7/1/20-6/30/21	46,110	-	-	-	(46,110)	-	-	(46,110)	-	-	46,110
Reimbursed TPAF Social													
Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	2,630,675	-	-	2,619,050	(2,630,675)	-	-	(11,625)	-	-	2,630,675
Reimbursed TPAF Social													
Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	2,548,373	(127,070)	-	127,070	-	-	-	-	-	-	-
On-behalf TPAF Contribution	21-495-034-5094-002	7/1/20-6/30/21	9,558,313	-	-	9,558,313	(9,558,313)	-	-	-	-	-	9,558,313
On-behalf TPAF Post-Retirement Medical													
Contribution	21-495-034-5094-001	7/1/20-6/30/21	2,995,427	-	-	2,995,427	(2,995,427)	-	-	-	-	-	2,995,427
On-behalf TPAF LTDI	21-495-034-5094-004	7/1/20-6/30/21	4,760	-	-	4,760	(4,760)	-	-	-	-	-	4,760
Total General Fund			41,519,640	(802,750)	-	29,451,915	(31,154,561)	-	-	(1,045,649)	-	1,459,747	31,154,561
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook	20-100-034-5120-064	7/1/19-6/30/20	422	422	-	-	-	(422)	-	-	-	-	-
Textbook	21-100-034-5120-064	7/1/20-6/30/21	733	-	-	733	-	-	-	-	733	-	-
Nursing	20-100-034-5120-070	7/1/19-6/30/20	776	194	-	-	-	(194)	-	-	-	-	-
Nursing	21-100-034-5120-070	7/1/20-6/30/21	1,224	-	-	1,224	(1,223)	-	-	-	1	-	-
Security	21-100-034-5120-509	7/1/20-6/30/21	2,100	-	-	2,100	-	-	-	-	2,100	-	-
Exam and Classification	21-100-034-5120-066	7/1/20-6/30/21	372	-	-	372	(372)	-	-	-	-	-	-
Exam and Classification	20-100-034-5120-066	7/1/19-6/30/20	1,300	(347)	-	347	-	-	-	-	-	-	-
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	809	-	-	809	(809)	-	-	-	-	-	-
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	243	(48)	-	48	-	-	-	-	-	-	-
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	1,742	-	-	1,742	(1,742)	-	-	-	-	-	-
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	1,298	(345)	-	345	-	-	-	-	-	-	-
Total Special Revenue Fund			11,019	(124)	-	7,720	(4,146)	(616)	-	-	2,834	-	-
Debt Service Fund:													
Debt service aid	21-495-034-5120-075	7/1/20-6/30/21	380,670	-	-	380,670	(380,670)	-	-	-	-	-	-
			380,670	-	-	380,670	(380,670)	-	-	-	-	-	-
Enterprise Fund:													
State School Lunch Program	20-100-010-3360-067	7/1/19-6/30/20	14,497	(87)	-	87	-	-	-	-	-	-	-
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	50,853	-	-	44,291	(50,853)	-	-	(6,562)	-	-	-
			65,350	(87)	-	44,378	(50,853)	-	-	(6,562)	-	-	-
Total Expenditures of State Awards			\$ 41,976,679	\$ (802,961)	\$ -	\$ 29,884,683	\$ (31,590,230)	\$ (616)	\$ -	\$ (1,052,211)	\$ 2,834	\$ 1,459,747	\$ 31,154,561
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-behalf TPAF Contribution	21-495-034-5094-002	7/1/20-6/30/21	9,558,313	-	-	9,558,313	(9,558,313)	-	-	-	-	-	9,558,313
On-behalf TPAF Post-Retirement Medic	21-495-034-5094-001	7/1/20-6/30/21	2,995,427	-	-	2,995,427	(2,995,427)	-	-	-	-	-	2,995,427
On-behalf TPAF LTDI	21-495-034-5094-004	7/1/20-6/30/21	4,760	-	-	4,760	(4,760)	-	-	-	-	-	4,760
Total State Financial Assistance Not Subject to Single Audit Determination			-	-	-	12,558,500	(12,558,500)	-	-	-	-	-	22,116,813
Total for State Financial Assistance-Major Program Determination							\$ (19,031,730)						

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, 2021

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 (Continued)

June 30, 2021

3. Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(9,324,409) for the General Fund and \$(239,213) 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	\$ 56,370	\$ 21,891,124	\$ 21,947,494
Special Revenue Fund	2,326,384	4,146	2,330,530
Debt Service Fund	-	380,670	380,670
Food Service Fund	<u>1,569,647</u>	<u>50,853</u>	<u>1,620,500</u>
Total awards and financial assistance	<u>\$ 3,952,401</u>	<u>\$ 22,326,793</u>	<u>\$ 26,279,194</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, 2021.

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, 2021

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
10.559	Summer Food Service Program For Children

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, 2021

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
495-034-5120-014	Non-public Transportation Aid

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, 2021

Summary Schedule of Prior Year Audit Findings - N/A