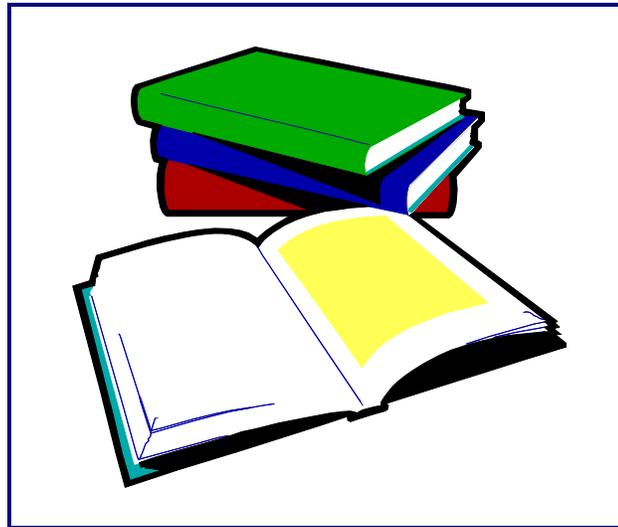


**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE
SCHOOL DISTRICT
WILLIAMSTOWN, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

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INTRODUCTORY SECTION



Monroe Township Public Schools

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

CHARLES M. EARLING
Superintendent of Schools
RALPH E. ROSS, SR.
Interim Assistant Superintendent/Secondary
ANTHONY T. PETRUZZELLI, Ed.D.
Assistant Superintendent/Elementary
LISA SCHULZ
Business Administrator/Board Secretary
JOHN L. BERSH, Ed.D.
Supervisor of Special Services
JOHN T. GRYCKIEWICZ, JR.
Supervisor of Child Study Teams
CAROL G. MIZRAHI
Elementary Supervisor of Curriculum
STANLEY W. KRZYMINSKI
Secondary Supervisor of Curriculum
D. DIANE MCGIVNEY
Supervisor of Technology
DAVID S. SULLIVAN
Director of Plant Operations
MICHAEL J. DEANGELIS
Supervisor of Transportation

November 20, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Township of Monroe School District (District) for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	6010.00	-.01%
2010-2011	6,056.76	-0.47%
2009-2010	6,085.4	-.27%
2008-2009	6,102.0	.61%
2007-2008	6,065.0	.29%
2006-2007	6,047.0	4.73%
2005-2006	5,774.0	6.10%
2004-2005	5,442.0	2.22%
2003-2004	5,324.0	3.85%
2002-2003	5,126.5	4.45%
2001-2002	4,902.2	.46%
2000-2001	4,879.8	2.39%
1999-2000	4,780.6	2.29%
1998-1999	4,673.4	2.81%

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

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

Grade/Subject	Partially Proficient	Proficient	Advanced Proficient	Total % Proficient & Advance Proficient
3rd Grade				
LAL	30.0	68.2	1.8	70.0%
Math	15.6	47.5	36.9	84.4%
4th Grade				
LAL	37.8	60.0	2.2	62.2%
Math	17.3	54.9	27.8	82.7%
Science	4.0	51.3	44.6	95.9%
5th Grade				
LAL	48.2	48.0	3.8	51.8%
Math	18.8	58.2	23.0	81.2%
6th Grade				
LAL	35.2	61.6	3.3	64.9%
Math	21.7	51.5	26.8	78.3%
7th Grade				
LAL	44.3	49.8	5.9	55.7%
Math	41.0	42.2	16.7	58.9%
8th Grade				
LAL	15.3	74.2	10.5	84.7%
Math	28.5	45.4	26.1	71.5%
Science	12.7	63.5	23.8	87.3%

Grade/Subject	Partially Proficient	Proficient	Advanced Proficient	Total % Proficient & Advance Proficient
HSPA				
11th Grade				
LAL	6.2	83.1	10.7	93.8%
Math	18.3	64.8	16.9	81.7%
12th Grade				
LAL	33.3	66.7	0	66.7%
Math	42.1	57.9	0	57.9%
Biology	51.2	45.3	3.5	48.8%

- √ **Provide Support for School Professional Development Committees**
 - Online ASCD Best Practice Research Library
 - District support materials for SPDC research and study groups
 - CEU district program option availability
 - Teaching and Learning time devoted to each school

- √ **Continued District Professional Development Focus on:**
 - Implementation of Common Core State Standards for ELA and Math
 - Alignment of curriculum to CCSS
 - New district teacher evaluation model (Marzano/iObservation)
 - Data Analysis
 - Differentiated Instruction
 - Ongoing Integration of Technology into Instruction
 - District-wide Articulation
 - In-Class Mentoring and Coaching through Instructional Support Coaches
 - Improving Student Achievement

- √ **NCLB Program Status**
 - Increased Parent Involvement
 - Anti-Bullying Awareness
 - Focus on Student Achievement
 - Ongoing, Sustained Professional Development
 - Implementation of Common Core Standards for ELA and Math

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

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

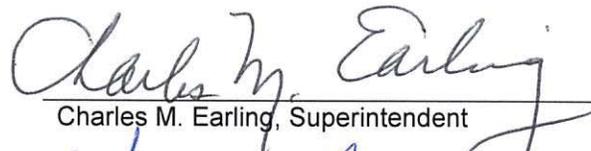
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including the portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be included as re-appropriated are reported as reservations of fund balance at June 30, 2012.

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

Respectfully submitted,



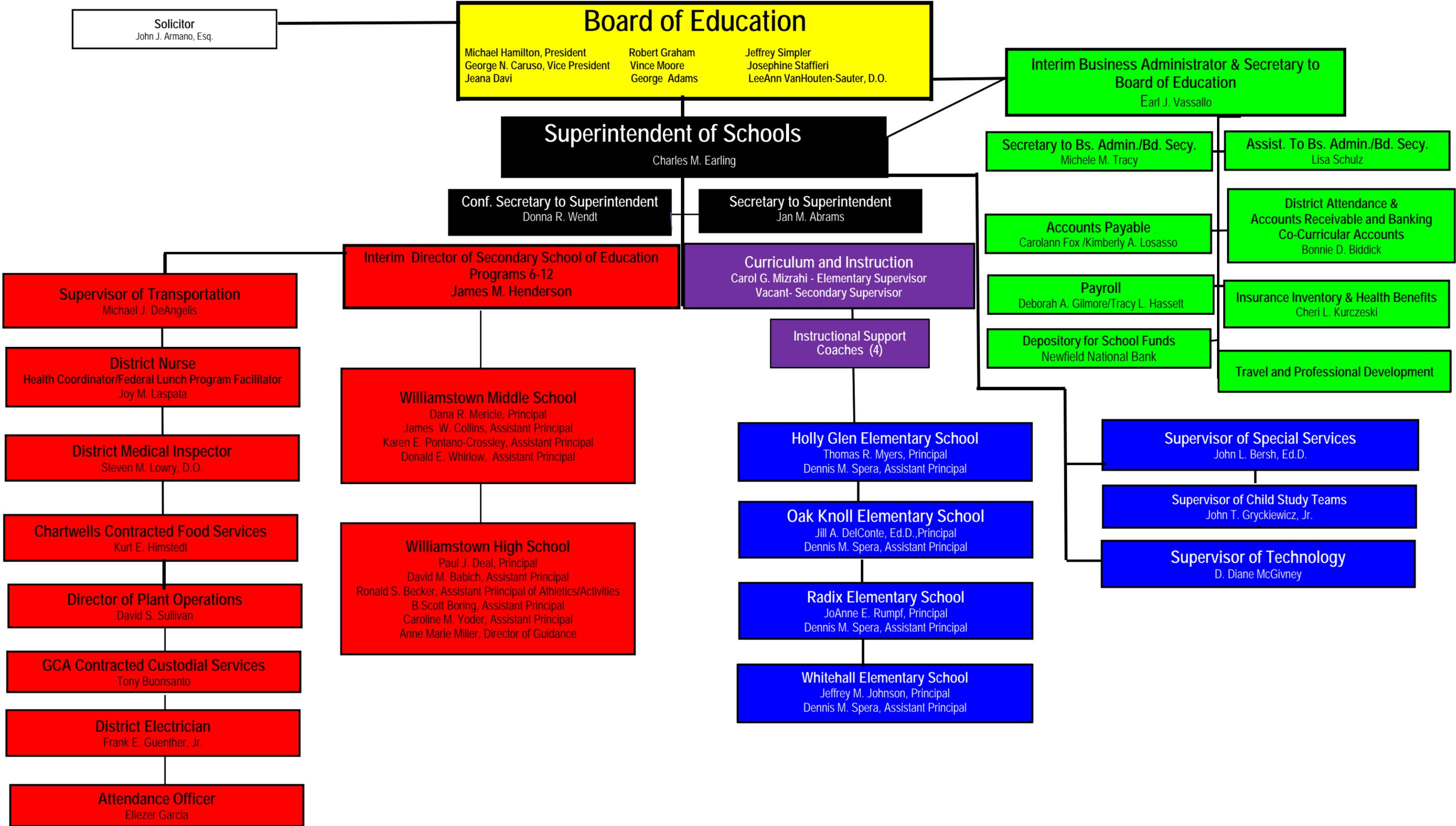
Charles M. Earling, Superintendent



Lisa Schulz/Board Secretary
Business Administrator

MONROE TOWNSHIP PUBLIC SCHOOLS

Organization Table



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

**ROSTER OF OFFICIALS
June 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Hamilton, President	2015
George Caruso, Vice President	2013
George Adams	2015
Jeana Davi	2014
Robert Graham	2013
Vince Moore	2015
Josephine Staffieri	2013
Jeff Simpler	2014
Dr. Lee Ann Van Houten- Sauter	2014

Other Officials

Charles E. Earling, Superintendent

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

Bonnie Biddick, Board Designee

John J. Armano Jr., Esq., Solicitor

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

Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

Newfield Bank
18 West Boulevard
Newfield, NJ 08344-9599

Insurance Agent

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Monroe School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 2012 on our consideration of the Township of Monroe School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedules of funding progress and employer contributions for the OPEB plan 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 of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Monroe School District's financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Monroe School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,



BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants



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

Voorhees, New Jersey
 November 20, 2012

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance, we identified a certain deficiency in internal controls over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance to be a material weakness as finding no.: 2012-1.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Monroe School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey and which is described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding no.: 2012-2.

The Township of Monroe School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
November 20, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Unaudited)**

The discussion and analysis of Monroe Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2012 are as follows:

- In total, net assets increased \$4,416,228, mainly attributable to lower than expected operating expenses.
- General revenues accounted for \$83,350,040 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services, and operating grants and contributions, accounted for \$9,510,682 or 10% of total revenues of \$92,860,722.
- The School District had \$88,444,494.16 in expenses; \$9,510,682 of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$82,060,935 in revenues and \$78,325,188 in expenditures. The General Fund's balance increased \$3,735,747 over 2011 due mainly to cost cutting efforts by the District's management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

TOWNSHIP OF MONROE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012 (Unaudited-Cont'd)

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

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

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

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service and the Capital Projects Fund; the School District has no Permanent Fund.

Governmental Funds

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

THE SCHOOL DISTRICT AS A WHOLE

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

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Unaudited-Cont'd)**

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

Assets	2012	2011
Current and Other Assets	\$ 13,546,100	\$ 11,905,303
Capital Assets	96,911,102	99,188,790
Total Assets	<u>110,457,202</u>	<u>111,094,093</u>
Liabilities		
Noncurrent Liabilities	69,933,279	73,498,100
Other Liabilities	3,603,320	5,021,536
Total Liabilities	<u>73,536,599</u>	<u>78,519,636</u>
Net Assets		
Invested in Capital Assets, Net of Debt	34,928,301	33,586,840
Restricted	8,280,621	8,502,897
Unrestricted (Deficit)	(6,288,319)	(9,515,280)
Total Net Assets	<u>\$ 36,920,603</u>	<u>\$ 32,574,457</u>

Table 2 shows a summary of the School District's changes in net assets for fiscal year 2012 and 2011.

Program Revenues:	2012	2011
Charges for Services	\$ 440,587	\$ 524,301
Operating Grants and Contributions	6,573,587	6,642,326
Capital Grants and Contributions	18,527	45,323
General Revenues:		
Property Taxes	46,167,090	45,367,831
Federal and State Aid, Not restricted	36,882,482	34,843,390
Other	318,562	149,314
Total Revenues	<u>\$ 90,400,835</u>	<u>\$ 87,572,485</u>
Program Expenses		
Governmental Activities:		
Instruction	32,646,763	31,429,751
Support Services:		
Student Administrative Services	11,541,561	10,698,606
School Administrative Services	3,111,907	2,983,636
General and Business Administrative Services	2,830,610	2,529,713
Plant Operation and Maintenance	7,859,435	8,025,792
Pupil Transportation	5,010,697	5,436,657
Unallocated Benefits	17,282,059	16,582,494
Interest on Long-term Debt	2,662,704	2,613,224
Loss on Disposal of Fixed Assets	18,093	16,140
Transfers and Other	22,495	82,891
Amortization of Bond Issue Costs	16,199	16,199
Unallocated Depreciation	3,052,167	2,993,292
Total Expenses, Governmental Activities	<u>86,054,690</u>	<u>83,408,395</u>
Change in Governmental Activities Net Assets	<u>\$ 4,346,145</u>	<u>\$ 4,164,090</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Unaudited-Cont'd)**

	Changes in Net Assets (Cont'd)	
	2012	2011
Business-Type Activities Net Income:		
Food Service	\$ 2,259,367	\$ 2,136,507
Transportation	218,613	237,050
	2,477,980	2,373,557
Total Net Income, Business – type Activities		
Business-Type Activities Expenses	(2,407,898)	(2,346,710)
Change in Business-Type Activities Net Assets	\$ 70,082	\$ 26,847

Governmental Activities

Municipal appropriations, state aid and federal aid made up 99% of revenues for governmental activities for the School District for fiscal year 2012.

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

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2012. That is, it identifies the cost of these services supported by general revenues.

Table 3

	Total Cost of Services	Net Cost of Services
Instruction	\$ 32,646,763	\$ 30,376,961
Support Services:		
Student and Instruction Related Services	11,541,561	10,428,369
School Administrative Services	3,111,907	3,111,907
General and Business Administrative Services	2,830,610	2,830,610
Plant Operation and Maintenance	7,859,435	7,859,435
Pupil Transportation	5,010,697	5,010,697
Unallocated Benefits	17,282,059	14,385,112
Unallocated Depreciation	3,052,167	3,052,167
Interest Expense	2,662,704	1,909,943
Transfers and Other	22,495	22,495
Loss on Dipsoal of Capital Assets	18,093	18,093
Amortization of Bond Issue Costs	16,199	16,199
Total Expenses	\$ 86,054,690	\$ 79,021,988

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

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

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Unaudited-Cont'd)**

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

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

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

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

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

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

THE SCHOOL DISTRICT'S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$90,400,835, expenditures of \$87,291,586.

GENERAL FUND BUDGETING HIGHLIGHTS

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

During the course of the 2012 fiscal year, the School District modified its General Fund budget numerous times as needed for including:

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

For the General Fund, the original and final budget basis revenue estimate was \$76,175,232.

During fiscal year 2012, the School District budgeted \$42,800,105 and \$32,111,615 for municipal appropriations and state aid revenues, respectively. The School District also budgeted \$1,263,512 for federal aid revenues. The School District also received \$2,358,498 in reimbursed TPAF Social Security aid, \$2,896,947 in reimbursed TPAF pension aid, and other un-budgeted state aid of \$43,313 resulting in a favorable revenue variance for the fiscal year.

The final budget basis expenditure appropriation estimate was \$78,840,239 compared to the original estimate of \$79,812,076.

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Unaudited-Cont'd)**

CAPITAL ASSETS

At the end of the fiscal year 2012, the School District had \$126,966,144 invested in land, buildings, furniture and equipment.

Table 4 shows a summary of the fiscal 2012 balances.

Table 4

Capital Assets

Land	\$ 1,639,800
Construction in Progress	625,170
Buildings and Improvements	119,871,362
Furniture and Equipment	<u>4,829,812</u>
Totals	<u>\$ 126,966,144</u>

Overall capital assets increased \$1,202,182 from fiscal year 2011 to fiscal year 2012 due to the continued renovations and additions to the Williamstown Middle School 5-6 building and several elementary schools from proceeds from a 2007 bond issue and the purchase of new computer equipment.

DEBT ADMINISTRATION

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

CURRENT FINANCIAL ISSUES AND CONCERNS

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey and the numerous defeated budgets by the community, the district manages to provide an excellent educational opportunity for all School District students. The School District's general fund budget has grown steadily over the past five years due to the growth of the township housing developments. The 2002-03 actual expenses were \$56,433,791 while the 2012-2013 budget contemplates spending \$90,746,802 an increase of 61%. These increases are the result of salary increases, additions to staff resulting from higher enrollments, significant increases for health benefits and transportation costs without any corresponding increase in state aid for the past five years.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MONROE SCHOOL DISTRICT

Statement of Net Assets

As of June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 9,704,664.32	\$ 231,338.87	\$ 9,936,003.19
Other Receivables		12,298.74	12,298.74
Intergovernmental Receivables	1,474,076.16	19,549.31	1,493,625.47
Internal Balances	1,005,683.51	163,820.83	1,169,504.34
Inventories		40,139.18	40,139.18
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,176,125.76		1,176,125.76
Capital Assets, net	96,911,102.10	317,865.00	97,228,967.10
Bond Issue Costs	185,549.78		185,549.78
Total Assets	110,457,201.63	785,011.93	111,242,213.56
LIABILITIES:			
Accounts Payable and Other Current Liabilities	1,515,284.15	73,299.25	1,588,583.40
Internal Balances	1,010,854.95	6,201.71	1,017,056.66
Intergovernmental Payable	82,663.00		82,663.00
Deferred Revenue	70,921.84	43,906.63	114,828.47
Accrued Interest Payable	923,595.81		923,595.81
Noncurrent Liabilities:			
Due within One Year	3,246,339.14		3,246,339.14
Due Beyond One Year	66,686,940.33		66,686,940.33
Total Liabilities	73,536,599.22	123,407.59	73,660,006.81
NET ASSETS:			
Invested in Capital Assets	34,928,300.55	317,865.00	35,246,165.55
Restricted for:			
Other Purposes	8,280,620.48		8,280,620.48
Unrestricted (Deficit)	(6,288,318.62)	343,739.34	(5,944,579.28)
Total Net Assets	\$ 36,920,602.41	\$ 661,604.34	\$ 37,582,206.75

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 22,623,827.93	\$ 440,587.29	\$ 1,829,215.24		\$ (20,354,025.40)		\$ (20,354,025.40)
Special Education	7,319,380.65				(7,319,380.65)		(7,319,380.65)
Other Special Instruction	1,617,348.58				(1,617,348.58)		(1,617,348.58)
Vocational	83,503.02				(83,503.02)		(83,503.02)
Other Instruction	1,002,703.27				(1,002,703.27)		(1,002,703.27)
Support Services:							
Student and Instruction Related Services	11,541,560.65		1,094,664.61	\$ 18,527.00	(10,428,369.04)		(10,428,369.04)
School Administrative Services	3,111,906.65				(3,111,906.65)		(3,111,906.65)
General and Business Administrative Services	2,830,610.10				(2,830,610.10)		(2,830,610.10)
Plant Operations and Maintenance	7,859,434.91				(7,859,434.91)		(7,859,434.91)
Pupil Transportation	5,010,696.89				(5,010,696.89)		(5,010,696.89)
Unallocated Benefits	17,282,058.87		2,896,947.00		(14,385,111.87)		(14,385,111.87)
Transfer to Charter Schools	22,495.00				(22,495.00)		(22,495.00)
Unallocated Depreciation	3,052,166.51				(3,052,166.51)		(3,052,166.51)
Interest Expense	2,662,704.31		752,760.54		(1,909,943.77)		(1,909,943.77)
Amortization of Bond Issue Costs	16,199.28				(16,199.28)		(16,199.28)
Total Governmental Activities	86,036,596.63	440,587.29	6,573,587.39	18,527.00	(79,003,894.95)	-	(79,003,894.95)
Business-Type Activities:							
Food Service	2,189,284.47	1,316,039.72	943,327.16			\$ 70,082.41	70,082.41
Transportation Service	218,613.06	218,613.06					
Total Business-Type Activities	2,407,897.53	1,534,652.78	943,327.16	-	-	70,082.41	70,082.41
Total Primary Government	\$ 88,444,494.16	\$ 1,975,240.07	\$ 7,516,914.55	\$ 18,527.00	\$ (79,003,894.95)	\$ 70,082.41	\$ (78,933,812.54)
General Revenues:							
Local Tax Levy					\$ 46,167,090.00		\$ 46,167,090.00
Federal and State Aid					36,882,482.11		36,882,482.11
Investment Earnings					64,961.28		64,961.28
Miscellaneous Income					253,599.71		253,599.71
Loss on Disposal of Capital Assets					(18,093.00)		(18,093.00)
Total General Revenues, Special Items, Extraordinary Items and Transfers					83,350,040.10	-	83,350,040.10
Change in Net Assets					4,346,145.15	70,082.41	4,416,227.56
Net Assets -- July 1					32,574,457.26	591,521.93	33,165,979.19
Net Assets -- June 30					\$ 36,920,602.41	\$ 661,604.34	\$ 37,582,206.75

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 9,704,664.32	\$ 653,183.42	\$ 311,603.91	\$ 211,338.43	\$ 10,880,790.08
Due from Other Funds	1,005,683.51				1,005,683.51
Intergovernmental Accounts Receivable:					
State	232,883.92	6,191.00			239,074.92
Federal	546,362.80	520,184.91			1,066,547.71
Other	168,453.53				168,453.53
Total Assets	\$ 11,658,048.08	\$ 1,179,559.33	\$ 311,603.91	\$ 211,338.43	\$ 13,360,549.75
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,418,386.83	\$ 96,897.32			\$ 1,515,284.15
Due to Other Funds		654,053.97	\$ 215,824.07	\$ 140,976.91	1,010,854.95
Payable to State Government		82,663.00			82,663.00
Deferred Revenue		70,921.84			70,921.84
Total Liabilities	1,418,386.83	904,536.13	215,824.07	140,976.91	2,679,723.94
Fund Balances:					
Restricted:					
Capital Reserve Account	500,400.00				500,400.00
Excess Surplus	5,532,084.33				5,532,084.33
Capital Projects			95,779.84		95,779.84
Special Revenue		275,023.20			275,023.20
Assigned:					
Other Purposes	1,877,333.11				1,877,333.11
Subsequent Year's Expenditure	830,817.58			70,361.52	901,179.10
Unassigned	1,499,026.23				1,499,026.23
Total Fund Balances	10,239,661.25	275,023.20	95,779.84	70,361.52	10,680,825.81
Total Liabilities and Fund Balances	\$ 11,658,048.08	\$ 1,179,559.33	\$ 311,603.91	\$ 211,338.43	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets are \$126,966,143.97 and the accumulated depreciation is \$30,055,041.87.

96,911,102.10

Other long-term assets, including inventories, are not available to pay for current period expenditures and, therefore, are not reported in the funds.

185,549.78

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.

(923,595.81)

Postemployment benefits other than pension are accrued during an employees tenure and not due and payable in the current period and therefore are not reported as liabilities in the funds.

(4,096,000.00)

Long-term liabilities, including compensated absences and pension deferrals, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(65,837,279.47)

Net assets of governmental activities

\$ 36,920,602.41

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 42,163,598.00			\$ 4,003,492.00	\$ 46,167,090.00
Miscellaneous Revenue	759,148.28	\$ 145,657.15			904,805.43
State Sources	37,800,535.40	382,101.29		1,394,001.00	39,576,637.69
Federal Sources	1,337,653.25	2,414,648.41			3,752,301.66
Total Revenues	82,060,934.93	2,942,406.85	-	5,397,493.00	90,400,834.78
EXPENDITURES:					
Current:					
Regular Instruction	21,158,355.52	1,750,772.84			22,909,128.36
Special Education Instruction	7,587,860.12				7,587,860.12
Other Special Instruction	1,628,382.26				1,628,382.26
Vocational Programs	90,941.01				90,941.01
Other Instruction	1,015,412.84				1,015,412.84
Support Services and Undistributed Costs:					
Student and Instruction Related Services	10,464,183.04	1,094,664.61			11,558,847.65
School Administrative Services	3,112,648.80				3,112,648.80
Other Administrative Services	2,616,917.00				2,616,917.00
Plant Operations and Maintenance	7,853,488.80				7,853,488.80
Pupil Transportation	5,022,228.75				5,022,228.75
Unallocated Benefits	17,216,118.87				17,216,118.87
Transfer Funds to Charter Schools	22,495.00				22,495.00
Debt Service:					
Principal				2,714,473.68	2,714,473.68
Interest and Other Charges				2,683,018.77	2,683,018.77
Capital Outlay	397,459.75	18,527.00	\$ 843,637.75		1,259,624.50
Total Expenditures	78,186,491.76	2,863,964.45	843,637.75	5,397,492.45	87,291,586.41
Excess (Deficiency) of Revenues over Expenditures	3,874,443.17	78,442.40	(843,637.75)	0.55	3,109,248.37
OTHER FINANCING SOURCES (USES):					
Cancellation of Accounts Receivable					
Operating Transfers:					
Transfers (to) from other Governmental Funds	(138,696.00)			138,696.00	
Total Other Financing Sources and Uses	(138,696.00)	-	-	138,696.00	-
Net Change in Fund Balances	3,735,747.17	78,442.40	(843,637.75)	138,696.55	3,109,248.37
Fund Balance (Deficit) -- July 1	6,503,914.08	196,580.80	939,417.59	(68,335.03)	7,571,577.44
Fund Balance (Deficit) -- June 30	\$ 10,239,661.25	\$ 275,023.20	\$ 95,779.84	\$ 70,361.52	\$ 10,680,825.81

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds	\$ 3,109,248.37
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 actual capital outlays exceeded depreciation in the period.	
Depreciation Expense	\$ (3,519,219.71)
Disposal of Capital Assets	(18,093.00)
Capital Asset Additions	<u>1,259,624.50</u>
	(2,277,688.21)
Repayment of capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	716,368.90
In the statement of activities, postemployment benefits other than pension that are unpaid or unfunded are accrued while an employee is employed by the District. In the governmental funds, postemployment benefits other than pension are recorded as expenditures when the benefits are paid to the retirees.	(73,000.00)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,759,684.76
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.	(34,035.90)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.	<u>145,567.23</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 4,346,145.15</u></u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Net Assets
As of June 30, 2012

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 231,338.87		\$ 231,338.87
Intergovernmental Accounts Receivable:			
State	532.11		532.11
Federal	19,017.20		19,017.20
Other Accounts Receivable	12,298.74		12,298.74
Due from Other Funds	157,619.07	\$ 6,201.76	163,820.83
Inventories	40,139.18		40,139.18
Total Current Assets	460,945.17	6,201.76	467,146.93
Plant Property & Equipment: (Net of Accumulated Depreciation)	317,865.00		317,865.00
Total Assets	778,810.17	6,201.76	785,011.93
LIABILITIES:			
Current Liabilities:			
Due to Other Funds		6,201.71	6,201.71
Accounts Payable	73,299.25		73,299.25
Deferred Revenue	43,906.63		43,906.63
Total Liabilities	117,205.88	6,201.71	123,407.59
NET ASSETS:			
Invested in Capital Assets	317,865.00		317,865.00
Unrestricted	343,739.29	0.05	343,739.34
Total Net Assets	\$ 661,604.29	\$ 0.05	\$ 661,604.34

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,277,330.65		\$ 1,277,330.65
Services Provided to Other Funds		\$ 218,613.06	218,613.06
Special Functions	38,709.07		38,709.07
Total Operating Revenues	1,316,039.72	218,613.06	1,534,652.78
OPERATING EXPENSES:			
Salaries	956,906.60		956,906.60
Other Purchased Services	142,249.63	218,613.06	360,862.69
Management Fees	143,160.69		143,160.69
Cost of Sales	914,692.55		914,692.55
Depreciation	32,275.00		32,275.00
Total Operating Expenses	2,189,284.47	218,613.06	2,407,897.53
Operating Loss	(873,244.75)	-	(873,244.75)
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	21,565.31		21,565.31
Federal Sources:			
National School Lunch Program	746,014.21		746,014.21
Food Distribution Program	175,747.64		175,747.64
Loss on Disposal of Fixed Assets			-
Total Non-operating Revenue	943,327.16	-	943,327.16
Change in Net Assets	70,082.41	-	70,082.41
Net Assets July 1	591,521.88	0.05	591,521.93
Net Assets June 30	\$ 661,604.29	\$ 0.05	\$ 661,604.34

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 1,311,567.15	\$ 222,580.03	\$ 1,534,147.18
Payments to Employees	(956,906.60)		(956,906.60)
Payments to Suppliers	(1,437,551.20)	(290,096.03)	(1,727,647.23)
Net Cash Used for Operating Activities	(1,082,890.65)	(67,516.00)	(1,150,406.65)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	22,827.95		22,827.95
Federal Sources	921,696.89		921,696.89
Capital Acquisitions	(94,595.00)		(94,595.00)
Net Cash Provided by Non-Capital Financing Activities	849,929.84	-	849,929.84
Net (Decrease) in Cash and Cash Equivalents	(232,960.81)	(67,516.00)	(300,476.81)
Cash and Cash Equivalents -- July 1	464,299.68	67,516.00	531,815.68
Cash and Equivalents -- June 30	\$ 231,338.87	\$ -	\$ 231,338.87
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (873,244.75)	\$ -	\$ (873,244.75)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:			
Depreciation	32,275.00		32,275.00
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(3,988.98)	\$ 3,966.97	(22.01)
(Increase) Decrease in Interfund Receivable	(3,709.07)		(3,709.07)
(Increase) Decrease in Inventory	(1,749.87)		(1,749.87)
Increase (Decrease) in Deferred Revenue	1,266.28		1,266.28
Increase (Decrease) in Accounts Payable	(233,739.26)	(71,482.97)	(305,222.23)
Net Cash Used for Operating Activities	\$ (1,082,890.65)	\$ (67,516.00)	\$ (1,150,406.65)

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Fiduciary Net Assets
As of June 30, 2012

	Trust Funds		Agency Funds	
	Unemployment Compensation <u>Trust</u>	Private- Purpose <u>Scholarship</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 104,054.98	\$ 86,610.61	\$ 331,355.66	\$ 455,447.77
Due from Other Funds		15,472.81		3,872.03
Total Assets	104,054.98	102,083.42	331,355.66	459,319.80
LIABILITIES:				
Due to Other Funds	3,872.03		21,674.57	146,245.92
Payable to State	18,611.61			
Payroll Deductions and Withholdings Payable to Student Groups			309,681.09	313,073.88
Total Liabilities	22,483.64	-	\$ 331,355.66	\$ 459,319.80
NET ASSETS:				
Reserved for Scholarships		102,083.42		
Held in Trust for Unemployment Claims and Other Purposes	81,571.34			
Total Net Assets	\$ 81,571.34	\$ 102,083.42		

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Private Purpose Scholarship</u>	<u>Unemployment Compensation Insurance</u>
ADDITIONS:		
Local Sources:		
Interest on Investments	\$ 1,081.42	\$ 413.53
Donations	28,142.89	
Deductions from Employees' Salaries		66,138.73
Total Additions	<u>29,224.31</u>	<u>66,552.26</u>
DEDUCTIONS:		
Scholarship Payments	19,131.46	
Unemployment Compensation Claims		96,815.78
Total Deductions	<u>19,131.46</u>	<u>96,815.78</u>
Change in Net Assets	<u>10,092.85</u>	<u>(30,263.52)</u>
Net Assets, July 1	<u>91,990.57</u>	<u>111,834.86</u>
Net Assets, June 30	<u>\$ 102,083.42</u>	<u>\$ 81,571.34</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Township of Monroe School District (hereafter referred to as the "School District") is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades pre-school through high school at the School District's six schools. The School District has an approximate enrollment at June 30, 2012 of 5,961.

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

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

Basis of Presentation - The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations, issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this note.

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

Enterprise Funds - The enterprise funds are used to account for operations

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

The School District's enterprise funds are:

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

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

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

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

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

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

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

Measurement Focus

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

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

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

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

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

Budgets / Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

Budgets / Budgetary Control (Cont'd) - Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

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

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

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

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

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

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

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

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

Depreciation is computed using the straight-line method over the following useful lives:

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

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2012, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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

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

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

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

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2012, the School District's bank balances of \$13,625,147 were exposed to custodial credit risk as follows:

Insured	\$ 299,265
Uninsured and collateralized with securities held by pledging financial institutions	12,516,391
Uninsured and uncollateralized	<u>809,491</u>
	<u>\$ 13,625,147</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2012, the School District's deposits with the New Jersey Cash Management Fund were \$823,749.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District during the fiscal year ended June 30, 1995 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance July 1, 2011		\$ 594,046
Increased by:		
Interest Earnings	\$ 150	
Deposits:		
Transferred from Unexpended Budget	<u>500,000</u>	
		<u>500,150</u>
		1,094,196
Decreased by:		
Transfer to Debt Service Fund	138,696	
Utilized as Revenue in General Fund	<u>455,100</u>	
		<u>593,796</u>
Ending Balance June 30, 2012		<u><u>\$ 500,400</u></u>

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Receivables:					
Intergovernmental	\$ 947,700	\$ 526,376		\$ 19,549	\$ 1,493,625
Other				<u>12,299</u>	<u>12,299</u>
Total	<u><u>\$ 947,700</u></u>	<u><u>\$ 526,376</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,848</u></u>	<u><u>\$ 1,505,924</u></u>

Note 5: INVENTORY

There was no Inventory in the General Fund at June 30, 2012.

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food & Supplies	<u>\$ 40,139</u>
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Note 6: CAPITAL ASSETS

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

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
Land	\$ 1,639,800			\$ 1,639,800
Construction in Progress	247,670	\$ 377,500		625,169
Total Capital Assets not being Depreciated	<u>\$ 1,887,470</u>	<u>\$ 377,500</u>	<u>\$ -</u>	<u>\$ 2,264,969</u>
Building and Improvements	\$ 119,027,724	\$ 843,638		\$ 119,871,362
Equipment	4,848,769	38,487	\$ 57,443	4,829,813
Total Historical Cost	<u>123,876,493</u>	<u>882,125</u>	<u>57,443</u>	<u>124,701,175</u>
Less Accumulated Depreciation:				
Building and Improvements	24,542,117	3,014,626		27,556,743
Equipment	2,033,055	504,594	39,350	2,498,299
Total Accumulated Depreciation	<u>26,575,172</u>	<u>3,519,220</u> *	<u>39,350</u>	<u>30,055,042</u>
Governmental Activities Capital Assets, Net	<u>\$ 99,188,790</u>	<u>\$ (2,637,095)</u>	<u>\$ 18,093</u>	<u>\$ 96,911,102</u>
Business-Type Activities:				
Equipment	\$ 482,235	\$ 94,595	\$ 9,630	\$ 567,200
Less Accumulated Depreciation:	226,690	32,275	9,630	249,335
Business-Type Activities Capital Assets, Net	<u>\$ 255,545</u>	<u>\$ 62,320</u>	<u>\$ -</u>	<u>\$ 317,865</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 182,273
Other Instruction	25,440
Support Services	9,254
School Administration	6,405
General and Business Administrative Services	219,702
Plant Operations and Maintenance	23,979
Unallocated	<u>3,052,167</u>
Total Depreciation Expense	<u>\$ 3,519,220</u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds & Loans	\$ 63,930,421		\$(2,714,474)	\$ 61,215,947	\$2,824,474
Premium on Bonds	699,627		(159,251)	540,376	
Deferred Loss on Bonds	(409,831)		104,901	(304,931)	
PERS Deferral	162,226		(7,060)	155,166	11,083
OPEB	4,023,000	\$ 73,000		4,096,000	
Obligations under Capital Leases	1,433,328		(716,369)	716,959	348,393
Compensated Absences	3,659,330		(145,567)	3,513,763	62,389
				<u>\$ 69,933,279</u>	<u>\$3,246,339</u>
Governmental Activity Long-term Liabilities	<u>\$ 73,498,100</u>	<u>\$ 73,000</u>	<u>\$(3,637,821)</u>	<u>\$ 69,933,279</u>	<u>\$3,246,339</u>

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

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,824,474	\$ 2,603,302	\$ 5,427,776
2014	2,959,473	2,500,010	5,459,483
2015	2,315,000	2,413,788	4,728,788
2016	2,500,000	2,310,738	4,810,738
2017-2021	14,823,000	9,804,777	24,627,777
2022-2026	14,125,000	6,582,425	20,707,425
2027-2031	17,555,000	3,347,900	20,902,900
2032	4,114,000	185,130	4,299,130
	<u>\$ 61,215,947</u>	<u>\$ 29,748,070</u>	<u>\$ 90,964,017</u>

Bonds Authorized But Not Issued - As of June 30, 2012, the Board had no authorized but not issued bonds.

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

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

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Deferral Payment</u>	<u>Interest</u>	<u>Total Projected Payment</u>
2013	\$ 11,083	\$ 14,132	\$ 25,215
2014	11,083	13,217	24,301
2015	11,083	12,303	23,386
2016	11,083	11,389	22,472
2018	11,083	10,474	21,557
2017-2021	55,416	38,655	94,072
2022-2026	44,333	14,466	58,799
	<u>\$ 155,166</u>	<u>\$ 114,635</u>	<u>\$ 269,801</u>

Capital Leases Payable - The School District is leasing computer equipment totaling \$3,464,161 under capital leases. The capital leases are for terms of 4 years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 348,394	\$ 41,512	\$ 389,906
2014	<u>368,565</u>	<u>21,340</u>	<u>389,905</u>
Total	<u>\$ 716,959</u>	<u>\$ 62,852</u>	<u>\$ 779,811</u>

Note 8: OPERATING LEASES

At June 30, 2012, the School District had operating lease agreements in effect for copy machines and mail machines. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2013	\$ 398,091
2014	5,400
2015	5,400
2016	5,400
2017	<u>1,350</u>
	<u>\$ 415,641</u>

Rental payments under operating leases for the fiscal year ended June 30, 2012 were \$397,545.

Note 9: PENSION PLANS

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

Note 9: PENSION PLANS (CONT'D)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Paid by District</u>
2012	\$202,432	\$339,897	\$542,329	\$23,187.00	\$565,516
2011	246,767	328,502	575,269	---	575,269
2010	220,401	215,049	435,450	---	435,450

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

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

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 14,039	---	\$ 14,039	\$ 14,039
2011	5,778	---	5,778	5,778

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

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 93,323 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

Single-Employer OPEB Plan**Plan Description**

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

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

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

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

No benefits are payable upon pre-retirement death or disability if the employee has less than 25 years of service. As of June 30, 2012, there were 96 retirees and surviving spouses and 7 active employees who qualify for benefits. 78 of the retirees have dependents who qualified for additional benefits.

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

Funding Policy - The contribution requirement of the District is established by the policy of the District and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year 2012, the District contributed \$910,000 to the plan for current premiums. Plan members are not required to make any contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation - The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Monroe Township Board of Education Plan, and changes in the District's net OPEB obligation to the District Plan:

Normal cost without interest	\$ 33,000
Amortization payment	<u>1,027,000</u>
Annual required contribution (expense)	1,060,000
Interest on Net OPEB Obligation	180,000
Adjustments to the Annual Required Contribution	<u>(257,000)</u>
Annual OPEB Cost	983,000
Contributions made	<u>(910,000)</u>
Net Change in OPEB Obligation	73,000
Net OPEB obligation - beginning of year	<u>4,023,000</u>
Net OPEB obligation - end of year	<u><u>\$ 4,096,000</u></u>

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

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

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions included a 4.5 % discount rate of return and an annual healthcare cost trend rate of 9.0% initially, reducing by decrements to an ultimate rate of 5% after 10 years. The assumptions also include prescription drug cost trend rate of 10.0% initially, reducing by decrements to an ultimate rate of 5% after 12 years and a dental cost trend rate of 5.0%. The actuarial value of the Monroe Township Board of Education Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The District's Plan unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012, was twenty-six years.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$962,357 and \$1,934,590, respectively.

Note 12: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

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

<u>Year Ending June 30,</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>District Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 66,139	\$ 414		\$ 96,816	\$ 81,571
2011	62,087	950		209,950	111,835
2010	62,501		\$ 200,241	280,559	258,748

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators include as follows:

*Washington
Prudential
Equitable
Travelers*

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the estimated liability for compensated absences in the governmental activities was \$3,513,763.

Note 15: INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as of June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,005,684	
Special Revenue		\$ 654,054
Capital Projects		215,824
Debt Service		140,977
Proprietary	163,821	6,202
Fiduciary	19,345	171,792
	<u>\$ 1,188,849</u>	<u>\$ 1,188,849</u>

The District maintains one disbursement account in the general fund. The interfunds represent timing differences between when expenses are disbursed and when the general fund is reimbursed. The interfunds fluctuate throughout the year and the district does anticipate the interfunds to be liquidated during the 2012-2013 fiscal year.

Note 16: DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2012, a deficit of \$6,288,319 existed in the Unrestricted Net Assets of the Governmental Activities. This deficit is attributable to the recording of capital assets, post employment benefits payable and long term liabilities including compensated absences, pension deferrals, bonds and capital leases payable which are not recorded in the fund financial statements

Note 17: FUND BALANCES**RESTRICTED**

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$5,532,084. Of this, \$3,868,418.42 of excess fund balance, which was generated during 2010-2011, has been restricted and designated for utilization in the 2012-2013 budget.

For Capital Reserve Account - As of June 30, 2012, the balance in the capital reserve account is \$500,400. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - On March 23, 2007, the School District issued \$43,639,000 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) a resolution adopted by the Board. The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the School District. The bond issuance was approved by the voters for additions and alterations to the High School, Middle School and Elementary Schools. As of June 30, 2012, the restricted fund balance amount was \$95,780.

Special Revenue Fund - of June 30, 2012, \$275,023 of special revenue fund balance was restricted.

ASSIGNED

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2013 \$830,818 of general fund balance at June 30, 2012.

Other Purposes - As of June 30, 2012, the School District had \$1,877,333 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 17: FUND BALANCES (CONT'D)**ASSIGNED (Cont'd)****Debt Service Fund -**

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2013 \$70,361 of debt service fund balance at June 30, 2012.

UNASSIGNED

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

General Fund - As of June 30, 2012, \$1,499,026 of general fund balance was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 42,163,598.00		\$ 42,163,598.00	\$ 42,163,598.00	
Tuition	370,346.00		370,346.00	440,587.29	\$ 70,241.29
Miscellaneous	266,161.00		266,161.00	318,560.99	52,399.99
Total - Local Sources	42,800,105.00	-	42,800,105.00	42,922,746.28	122,641.28
State Sources:					
Equalization Aid	28,613,395.00	\$ 192,554.00	28,805,949.00	28,805,949.00	
Categorical Special Education Aid	3,090,797.00		3,090,797.00	3,090,797.00	
Categorical Security Aid		546,083.00	546,083.00	546,083.00	
Extraordinary Aid	407,423.00		407,423.00	188,824.00	(218,599.00)
Additional Nonpublic School Transportation Aid				40,405.30	40,405.30
Other Unrestricted Aid				2,908.06	2,908.06
On-behalf TPAF Pension Contributions - Normal Cost (non-budgeted)				962,357.00	962,357.00
On-behalf TPAF Pension Contributions - Post Retirement Costs (non-budgeted)				1,934,590.00	1,934,590.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,358,498.04	2,358,498.04
Total - State Sources	32,111,615.00	738,637.00	32,850,252.00	37,930,411.40	5,080,159.40
Federal Sources:					
Education Jobs	1,148,475.00	35,979.00	1,184,454.00	1,184,454.00	
Unrestricted Grants in Aid	115,037.00		115,037.00	153,199.25	38,162.25
Total - Federal Sources	1,263,512.00	35,979.00	1,299,491.00	1,337,653.25	38,162.25
Total Revenues	76,175,232.00	774,616.00	76,949,848.00	82,190,810.93	5,240,962.93

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES:					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 571,464.00	\$ 18,188.00	\$ 589,652.00	\$ 569,841.48	\$ 19,810.52
Grades 1-5	6,287,647.00	50,750.00	6,338,397.00	6,264,260.28	74,136.72
Grades 6-8	5,301,666.00	(113,665.00)	5,188,001.00	5,151,157.83	36,843.17
Grades 9-12	6,735,149.00	55,559.20	6,790,708.20	6,657,058.33	133,649.87
Regular Programs - Home Instruction:					
Salaries of Teachers	90,000.00	23,053.00	113,053.00	109,109.25	3,943.75
Purchased Professional/Educational Services	60,000.00	6,719.00	66,719.00	66,718.77	0.23
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	180,877.00	(4,083.19)	176,793.81	157,102.80	19,691.01
Purchased Professional/Educational Services	69,893.00	12,463.79	82,356.79	81,656.79	700.00
Purchased Technical Services	131,209.00	(2,680.44)	128,528.56	123,575.51	4,953.05
Other Purchased Services	1,196,798.00	30,154.28	1,226,952.28	1,030,204.60	196,747.68
General Supplies	781,896.00	136,902.95	918,798.95	830,343.97	88,454.98
Textbooks	253,386.00	(129,778.95)	123,607.05	113,668.27	9,938.78
Other Objects	7,978.00	(755.00)	7,223.00	3,657.64	3,565.36
Total Regular Programs	21,667,963.00	82,827.64	21,750,790.64	21,158,355.52	592,435.12
Learning Disabilities:					
Salaries of Teachers	562,262.00	15,468.00	577,730.00	568,101.96	9,628.04
Other Salaries for Instruction	215,926.00	(15,468.30)	200,457.70	183,139.76	17,317.94
General Supplies	17,694.00	(2,173.30)	15,520.70	14,796.83	723.87
Textbooks	8,293.00	(1,000.18)	7,292.82	7,292.82	7,292.82
Total Learning Disabilities	804,175.00	(3,173.78)	801,001.22	766,038.55	34,962.67

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 323,846.00	\$ (51,544.00)	\$ 272,302.00	\$ 258,337.22	\$ 13,964.78
Other Salaries for Instruction	155,913.00		155,913.00	136,803.46	19,109.54
General Supplies	500.00		500.00	116.88	383.12
Textbooks	7,000.00	(5,000.00)	2,000.00		2,000.00
Total Behavioral Disabilities	487,259.00	(56,544.00)	430,715.00	395,257.56	35,457.44
Multiple Disabilities:					
Salaries of Teachers	384,543.00	(33,654.32)	350,888.68	337,353.46	13,535.22
Other Salaries for Instruction	330,007.00		330,007.00	319,056.39	10,950.61
General Supplies	6,000.00	(500.00)	5,500.00	5,476.32	23.68
Textbooks	180.00		180.00		180.00
Total Multiple Disabilities	720,730.00	(34,154.32)	686,575.68	661,886.17	24,689.51
Resource Room/Center:					
Salaries of Teachers	4,418,253.00	(124,345.68)	4,293,907.32	4,292,369.16	1,538.16
Other Salaries for Instruction	446,309.00		446,309.00	422,176.21	24,132.79
Purchased Technical Services	515.00	(95.20)	419.80	269.90	149.90
Other Purchased Services	750.00		750.00		750.00
General Supplies	37,136.00	3,500.00	40,636.00	38,179.11	2,456.89
Textbooks	8,672.00	(6,904.78)	1,767.22	1,272.61	494.61
Total Resource Room/Center	4,911,635.00	(127,845.66)	4,783,789.34	4,754,266.99	29,522.35

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Autism:					
Salaries of Teachers	\$ 419,372.00	\$ 1,997.41	\$ 421,369.41	\$ 416,121.52	\$ 5,247.89
Other Salaries for Instruction	340,703.00	(4,124.19)	336,578.81	323,560.58	13,018.23
General Supplies	11,146.00	4,000.00	15,146.00	14,912.97	233.03
Textbooks	9,448.00	(9,400.00)	48.00		48.00
Total Autism	780,669.00	(7,526.78)	773,142.22	754,595.07	18,547.15
Preschool Disabilities - Part-Time:					
Salaries of Teachers	189,870.00	(34,110.90)	155,759.10	154,812.05	947.05
Other Salaries for Instruction	153,458.00	(15,038.05)	138,419.95	101,003.73	37,416.22
General Supplies	1,500.00	(1,500.00)			
Total Preschool Disabilities - Part-Time	344,828.00	(50,648.95)	294,179.05	255,815.78	38,363.27
Total Special Education	8,049,296.00	(279,893.49)	7,769,402.51	7,587,860.12	181,542.39
Basic Skills					
Salaries of Teachers	959,883.00	503,882.00	1,463,765.00	1,463,436.66	328.34
Bilingual Education:					
Salaries of Teachers	136,376.00	5,685.60	142,061.60	140,083.79	1,977.81
Other Salaries for Instruction	20,289.00	288.05	20,577.05	20,576.10	0.95
General Supplies	4,342.00	26.00	4,368.00	4,285.71	82.29
Textbooks	826.00	(826.00)			
Total Bilingual Education	161,833.00	5,173.65	167,006.65	164,945.60	2,061.05

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Vocational Programs - Instruction					
Salaries of Teachers	\$ 69,000.00	\$ 0.08	\$ 69,000.08	\$ 69,000.08	
Other Salaries for Instruction	31,100.00		31,100.00	19,228.89	\$ 11,871.11
Other Purchased Services	4,200.00		4,200.00	761.55	3,438.45
General Supplies	3,010.00		3,010.00	1,950.49	1,059.51
Total Vocational Programs - Instruction	107,310.00	0.08	107,310.08	90,941.01	16,369.07
School Sponsored Co Curricular Activities:					
Salaries	244,805.00	32,450.88	277,255.88	267,198.13	10,057.75
Other Purchased Services	19,695.00	5,000.00	24,695.00	18,137.54	6,557.46
Supplies and Materials	41,362.00	(1,435.63)	39,926.37	38,008.80	1,917.57
Other Objects	42,018.00	(3,394.46)	38,623.54	37,254.34	1,369.20
Total School Sponsored Co curricular Activities	347,880.00	32,620.79	380,500.79	360,598.81	19,901.98
School Sponsored Athletics:					
Salaries	321,772.00		321,772.00	318,916.00	2,856.00
Purchased Services	173,225.00	(18,359.00)	154,866.00	142,913.25	11,952.75
Supplies and Materials	85,170.00	2,313.65	87,483.65	84,547.61	2,936.04
Other Objects	52,505.00	(2,150.08)	50,354.92	41,911.90	8,443.02
Total School Sponsored Athletics	632,672.00	(18,195.43)	614,476.57	588,288.76	26,187.81
Summer School :					
Salaries	75,984.00	1,250.00	77,234.00	21,686.25	55,547.75
Supplies and Materials	1,625.00	850.00	2,475.00	1,714.27	760.73
Other Objects	660.00		660.00		660.00
Total Summer School	78,269.00	2,100.00	80,369.00	23,400.52	56,968.48

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Community Services :					
Salaries	\$ 4,000.00	\$ 4,587.00	\$ 8,587.00	\$ 8,587.00	
Work Study:					
Salaries	40,000.00		40,000.00	34,537.75	\$ 5,462.25
Total Instruction	32,049,106.00	333,102.24	32,382,208.24	31,480,951.75	901,256.49
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	116,166.00	(16,747.32)	99,418.68	50,122.46	49,296.22
Tuition to Other LEAs Within the State-Special	232,089.00	(4,120.00)	227,969.00	46,087.14	181,881.86
Tuition to County Voc School Dist - Regular	201,960.00	4,120.00	206,080.00	202,980.00	3,100.00
Tuition to CSSD & Regional Day Schools	2,535,122.00	(706,076.90)	1,829,045.10	1,516,644.72	312,400.38
Tuition to Private School for the Handicapped-State	1,166,040.00	25,290.26	1,191,330.26	614,435.78	576,894.48
Tuition to Private School and Other LEAs - Outside State	177,851.00	500.00	178,351.00	45,860.00	132,491.00
Tuition - State Facilities	52,950.00		52,950.00	52,949.00	1.00
Tuition - Other	196,049.00		196,049.00	196,049.00	
Total Undistributed Expenditures - Instruction	4,678,227.00	(697,033.96)	3,981,193.04	2,725,128.10	1,256,064.94
Undistributed Expenditures - Attendance and Social Work:					
Salaries	29,233.00	1,701.96	30,934.96	29,199.04	1,735.92
Other Purchased Services		1,300.00	1,300.00	348.44	951.56
Total Attendance and Social Work	29,233.00	3,001.96	32,234.96	29,547.48	2,687.48
Undistributed Expenditures - Health Services:					
Salaries	639,765.00	12,245.57	652,010.57	647,580.26	4,430.31
Purchased Professional and Technical Services.	267,774.00	119,700.00	387,474.00	141,292.17	246,181.83
Other Purchased Services	70.00		70.00	69.99	0.01
Supplies and Materials	14,374.00	(485.57)	13,888.43	12,111.66	1,776.77
Total Undistributed Expenditures - Health Services	921,983.00	131,460.00	1,053,443.00	801,054.08	252,388.92

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Other Support -Students - Other Related Services					
Salaries	\$ 868,071.00	\$ (41,868.55)	\$ 826,202.45	\$ 786,506.15	\$ 39,696.30
Purchased Professional Educational Services	25,000.00		25,000.00	14,299.00	10,701.00
Supplies and Materials	29,580.00	(1,080.00)	28,500.00	5,332.34	23,167.66
Other Objects	5,000.00	(1,620.00)	3,380.00	540.00	2,840.00
Total Other Support -Student - Related Services	927,651.00	(44,568.55)	883,082.45	806,677.49	76,404.96
Undistributed Expenditures - Other Support Student-Regular:					
Salaries of Other Professional Staff	795,484.00	209,678.00	1,005,162.00	998,451.50	6,710.50
Salaries of Secretarial and Clerical Assistants	271,100.00	14,933.03	286,033.03	284,878.26	1,154.77
Other Salaries	42,650.00		42,650.00	24,741.41	17,908.59
Purchased Professional Educational Services	2,000.00		2,000.00	1,824.70	175.30
Other Purchased Professional and Technical Services	490.00	1,200.00	1,690.00	480.00	1,210.00
Other Purchased Services	500.00		500.00		500.00
Supplies and Materials	52,330.00	(1,079.09)	51,250.91	45,658.89	5,592.02
Other Objects	1,430.00	95.00	1,525.00	1,475.00	50.00
Total Other Support Student-Regular	1,165,984.00	224,826.94	1,390,810.94	1,357,509.76	33,301.18
Undistributed Expenditures - Other Support Student-Special:					
Salaries of Other Professional Staff	1,187,218.00	(112,897.04)	1,074,320.96	1,064,165.79	10,155.17
Salaries of Secretarial and Clerical Assistants	195,338.00	3,256.53	198,594.53	187,293.21	11,301.32
Other Salaries	120,635.00	874.50	121,509.50	94,974.66	26,534.84
Purchased Professional Educational Services		20,000.00	20,000.00	2,270.00	17,730.00
Residential Costs	272,939.00		272,939.00	178,618.98	94,320.02
Other Purchased Services	92,500.00	(27,500.00)	65,000.00	26,893.19	38,106.81
Supplies and Materials	54,030.00	(1,530.00)	52,500.00	21,019.92	31,480.08
Other Objects	22,800.00	8,784.60	31,584.60	3,553.65	28,030.95
Total Other Support Student-Special	1,945,460.00	(109,011.41)	1,836,448.59	1,578,789.40	257,659.19

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Improvement Instructional Services:					
Salaries of Supervisors of Instruction	\$ 241,997.00	\$ (27,704.10)	\$ 214,292.90	\$ 213,925.44	\$ 367.46
Salaries of Secretarial and Clerical Assistants	96,613.00	25,592.25	122,205.25	120,859.74	1,345.51
Other Salaries for Instruction	7,500.00		7,500.00	1,004.87	6,495.13
Salaries of Facilitators, Math Coaches, Literacy Coaches and Master Teachers		228,940.20	228,940.20	202,905.50	26,034.70
Purchased Professional Educational Services	750,957.00	190,000.00	940,957.00	822,641.03	118,315.97
Other Purchased Professional & Technical Services	44,050.00	(6,425.72)	37,624.28		37,624.28
Total Improvement Instructional Services	1,141,117.00	410,402.63	1,551,519.63	1,361,336.58	190,183.05
Undistributed Expenditures - Educational Media/Library:					
Salaries	968,882.00	48,130.00	1,017,012.00	987,266.93	29,745.07
Salaries of Tech Coordinators	249,620.00	6,935.04	256,555.04	256,555.04	
Purchased Professional & Technical Services	37,959.00	(25,328.55)	12,630.45	7,107.25	5,523.20
Supplies and Materials	64,696.00	24,987.34	89,683.34	84,157.59	5,525.75
Total Educational Media/Library	1,321,157.00	54,723.83	1,375,880.83	1,335,086.81	40,794.02
Undistributed Expenditures - Instructional Staff Training Services					
Other Salaries	69,677.00	25,066.85	94,743.85	74,834.63	19,909.22
Purchased Professional Educational Services	45,800.00	(11,069.20)	34,730.80	34,730.80	
Other Purchased Professional & Technical Services	37,425.00	117,746.68	155,171.68	152,171.68	3,000.00
Other Purchased Services	4,000.00	(1,500.00)	2,500.00	1,835.12	664.88
Supplies and Materials	164,995.00	223,713.33	388,708.33	199,763.87	188,944.46
Other Objects	5,500.00	442.24	5,942.24	5,717.24	225.00
Total Instructional Staff Training Services	327,397.00	354,399.90	681,796.90	469,053.34	212,743.56

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Support Services-General Admin.:					
Salaries	\$ 486,746.00	\$ (58,391.24)	\$ 428,354.76	\$ 428,295.70	\$ 59.06
Legal Services	210,000.00	(1,962.00)	208,038.00	162,315.33	45,722.67
Audit Fees	61,250.00	4,850.70	66,100.70	66,100.70	
Other Purchased Professional Services	169,995.00	143,743.05	313,738.05	282,115.70	31,622.35
Purchased Technical Services	7,741.00	3,727.50	11,468.50	7,570.31	3,898.19
Communications/Telephone	280,900.00	(32,542.47)	248,357.53	141,102.40	107,255.13
BOE Other Purchased Services	1,975.00	(300.00)	1,675.00	613.62	1,061.38
Other Purchased Services	150,100.00	60,306.59	210,406.59	209,147.80	1,258.79
General Supplies	93,943.00	(34,580.37)	59,362.63	33,937.48	25,425.15
Miscellaneous Expenditures	41,047.00	10,015.42	51,062.42	42,743.89	8,318.53
BOE Membership Dues and Fees	37,800.00	(5,000.00)	32,800.00	31,978.35	821.65
Total Support Services-General Admin.	1,541,497.00	89,867.18	1,631,364.18	1,405,921.28	225,442.90
Undistributed Expenditures - Support Services-School Admin.:					
Salaries of Principals/Assistant Principals	1,611,790.00	186,963.13	1,798,753.13	1,796,982.52	1,770.61
Salaries of Secretarial and Clerical Assistants	1,093,942.00	(52,241.94)	1,041,700.06	1,034,362.31	7,337.75
Other Salaries	160,178.00	(14,439.28)	145,738.72	129,293.80	16,444.92
Purchased Professional & Technical Services	62,914.00	(36,131.77)	26,782.23	1,601.00	25,181.23
Other Purchased Services	13,576.00	2,100.00	15,676.00	4,119.90	11,556.10
Supplies and Materials	131,243.00	8,997.16	140,240.16	103,892.12	36,348.04
Other Objects	63,250.00	(6,566.70)	56,683.30	42,397.15	14,286.15
Total Support Services-School Admin.	3,136,893.00	88,680.60	3,225,573.60	3,112,648.80	112,924.80

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Central Services					
Salaries	\$ 404,522.00	\$ 68,354.95	\$ 472,876.95	\$ 412,477.67	\$ 60,399.28
Purchased Technical Services	27,500.00	19,882.30	47,382.30	39,385.64	7,996.66
Supplies and Materials	17,000.00	14,166.33	31,166.33	26,218.81	4,947.52
Interest on Lease Purchases Agreements	64,381.00	(254.72)	64,126.28	64,126.28	
Miscellaneous Expenditures	1,000.00		1,000.00	40.00	960.00
Total Central Services	514,403.00	102,148.86	616,551.86	542,248.40	74,303.46
Undistributed Expenditures - Administration Information Technology					
Salaries	453,319.00	27,960.00	481,279.00	464,925.42	16,353.58
Purchased Professional Services	7,000.00	(6,553.00)	447.00	447.00	
Purchased Professional and Technical Services	191,450.00	(10,840.50)	180,609.50	163,863.09	16,746.41
Other Purchased Services	3,445.00	(3,013.93)	431.07	431.07	
Supplies and Materials	36,830.00	36,731.44	73,561.44	35,500.74	38,060.70
Other Objects	3,110.00	470.00	3,580.00	3,580.00	
Total Administration Information Technology	695,154.00	44,754.01	739,908.01	668,747.32	71,160.69
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	119,845.00		119,845.00	119,844.92	0.08
Cleaning, Repair, and Maintenance Service	346,669.00	93,209.36	439,878.36	387,105.59	52,772.77
General Supplies	17,922.00	22,203.20	40,125.20	31,695.28	8,429.92
Total Required Maintenance for School Facilities	484,436.00	115,412.56	599,848.56	538,645.79	61,202.77

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Operations of Plant Services:					
Salaries	\$ 71,016.00	\$ (0.12)	\$ 71,015.88	\$ 71,015.88	
Salaries of Non Instructional Aides	268,620.00	(69,758.88)	198,861.12	193,237.27	\$ 5,623.85
Cleaning, Repair, and Maintenance Service	3,276,193.00	333,769.41	3,609,962.41	3,358,954.76	251,007.65
Other Purchased Property Services	405,467.00	19,240.53	424,707.53	393,920.70	30,786.83
Insurance	138,204.00	(61,378.00)	76,826.00	1,166.15	75,659.85
Misc Purchased Services		1,245.00	1,245.00	1,244.50	0.50
General Supplies	380,854.00	(31,156.81)	349,697.19	199,232.71	150,464.48
Energy (Natural Gas)	939,069.00	(255,277.47)	683,791.53	635,035.71	48,755.82
Energy (Electricity)	1,888,000.00	(25,445.25)	1,862,554.75	1,862,554.75	
Energy (Oil)	4,203.00	3,366.06	7,569.06	5,727.27	1,841.79
Other Objects	12,681.00	7,091.72	19,772.72	18,364.68	1,408.04
Total Operations of Plant Services	7,384,307.00	(78,303.81)	7,306,003.19	6,740,454.38	565,548.81
Undistributed Expenditures - Care/Upkeep of Grounds					
Cleaning, Repair, and Maintenance Service	274,970.00	19,430.00	294,400.00	235,395.02	59,004.98
General Supplies	37,896.00	21,343.95	59,239.95	24,024.92	35,215.03
Total Care/Upkeep of Grounds	312,866.00	40,773.95	353,639.95	259,419.94	94,220.01
Undistributed Expenditures - Security					
Other Purchased Services	200,718.00	(1,515.00)	199,203.00	180,000.00	19,203.00
Cleaning, Repair, and Maintenance Service	75,852.00	32,048.04	107,900.04	97,535.51	10,364.53
General Supplies	24,245.00	18,572.37	42,817.37	37,433.18	5,384.19
Total Security	300,815.00	49,105.41	349,920.41	314,968.69	34,951.72

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Student Transportation:					
Salaries for Pupil Transportation (Other Than Between Home & School)	\$ 180,374.00	\$ 11,876.43	\$ 192,250.43	\$ 183,641.25	\$ 8,609.18
Purchased Professional & Technical Services	16,475.00	(2,582.59)	13,892.41	8,155.00	5,737.41
Cleaning, Repair, and Maintenance Service	1,500.00		1,500.00		1,500.00
Contracted Services (Between Home & School) -Vendors	3,240,891.00	(324,918.98)	2,915,972.02	2,589,735.90	326,236.12
Contr'ed Services (Other Than Between Home & School) Vendors	279,500.00	73,350.82	352,850.82	221,743.71	131,107.11
Contracted Services (Home & School) - Joint Agreements	30,900.00		30,900.00	18,482.00	12,418.00
Contracted Services (Special Ed. Students) - Vendors	2,173,903.00	(20,914.72)	2,152,988.28	1,840,926.97	312,061.31
Contracted Services (Special Ed. Students) - Joint Agreements	50,866.00	121.76	50,987.76	531.77	50,455.99
Contracted Services - Aid in Lieu Payments	175,916.00	5,304.00	181,220.00	151,811.67	29,408.33
Supplies and Materials	4,000.00	3,235.88	7,235.88	5,602.79	1,633.09
Other Objects	1,800.00	504.00	2,304.00	1,597.69	706.31
Total Undistributed Expenditures - Student Transportation	6,156,125.00	(254,023.40)	5,902,101.60	5,022,228.75	879,872.85
Undistributed Expenditures - Unallocated Benefits					
Social Security Contributions	764,691.00	(5,856.10)	758,834.90	753,503.60	5,331.30
Other Retirement Contributions - PERS	570,572.00	(2,000.00)	568,572.00	542,329.00	26,243.00
Other Retirement Contributions - Deferred PERS Payment	23,187.00		23,187.00	23,187.00	
Other Retirement Contributions - Regular	9,027.00	5,856.10	14,883.10	14,883.10	
Unemployment Compensation	155,037.00	556.25	155,593.25	-	155,593.25
Workman's Compensation	294,000.00		294,000.00	210,066.11	83,933.89
Health Benefits	10,545,549.00	(185,105.06)	10,360,443.94	9,869,498.96	490,944.98
Tuition Reimbursement	155,364.00	25,383.00	180,747.00	129,544.68	51,202.32
Other Employee Benefits	428,165.00	2,758.42	430,923.42	417,661.38	13,262.04
Total - Other Support Services	12,945,592.00	(158,407.39)	12,787,184.61	11,960,673.83	826,510.78

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
On-behalf TPAF Pension Contributions (non-budgeted):					
Normal				\$ 962,357.00	\$ (962,357.00)
Post Retirement Costs				1,934,590.00	(1,934,590.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,358,498.04	(2,358,498.04)
Total Undistributed Expenditures	\$ 45,930,297.00	\$ 368,209.31	\$ 46,298,506.31	46,285,585.26	12,921.05
Total General Current Expense	77,979,403.00	701,311.55	78,680,714.55	77,766,537.01	914,177.54
Capital Outlay:					
Interest deposit to Capital Reserve	100.00	(100.00)			
School Sponsored Athletics:					
Instructional Equipment				2,090.00	(2,090.00)
Undistributed Expenditures - Equipment:					
Instruction	15,000.00	(12,910.00)	2,090.00		2,090.00
Non - Instructional		15,100.00	15,100.00	4,640.00	10,460.00
Total Undistributed Expenditures - Equipment	15,000.00	2,190.00	17,190.00	4,640.00	12,550.00
Undistributed Expenditures - Required Maintenance:					
Equipment		689,400.00	689,400.00	13,230.00	676,170.00
Undistributed Expenditures - Facilities Acquisition and Construction Services:					
Construction Services	287,000.00	(2,090.00)	284,910.00	260,133.75	24,776.25
Land Improvements	455,200.00	(441,370.00)	13,830.00	13,830.00	
Other Objects	103,536.00		103,536.00	103,536.00	
Total Undistributed Expenditures - Facilities Acquisition and Construction Services	845,736.00	(443,460.00)	402,276.00	377,499.75	24,776.25
Total Capital Outlay	860,836.00	248,030.00	1,108,866.00	397,459.75	711,406.25

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Transfer Funds to Charter Schools		\$ 22,495.00	\$ 22,495.00	\$ 22,495.00	
Total Expenditures	<u>\$ 78,840,239.00</u>	<u>971,836.55</u>	<u>79,812,075.55</u>	<u>78,186,491.76</u>	<u>\$ 1,625,583.79</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,665,007.00)</u>	<u>(197,220.55)</u>	<u>(2,862,227.55)</u>	<u>4,004,319.17</u>	<u>6,866,546.72</u>
Other Financing Sources (Uses):					
Capital Reserve - Transfer to Repayment of Debt	<u>(138,696.00)</u>		<u>(138,696.00)</u>	<u>(138,696.00)</u>	
Total Other Financing Sources (Uses)	<u>(138,696.00)</u>	<u>-</u>	<u>(138,696.00)</u>	<u>(138,696.00)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,803,703.00)</u>	<u>(197,220.55)</u>	<u>(3,000,923.55)</u>	<u>3,865,623.17</u>	<u>6,866,546.72</u>
Fund Balances - July 1,	<u>9,424,260.08</u>		<u>9,424,260.08</u>	<u>9,424,260.08</u>	
Fund Balances - June 30,	<u>\$ 6,620,557.08</u>	<u>\$ (197,220.55)</u>	<u>\$ 6,423,336.53</u>	<u>\$ 13,289,883.25</u>	<u>\$ 6,866,546.72</u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Recapitulation of Fund Balance:					
Restricted Fund Balances:					
Capital Reserve				\$ 500,400.00	
Excess Surplus - Designated for Subsequent Year Expenditures				3,868,418.42	
Excess Surplus - Current Year				4,713,887.91	
Assigned Fund Balance:					
Reserved for Encumbrances				1,877,333.11	
Designated for Subsequent Year's Expenditure				830,817.58	
Unassigned Fund Balance				<u>1,499,026.23</u>	
				13,289,883.25	
Reconciliation to Governmental Funds Statements (GAAP):					
Last FY 2012 State Aid Payment not recognized on GAAP basis				<u>(3,050,222.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 10,239,661.25</u>	

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule - Education Jobs Fund
GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Adopted <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Education Jobs Fund	\$ 1,148,475.00	\$ 35,979.00	\$ 1,184,454.00	\$ 1,184,454.00	\$ -
EXPENDITURES:					
General Current Expense:					
Undistributed Expenditures - Unallocated Benefits					
Health Benefits	1,148,475.00	35,979.00	1,184,454.00	1,184,454.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balances - July 1,					
Fund Balances - June 30,	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources		\$ 70,735.42	\$ 70,735.42	\$ 67,383.56	\$ (3,351.86)
Total - Local Sources	-	70,735.42	70,735.42	67,383.56	(3,351.86)
State Sources:					
Home Instruction	\$ 370,489.50	(369,662.21)	827.29	6,191.00	5,363.71
Nonpublic Textbooks	30,389.20	213.51	30,602.71	26,729.26	(3,873.45)
Nonpublic Auxiliary Services		235,286.00	235,286.00	182,875.60	(52,410.40)
Nonpublic Handicapped Services		146,961.00	146,961.00	130,389.78	(16,571.22)
Nonpublic Nursing Services	36,009.00	8,886.00	44,895.00	35,915.65	(8,979.35)
Total - State Sources	436,887.70	21,684.30	458,572.00	382,101.29	(76,470.71)
Federal Sources:					
Title I	459,654.00	285,702.44	745,356.44	288,555.42	(456,801.02)
Title I (ARRA)		27,534.00	27,534.00	25,402.68	(2,131.32)
Title II	201,993.15	94,218.97	296,212.12	215,625.80	(80,586.32)
Title III	11,436.75	3,325.25	14,762.00	5,822.18	(8,939.82)
Title IV		1,904.00	1,904.00	1,904.00	-
I.D.E.A.	1,470,360.60	670,029.89	2,140,390.49	1,345,733.12	(794,657.37)
I.D.E.A. (ARRA)		551,446.06	551,446.06	461,224.65	(90,221.41)
Carl D. Perkins Vocational and Technical Education	26,293.90	5,850.10	32,144.00	32,144.00	-
Total - Federal Sources	2,169,738.40	1,640,010.71	3,809,749.11	2,376,411.85	(1,433,337.26)
Total Revenues	2,606,626.10	1,732,430.43	4,339,056.53	2,825,896.70	(1,513,159.83)

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries	\$ 673,083.90	\$ (497,649.04)	\$ 175,434.86	\$ 147,692.88	\$ 27,741.98
Purchased Professional Educational Services		137,933.44	137,933.44	94,211.10	43,722.34
Other Purchased Services		58,147.50	58,147.50	57,997.50	150.00
Tuition	1,470,360.60	(769,519.74)	700,840.86	678,048.70	22,792.16
General Supplies	26,293.90	636,562.82	662,856.72	426,563.53	236,293.19
Textbooks	30,389.20	1,040.80	31,430.00	26,729.26	4,700.74
Misc Expenditures	370,489.50	16,757.50	387,247.00	319,529.87	67,717.13
Total Instruction	2,570,617.10	(416,726.72)	2,153,890.38	1,750,772.84	403,117.54
Support Services:					
Salaries		498,508.86	498,508.86	348,892.86	149,616.00
Personnel Services-Employee Benefits		227,247.73	227,247.73	138,433.02	88,814.71
Other Purchased Services		1,020,132.60	1,020,132.60	496,371.10	523,761.50
General Supplies		362,172.16	362,172.16	27,988.25	334,183.91
Misc Expenditures	36,009.00	19,555.80	55,564.80	44,911.63	10,653.17
Total Support Services	36,009.00	2,127,617.15	2,163,626.15	1,056,596.86	1,107,029.29
Facilities Acquisition and Construction Services:					
Instructional Equipment		21,540.00	21,540.00	18,527.00	3,013.00
Total Expenditures	2,606,626.10	1,732,430.43	4,339,056.53	2,825,896.70	1,513,159.83
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2012

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 82,190,810.93	\$ 2,825,896.70
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis.		78,442.40
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		38,067.75
The last two 2010-11 State aid payment was recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related	2,920,346.00	
The last two 2011-12 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.	<u>(3,050,222.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 82,060,934.93</u>	<u>\$ 2,942,406.85</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 78,186,491.76	\$ 2,825,896.70
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>38,067.75</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 78,186,491.76</u>	<u>\$ 2,863,964.45</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

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

Schedule RSI-2

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

Year Ended June 30.	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2012	\$ 1,060,000	85.85%
2011	1,060,000	91.04%
2010	2,727,000	27.25%

MONROE TOWNSHIP BOARD OF EDUCATION

Note to Required Supplementary Information
For the Year Ended June 30, 2012

Other Postemployment Benefits

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

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent open
Remaining Amortization Period	26 years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Discount Rate	4.5%
Health Care Cost Rates:	
Medical	8.5% grading to 5.0% over 7 years
Prescription Drug	9.5% grading to 5.0% over 9 years
Dental	5.0%

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2012

REVENUES:	
Local Sources	\$ 67,383.56
State Sources	382,101.29
Federal Sources	<u>2,376,411.85</u>
 Total Revenues	 <u><u>\$ 2,825,896.70</u></u>
 EXPENDITURES:	
Instruction:	
Salaries of Teachers	\$ 147,692.88
Purchased Educational Services	94,211.10
Other Purchased Services	57,997.50
Tuition	678,048.70
General Supplies	426,563.53
Textbooks	26,729.26
Misc Expenditure	<u>319,529.87</u>
 Total Instruction	 <u>1,750,772.84</u>
 Support Services:	
Salaries	348,892.86
Personnel Services-Employee Benefits	138,433.02
Other Purchased Services	496,371.10
General Supplies	27,988.25
Misc Expenditure	<u>44,911.63</u>
 Total Support Services	 <u>1,056,596.86</u>
 Facilities Acquisition and Construction Services:	
Instructional Equipment	<u>18,527.00</u>
 Total Expenditures	 <u><u>\$ 2,825,896.70</u></u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total	NCLB				Total Brought Forward
		Title I Part A 2011-2012	ARRA Title I, Part A 2009-2011	Title II Part A 2011-2012	Title III 2011-2012	
REVENUES:						
Local Sources	\$ 67,383.56					\$ 67,383.56
State Sources	382,101.29					382,101.29
Federal Sources	2,376,411.85	\$ 288,555.42	\$ 25,402.68	\$ 215,625.80	\$ 5,822.18	\$ 1,904.00
						1,839,101.77
Total Revenues	\$ 2,825,896.70	\$ 288,555.42	\$ 25,402.68	\$ 215,625.80	\$ 5,822.18	\$ 1,904.00
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 147,692.88			\$ 140,506.00		\$ 7,186.88
Purchased Educational Services	94,211.10	\$ 94,211.10				-
Other Purchased Services	57,997.50					57,997.50
Tuition	678,048.70					678,048.70
General Supplies	426,563.53	80,675.22	\$ 13,586.68		\$ 3,103.40	\$ 1,904.00
Textbooks	26,729.26					26,729.26
Misc Expenditure	319,529.87					319,529.87
Total Instruction	1,750,772.84	174,886.32	13,586.68	140,506.00	3,103.40	1,904.00
Support Services:						
Salaries	348,892.86	58,927.00		7,524.00		282,441.86
Personnel Services-Employee Benefits	138,433.02	54,439.10	11,816.00	19,829.62	952.00	51,396.30
Other Purchased Services	496,371.10			46,666.00	1,766.78	447,938.32
General Supplies	27,988.25	303.00		1,100.18		26,585.07
Misc Expenditure	44,911.63					44,911.63
Total Support Services	1,056,596.86	113,669.10	11,816.00	75,119.80	2,718.78	-
Facilities Acquisition and Construction Services:						
Instructional Equipment	18,527.00					18,527.00
Total Expenditures	\$ 2,825,896.70	\$ 288,555.42	\$ 25,402.68	\$ 215,625.80	\$ 5,822.18	\$ 1,904.00

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	I.D.E.A.				Carl D. Perkins Grant	Total Brought Forward
		Basic 2011-2012	ARRA Basic 2009-2011	Preschool 2011-2012	ARRA Preschool 2009-2011		
REVENUES:							
Local Sources	\$ 67,383.56						\$ 67,383.56
State Sources	382,101.29						382,101.29
Federal Sources	1,839,101.77	\$ 1,306,376.02	\$ 444,546.55	\$ 39,357.10	\$ 16,678.10	\$ 32,144.00	-
Total Revenues	\$ 2,288,586.62	\$ 1,306,376.02	\$ 444,546.55	\$ 39,357.10	\$ 16,678.10	\$ 32,144.00	\$ 449,484.85
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 7,186.88						\$ 7,186.88
Purchased Educational Services	-						-
Other Purchased Services	57,997.50		\$ 49,450.00			\$ 5,295.00	3,252.50
Tuition	678,048.70	\$ 653,048.70		\$ 25,000.00			-
General Supplies	327,294.23	20,371.12	241,172.43	680.09	\$ 7,806.10	25,806.17	31,458.32
Textbooks	26,729.26						26,729.26
Misc Expenditure	319,529.87	73.49					319,456.38
Total Instruction	1,416,786.44	673,493.31	290,622.43	25,680.09	7,806.10	31,101.17	388,083.34
Support Services:							
Salaries	282,441.86	282,441.86					-
Personnel Services-Employee Benefits	51,396.30	36,808.30	14,588.00				-
Other Purchased Services	447,938.32	300,272.27	121,011.05	13,468.00	2,696.00		10,491.00
General Supplies	26,585.07	13,360.28	5,974.07	209.01		1,042.83	5,998.88
Misc Expenditure	44,911.63						44,911.63
Total Support Services	853,273.18	632,882.71	141,573.12	13,677.01	2,696.00	1,042.83	61,401.51
Facilities Acquisition and Construction Services:							
Instructional Equipment	18,527.00		12,351.00		6,176.00		-
Total Expenditures	\$ 2,288,586.62	\$ 1,306,376.02	\$ 444,546.55	\$ 39,357.10	\$ 16,678.10	\$ 32,144.00	\$ 449,484.85

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	N.J. Nonpublic Nursing	N.J. Nonpublic Textbook Aid, Ch. 194, L. 1979	N.J. Nonpublic Auxiliary Services, Ch. 192, L.1977			Total Brought Forward
				Compensatory Education	Home Instruction	Transportation	
REVENUES:							
Local Sources	\$ 67,383.56						\$ 67,383.56
State Sources	382,101.29	\$ 35,915.65	\$ 26,729.26	\$ 125,108.84	\$ 6,191.00	\$ 54,491.00	133,665.54
Federal Sources	-						-
Total Revenues	\$ 449,484.85	\$ 35,915.65	\$ 26,729.26	\$ 125,108.84	\$ 6,191.00	\$ 54,491.00	\$ 201,049.10
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 7,186.88						\$ 7,186.88
Purchased Educational Services	-						-
Other Purchased Services	3,252.50						3,252.50
Tuition	-						-
General Supplies	31,458.32						31,458.32
Textbooks	26,729.26		\$ 26,729.26				-
Misc Expenditure	319,456.38			\$ 125,108.84	\$ 6,191.00	\$ 54,491.00	133,665.54
Total Instruction	388,083.34	-	26,729.26	125,108.84	6,191.00	54,491.00	175,563.24
Support Services:							
Salaries	-						-
Personnel Services-Employee Benefits	-						-
Other Purchased Services	10,491.00						10,491.00
General Supplies	5,998.88						5,998.88
Misc Expenditure	44,911.63	\$ 35,915.65					8,995.98
Total Support Services	61,401.51	35,915.65	-	-	-	-	25,485.86
Facilities Acquisition and Construction Services:							
Instructional Equipment	-						-
Total Expenditures	\$ 449,484.85	\$ 35,915.65	\$ 26,729.26	\$ 125,108.84	\$ 6,191.00	\$ 54,491.00	\$ 201,049.10

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	N.J. Auxiliary Ch. 192, L.1977 E.S.L.	N.J. Handicapped Services, Ch. 193, L.1977			Local Grants
			Corrective Speech	Examination and Classification	Supplemental Instruction	
REVENUES:						
Local Sources	\$ 67,383.56					\$ 67,383.56
State Sources	133,665.54	\$ 3,275.76	\$ 62,398.15	\$ 42,035.39	\$ 25,956.24	
Federal Sources	-					
Total Revenues	\$ 201,049.10	\$ 3,275.76	\$ 62,398.15	\$ 42,035.39	\$ 25,956.24	\$ 67,383.56
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 7,186.88					7,186.88
Purchased Educational Services	-					
Other Purchased Services	3,252.50					3,252.50
Tuition	-					
General Supplies	31,458.32					31,458.32
Textbooks	-					
Misc Expenditure	133,665.54	3,275.76	62,398.15	42,035.39	25,956.24	
Total Instruction	175,563.24	3,275.76	62,398.15	42,035.39	25,956.24	41,897.70
Support Services:						
Salaries	-					
Personnel Services-Employee Benefits	-					
Other Purchased Services	10,491.00					10,491.00
General Supplies	5,998.88					5,998.88
Misc Expenditure	8,995.98					8,995.98
Total Support Services	25,485.86	-	-	-	-	25,485.86
Facilities Acquisition and Construction Services:						
Instructional Equipment	-					
Total Expenditures	\$ 201,049.10	\$ 3,275.76	\$ 62,398.15	\$ 42,035.39	\$ 25,956.24	\$ 67,383.56

CAPITAL PROJECTS FUND

Township of Monroe School District
CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2012

<u>Project Title</u>	<u>Original Date</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Total Expenditures</u>	<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>		
(a) Additions & Alterations to the Williamstown High School	03/23/07	\$ 10,167,755.51	\$ 9,462,132.61	\$ 260,658.79	\$ 9,722,791.40	\$ 444,964.11
i Additions & Alterations to the Williamstown Middle School	03/23/07	8,715,707.38	8,631,936.85	118,674.36	8,750,611.21	(34,903.83)
ii Additions & Alterations to the Holly Glen Elementary School	03/23/07	4,278,136.49	4,095,752.02	238,040.96	4,333,792.98	(55,656.49)
iii Additions & Alterations to the Oak Knoll Elementary School	03/23/07	12,329,727.45	12,229,470.69	130,642.59	12,360,113.28	(30,385.83)
iv Additions & Alterations to the Radix Elementary School	03/23/07	4,693,300.18	4,881,415.06	94,274.51	4,975,689.57	(282,389.39)
v Additions & Alterations to the White Hall Elementary School	03/23/07	3,454,372.99	3,398,875.18	1,346.54	3,400,221.72	54,151.27
		<u>\$ 43,639,000.00</u>	<u>\$ 42,699,582.41</u>	<u>\$ 843,637.75</u>	<u>\$ 43,543,220.16</u>	<u>\$ 95,779.84</u>
Reserved for Encumbrances						\$ 90,204.86
Designated for Subsequent Years' Expenditures						5,574.98
						<u>\$ 95,779.84</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2012

Revenues and Other Financing Sources	<u><u>\$ -</u></u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	\$ 104,996.51
Construction Services	<u>738,641.24</u>
Total Expenditures and Other Financing Uses	<u>843,637.75</u>
Deficiency of Revenues Under Expenditures	(843,637.75)
Fund Balance -- July 1	<u>939,417.59</u>
Fund Balance -- June 30	<u><u>\$ 95,779.84</u></u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at the Williamstown High School
For the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 10,167,755.51		\$ 10,167,755.51	\$ 10,167,755.51
Total Revenues	10,167,755.51	-	10,167,755.51	10,167,755.51
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	843,642.40	\$ 25,518.20	869,160.60	866,875.04
Construction Services	8,618,490.21	235,140.59	8,853,630.80	9,300,880.47
Total Expenditures	9,462,132.61	260,658.79	9,722,791.40	10,167,755.51
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 705,622.90	\$ (260,658.79)	\$ 444,964.11	\$ -

Additional Project Information:

Project Number	3280-050-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 10,202,198.00
Bonds Issued	10,202,198.00
Original Authorized Cost	10,202,198.00
Additional Authorized Cost	(34,442.49)
Revised Authorized Cost	10,167,755.51
Percentage Increase over Original Authorized Cost	-0.34%
Percentage Completion	95.62%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Addition and Alterations to the Williamstown Middle School
 For the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 8,715,707.38		\$ 8,715,707.38	\$ 8,715,707.38
Total Revenues	8,715,707.38	-	8,715,707.38	8,715,707.38
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	865,311.87	\$ 18,774.36	884,086.23	944,279.93
Construction Services	7,766,624.98	99,900.00	7,866,524.98	7,771,427.45
Total Expenditures	8,631,936.85	118,674.36	8,750,611.21	8,715,707.38
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 83,770.53	\$ (118,674.36)	\$ (34,903.83)	\$ -

Additional Project Information:

Project Number	3280-110-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 11,054,207.00
Bonds Issued	11,054,207.00
Original Authorized Cost	11,054,207.00
Additional Authorized Cost	(2,338,499.62)
Revised Authorized Cost	8,715,707.38
Percentage Increase over Original Authorized Cost	-21.15%
Percentage Completion	100.40%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at Holly Glen Elementary School
For the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 4,278,136.49		\$ 4,278,136.49	\$ 4,278,136.49
Total Revenues	4,278,136.49	-	4,278,136.49	4,278,136.49
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	411,099.37	\$ 34,255.96	445,355.33	378,363.53
Construction Services	3,684,652.65	203,785.00	3,888,437.65	3,899,772.96
Total Expenditures	4,095,752.02	238,040.96	4,333,792.98	4,278,136.49
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 182,384.47	\$ (238,040.96)	\$ (55,656.49)	\$ -

Additional Project Information:

Project Number	3280-075-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 4,343,136.00
Bonds Issued	4,343,136.00
Original Authorized Cost	4,343,136.00
Additional Authorized Cost	(64,999.51)
Revised Authorized Cost	4,278,136.49
Percentage Increase over Original Authorized Cost	-1.50%
Percentage Completion	101.30%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations to the Oak Knoll Elementary School
For the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 12,329,727.45		\$ 12,329,727.45	\$ 12,329,727.45
Total Revenues	12,329,727.45	-	12,329,727.45	12,329,727.45
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	818,891.59	\$ 13,466.94	832,358.53	840,022.09
Construction Services	11,410,579.10	117,175.65	11,527,754.75	11,489,705.36
Total Expenditures	12,229,470.69	130,642.59	12,360,113.28	12,329,727.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 100,256.76	\$(130,642.59)	\$ (30,385.83)	\$ -
Additional Project Information:				
Project Number	3280-090-06-1000			
Grant Date	N/A			
Bond Authorization Date	03/23/07			
Bonds Authorized	\$ 9,794,728.00			
Bonds Issued	9,794,728.00			
Original Authorized Cost	9,794,728.00			
Additional Authorized Cost	2,534,999.45			
Revised Authorized Cost	12,329,727.45			
Percentage Increase over Original Authorized Cost	25.88%			
Percentage Completion	100.25%			

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at Radix Elementary School
For the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 4,693,300.18		\$ 4,693,300.18	\$ 4,693,300.18
Total Revenues	4,693,300.18	-	4,693,300.18	4,693,300.18
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	435,152.00	\$ 12,864.51	448,016.51	414,808.29
Construction Services	4,446,263.06	81,410.00	4,527,673.06	4,278,491.89
Total Expenditures	4,881,415.06	94,274.51	4,975,689.57	4,693,300.18
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (188,114.88)	\$ (94,274.51)	\$ (282,389.39)	\$ -

Additional Project Information:

Project Number	3280-095-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 4,745,358.00
Bonds Issued	4,745,358.00
Original Authorized Cost	4,745,358.00
Additional Authorized Cost	(52,057.82)
Revised Authorized Cost	4,693,300.18
Percentage Increase over Original Authorized Cost	-1.10%
Percentage Completion	100.00%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at the White Hall Elementary School
For the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 3,454,372.99		\$ 3,454,372.99	\$ 3,454,372.99
Total Revenues	3,454,372.99	-	3,454,372.99	3,454,372.99
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	322,190.88	\$ 116.54	322,307.42	305,949.05
Construction Services	3,076,684.30	1,230.00	3,077,914.30	3,148,423.94
Total Expenditures	3,398,875.18	1,346.54	3,400,221.72	3,454,372.99
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 55,497.81	\$ (1,346.54)	\$ 54,151.27	\$ -

Additional Project Information:

Project Number	3280-100-06-1000
Grant Date	N/A
Bond Authorization Date	03/23/07
Bonds Authorized	\$ 3,496,373.00
Bonds Issued	3,496,373.00
Original Authorized Cost	3,496,373.00
Additional Authorized Cost	(42,000.01)
Revised Authorized Cost	3,454,372.99
Percentage Increase over Original Authorized Cost	-1.20%
Percentage Completion	98.43%

PROPRIETARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Net Assets
As of June 30, 2012

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 231,338.87		\$ 231,338.87
Intergovernmental Accounts Receivable:			
State	532.11		532.11
Federal	19,017.20		19,017.20
Other Accounts Receivable	12,298.74		12,298.74
Due from Other Funds	157,619.07	\$ 6,201.76	163,820.83
Inventories	40,139.18		40,139.18
Total Current Assets	460,945.17	6,201.76	467,146.93
Plant Property & Equipment: (Net of Accumulated Depreciation)	317,865.00		317,865.00
Total Assets	778,810.17	6,201.76	785,011.93
LIABILITIES:			
Current Liabilities:			
Due to Other Funds		6,201.71	6,201.71
Accounts Payable	73,299.25		73,299.25
Deferred Revenue	43,906.63		43,906.63
Total Liabilities	117,205.88	6,201.71	123,407.59
NET ASSETS:			
Invested in Capital Assets	317,865.00		317,865.00
Unrestricted	343,739.29	0.05	343,739.34
Total Net Assets	\$ 661,604.29	\$ 0.05	\$ 661,604.34

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,277,330.65		\$ 1,277,330.65
Services Provided to Other Funds		\$ 218,613.06	218,613.06
Special Functions	38,709.07		38,709.07
Total Operating Revenues	<u>1,316,039.72</u>	<u>218,613.06</u>	<u>1,534,652.78</u>
OPERATING EXPENSES:			
Salaries	956,906.60		956,906.60
Other Purchased Services	142,249.63	218,613.06	360,862.69
Management Fees	143,160.69		143,160.69
Cost of Sales	914,692.55		914,692.55
Depreciation	32,275.00		32,275.00
Total Operating Expenses	<u>2,189,284.47</u>	<u>218,613.06</u>	<u>2,407,897.53</u>
Operating Loss	<u>(873,244.75)</u>	<u>-</u>	<u>(873,244.75)</u>
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	21,565.31		21,565.31
Federal Sources:			
National School Lunch Program	746,014.21		746,014.21
Food Distribution Program	175,747.64		175,747.64
Loss on Disposal of Fixed Assets			-
Total Non-operating Revenue	<u>943,327.16</u>	<u>-</u>	<u>943,327.16</u>
Change in Net Assets	70,082.41	-	70,082.41
Net Assets July 1	<u>591,521.88</u>	<u>0.05</u>	<u>591,521.93</u>
Net Assets June 30	<u>\$ 661,604.29</u>	<u>\$ 0.05</u>	<u>\$ 661,604.34</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 1,311,567.15	\$ 222,580.03	\$ 1,534,147.18
Payments to Employees	(956,906.60)		(956,906.60)
Payments to Suppliers	(1,437,551.20)	(290,096.03)	(1,727,647.23)
Net Cash Used for Operating Activities	<u>(1,082,890.65)</u>	<u>(67,516.00)</u>	<u>(1,150,406.65)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	22,827.95		22,827.95
Federal Sources	921,696.89		921,696.89
Capital Acquisitions	(94,595.00)		(94,595.00)
Net Cash Provided by Non-Capital Financing Activities	<u>849,929.84</u>	<u>-</u>	<u>849,929.84</u>
Net (Decrease) in Cash and Cash Equivalents	(232,960.81)	(67,516.00)	(300,476.81)
Cash and Cash Equivalents -- July 1	<u>464,299.68</u>	<u>67,516.00</u>	<u>531,815.68</u>
Cash and Equivalents -- June 30	<u>\$ 231,338.87</u>	<u>\$ -</u>	<u>\$ 231,338.87</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (873,244.75)	\$ -	\$ (873,244.75)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:			
Depreciation	32,275.00		32,275.00
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(3,988.98)	\$ 3,966.97	(22.01)
(Increase) Decrease in Interfund Receivable	(3,709.07)		(3,709.07)
(Increase) Decrease in Inventory	(1,749.87)		(1,749.87)
Increase (Decrease) in Deferred Revenue	1,266.28		1,266.28
Increase (Decrease) in Accounts Payable	(233,739.26)	(71,482.97)	(305,222.23)
Net Cash Used for Operating Activities	<u>\$ (1,082,890.65)</u>	<u>\$ (67,516.00)</u>	<u>\$ (1,150,406.65)</u>

FIDUCIARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 As of June 30, 2012

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Trust</u>	<u>Private- Scholarship</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and Cash Equivalents	\$ 104,054.98	\$ 86,610.61	\$331,355.66	\$455,447.77	\$ 977,469.02
Due from Other Funds		15,472.81		3,872.03	19,344.84
Total Assets	<u>104,054.98</u>	<u>102,083.42</u>	<u>331,355.66</u>	<u>459,319.80</u>	<u>996,813.86</u>
LIABILITIES:					
Due to Other Funds	3,872.03		21,674.57	146,245.92	171,792.52
Payable to State	18,611.61				18,611.61
Payroll Deductions and Withholdings				313,073.88	313,073.88
Payable to Student Groups			309,681.09		309,681.09
Total Liabilities	<u>22,483.64</u>	<u>-</u>	<u>\$ 331,355.66</u>	<u>\$ 459,319.80</u>	<u>813,159.10</u>
NET ASSETS:					
Reserved for Scholarships		102,083.42			102,083.42
Held in Trust for Unemployment Claims and Other Purposes	<u>81,571.34</u>				<u>81,571.34</u>
Total Net Assets	<u>\$ 81,571.34</u>	<u>\$102,083.42</u>			<u>\$ 183,654.76</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Private Purpose Scholarship</u>	<u>Unemployment Compensation Insurance</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Interest on Investments	\$ 1,081.42	\$ 413.53	\$ 1,494.95
Donations	28,142.89		28,142.89
Deductions from Employees' Salaries		66,138.73	66,138.73
Total Additions	29,224.31	66,552.26	95,776.57
DEDUCTIONS:			
Scholarship Payments	19,131.46		19,131.46
Unemployment Compensation Claims		96,815.78	96,815.78
Total Deductions	19,131.46	96,815.78	115,947.24
Change in Net Assets	10,092.85	(30,263.52)	(20,170.67)
Net Assets, July 1	91,990.57	111,834.86	203,825.43
Net Assets, June 30	\$ 102,083.42	\$ 81,571.34	\$ 183,654.76

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

<u>School</u>	<u>Balance June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
Holly Glen	\$ 2,587.62	\$ 12,290.53	\$ 11,818.28	\$ 3,059.87
Radix	4,372.48	984.00	965.37	4,391.11
Oak Knoll	1,110.67	1,143.55	1,566.88	687.34
Whitehall	2,767.17	17,135.75	16,879.71	3,023.21
Williamstown Middle School	115,849.17	232,469.40	243,352.27	104,966.30
Williamstown High School	182,408.96	584,824.55	633,620.88	133,612.63
Due to Scholarship Account		21,005.27	5,532.46	15,472.81
Athletic Account	60,708.54	79,743.89	74,310.04	66,142.39
	<u>\$ 369,804.61</u>	<u>\$ 949,596.94</u>	<u>\$ 988,045.89</u>	<u>\$ 331,355.66</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 715,120.35	\$ 42,992,572.81	\$ 43,252,245.39	\$ 455,447.77
Due from Other Funds	2,498.35	68,334.70	66,961.02	3,872.03
Total Assets	<u>\$ 717,618.70</u>	<u>\$ 43,060,907.51</u>	<u>\$ 43,319,206.41</u>	<u>\$ 459,319.80</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 311,469.70	\$ 15,767,136.14	\$ 15,765,531.96	\$ 313,073.88
Due to Other Funds	406,149.00	1,398,646.69	1,658,549.77	146,245.92
Net Payroll		25,895,124.68	25,895,124.68	
Total Liabilities	<u>\$ 717,618.70</u>	<u>\$ 43,060,907.51</u>	<u>\$ 43,319,206.41</u>	<u>\$ 459,319.80</u>

LONG-TERM DEBT

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Serial Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
Construction of New High School	11/15/93	\$15,998,000	08/01/12	750,000.00	5.20%			
			08/01/13	775,000.00	5.20%			
			08/01/14	825,000.00	5.20%			
			08/01/15	825,000.00	5.20%			
			08/01/16	875,000.00	5.20%			
			08/01/17	875,000.00	5.20%			
			08/01/18	898,000.00	5.20%			
				<u>5,823,000.00</u>				
New Jersey Economic Development Authority Loan - Construction of New High School	08/15/93	15,000,000	07/15/12	789,473.68	1.50%			
			07/15/13	789,473.68	1.50%			
				<u>1,578,947.36</u>				
Construction of Additions to Various Schools	03/01/07	43,639,000	03/01/13	320,000.00	4.125%			
			03/01/14	390,000.00	4.125%			
			03/01/15	440,000.00	4.125%			
			03/01/16	600,000.00	4.125%			
			03/01/17	710,000.00	4.125%			
			03/01/18	900,000.00	4.125%			
			03/01/19	1,060,000.00	4.125%			
			03/01/20	1,830,000.00	4.125%			
			03/01/21	2,020,000.00	4.125%			
			03/01/22	2,180,000.00	4.250%			
			03/01/23	2,450,000.00	4.250%			
			03/01/24	2,590,000.00	4.250%			
			03/01/25	2,770,000.00	4.250%			

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Serial Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>			
Construction of Additions to Various Schools (Cont'd)	03/01/07	\$43,639,000	03/01/26	\$ 2,950,000.00	4.250%						
			03/01/27	3,150,000.00	4.250%						
			03/01/28	3,350,000.00	4.250%						
			03/01/29	3,560,000.00	4.500%						
			03/01/30	3,630,000.00	4.500%						
			03/01/31	3,865,000.00	4.500%						
			03/01/32	4,114,000.00	4.500%						
				<u>42,879,000.00</u>				\$ 43,139,000.00	\$ 260,000.00	\$ 42,879,000.00	
			Refunding Bonds, Series 2010	05/12/10	11,995,000	03/01/13	965,000.00	4.00%			
						03/01/14	1,005,000.00	2.25%			
03/01/15	1,050,000.00	4.00%									
03/01/16	1,075,000.00	3.00%									
03/01/17	1,100,000.00	4.00%									
03/01/18	1,125,000.00	4.25%									
03/01/19	1,135,000.00	5.00%									
03/01/20	1,145,000.00	4.50%									
03/01/21	1,150,000.00	5.00%									
03/01/22	1,185,000.00	5.00%									
	<u>10,935,000.00</u>							11,875,000.00	940,000.00	10,935,000.00	
					<u>\$ 63,930,421.04</u>	<u>\$ 2,714,473.68</u>	<u>\$ 61,215,947.36</u>				
					Add: Premium		\$ 540,376.06				
					Less: Deferred Loss on Defeasance		<u>(304,930.72)</u>				
							<u>\$ 61,451,392.70</u>				

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2012

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Additions Current Year</u>	<u>Reductions Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
			<u>Principal</u>	<u>Interest</u>					
Hewlett Packard Computer	7/1/2008	4 Years	\$ 1,170,691.90	\$ 129,502.42	7.23%	\$ 302,434.20		\$ 302,434.20	\$ -
Compass Learning	7/1/2008	4 Years	150,081.00	17,879.80	5.80%	40,121.20		40,121.20	-
Eplus	7/12/2010	4 Years	1,460,639.13	78,943.56	5.69%	1,090,772.13		373,813.50	716,958.63
						<u>\$ 1,433,327.53</u>	<u>\$ -</u>	<u>\$ 716,368.90</u>	<u>\$ 716,958.63</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 4,003,492.00	\$ 4,003,492.00	
State Sources:			
Debt Service Aid Type II	1,394,001.00	1,394,001.00	
Total Revenues	<u>5,397,493.00</u>	<u>5,397,493.00</u>	-
EXPENDITURES:			
Regular Debt Service:			
Interest	2,683,019.00	2,683,018.77	\$ 0.23
Redemption of Principal	2,853,170.00	2,714,473.68	138,696.32
Total Regular Debt Service	<u>5,536,189.00</u>	<u>5,397,492.45</u>	138,696.55
Total Expenditures	<u>5,536,189.00</u>	<u>5,397,492.45</u>	138,696.55
Excess (Deficiency) of Revenues Over Expenditures	(138,696.00)	0.55	138,696.55
Other Financing Sources:			
Transfer from Capital Reserve	138,696.00	138,696.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	138,696.55	138,696.55
Fund Balance July 1, 2011	<u>(68,335.03)</u>	<u>(68,335.03)</u>	
Fund Balance June 30, 2012 -- Unreserved Designated for Subsequent Year	<u>\$ (68,335.03)</u>	<u>\$ 70,361.52</u>	<u>\$ 138,696.55</u>
Restricted for:			
Debt Service - Designated for Subsequent Year's Expenditure		<u>\$ 70,361.52</u>	

STATISTICAL SECTION

Financial Trends Information

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

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

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 34,928,301	\$ 33,586,840	\$ 32,052,982	\$ 22,859,005	\$ 31,997,727	\$ 34,523,971	\$ 32,376,220	\$ 61,645,012	\$ 12,060,383
Restricted	8,280,620	8,502,897	6,400,976	2,113,885	1,593,775	1,992,071	3,476,815	5,978,669	23,152,191
Unrestricted (Deficit)	(6,288,319)	(9,515,280)	(10,043,591)	1,854,868	(2,717,481)	(3,634,106)	(2,929,321)	(2,383,514)	(972,477)
Total Governmental Activities Net Assets	\$ 36,920,602	\$ 32,574,457	\$ 28,410,367	\$ 26,827,758	\$ 30,874,022	\$ 32,881,936	\$ 32,923,714	\$ 65,240,168	\$ 34,240,097
Business-type Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 317,865	\$ 255,545	\$ 284,243	\$ 138,157	\$ 138,157	\$ 153,632	\$ 149,881	\$ 218,707	\$ 148,480
Unrestricted	343,739	335,977	280,432	294,097	335,430	316,467	16,858	15,323	83,035
Total Business-type Activities Net Assets	\$ 661,604	\$ 591,522	\$ 564,675	\$ 432,254	\$ 473,587	\$ 470,099	\$ 166,739	\$ 234,030	\$ 231,515
District-wide:									
Invested in Capital Assets, Net of Related Debt	\$ 35,246,166	\$ 33,842,385	\$ 32,337,225	\$ 22,997,162	\$ 32,135,884	\$ 34,677,603	\$ 32,526,101	\$ 61,863,720	\$ 12,208,863
Restricted	8,280,620	8,502,897	6,400,976	2,113,885	1,593,775	1,992,071	3,476,815	5,978,669	23,152,191
Unrestricted	(5,944,580)	(9,179,303)	(9,763,159)	2,148,965	(2,382,050)	(3,317,640)	(2,912,463)	(2,368,191)	(889,442)
Total District-wide Net Assets	\$ 37,582,206	\$ 33,165,979	\$ 28,975,042	\$ 27,260,012	\$ 31,347,609	\$ 33,352,035	\$ 33,090,453	\$ 65,474,198	\$ 34,471,612

Source: District Records (Exhibit A-1)

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

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses:									
Governmental Activities:									
Instruction:									
Regular	\$ 22,623,828	\$ 22,834,580	\$ 24,185,844	\$ 23,684,838	\$ 23,789,884	\$ 22,662,294	\$ 21,933,942	\$ 18,770,149	\$ 18,135,953
Special Education	7,319,381	6,688,837	6,491,757	7,071,804	6,604,007	6,037,375	6,414,697	5,565,576	3,977,496
Other Special Instruction	1,617,349	126,907	124,038	96,779	127,193	167,165	84,111	27,017	27,347
Vocational	83,503	71,921	51,373	35,875	66,190	125,134	93,812	90,587	74,502
Other Instruction	1,002,703	1,707,506	1,475,145	1,979,439	1,520,893	858,607	828,082	707,587	726,154
Support Services:									
Tuition									3,189,117
Student and Instruction Related Services	11,541,560	10,698,606	10,220,473	9,982,333	9,649,091	8,866,873	7,744,772	7,964,382	5,697,390
School Administrative Services	3,111,907	2,983,636	3,080,612	3,405,484	3,155,515	3,311,850	3,101,872	2,992,929	3,156,445
General and Business Administrative Services	2,830,610	2,529,713	2,456,035	2,321,711	2,472,561	2,346,489	2,469,274	2,313,769	1,432,185
Plant Operations and Maintenance	7,859,435	8,025,792	7,977,816	7,694,982	7,133,599	6,389,645	6,039,492	5,140,369	4,985,908
Pupil Transportation	5,010,697	5,436,657	5,526,479	5,417,884	5,439,734	4,800,555	4,385,100	3,924,235	3,677,251
Business and Other Support Services									303,964
Unallocated Benefits	17,282,059	16,537,269	17,297,252	16,639,661	14,737,600	13,876,066	10,884,205	12,517,729	8,675,540
Transfer to Charter Schools	22,495								
Amortization of Debt Issue Costs	16,199	16,199	2,319	2,319	2,319	4,617	3,825	3,825	3,850
Capital Outlay Expensed			80,936	2,003,522					
Interest Expense	2,662,704	2,613,224	2,769,025	3,564,543	2,329,942	2,103,438	2,515,786	1,455,741	2,108,719
Unallocated Depreciation	3,052,166	2,993,292	1,608,783	2,035,612	1,912,966	1,932,313	440,758	39,174	1,445,479
Total Governmental Activities Expenses	86,036,596	83,264,139	83,347,887	85,936,786	78,941,494	73,482,420	66,939,730	61,513,069	57,617,300
Business-type Activities:									
Food Service	2,189,284	2,104,658	2,119,545	2,079,704	2,311,067	1,983,783	2,174,218	1,945,673	1,676,138
Other	218,613	237,050	220,949	220,544	245,665	231,689	141,757	118,784	
Total Business-type Activities Expense	2,407,897	2,341,708	2,340,493	2,300,248	2,556,733	2,215,472	2,315,975	2,064,457	1,676,138
Total District Expenses	\$ 88,444,493	\$ 85,605,847	\$ 85,688,381	\$ 88,237,034	\$ 81,498,227	\$ 75,697,893	\$ 69,255,705	\$ 63,577,526	\$ 59,293,438

(Continued)

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

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Instruction: Tuition	\$ 440,587	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298	\$ 63,413	\$ 150,976	\$ 49,931	\$ 70,486
Operating Grants and Contributions	6,573,587	6,597,101	8,611,555	9,579,948	10,850,064	10,029,252	7,999,289	7,617,924	3,831,250
Capital Grants and Contributions	18,527	45,323			9,022	171,683	29,463	25,324	
Total Governmental Activities Program Revenues	7,032,701	7,166,725	8,981,901	9,855,321	10,980,385	10,264,348	8,179,728	7,693,179	3,901,736
Business-type activities:									
Charges for services:									
Food Service	1,316,040	1,313,400	1,318,729	1,332,495	1,371,604	1,382,495	1,342,584	1,193,776	1,172,813
Other	218,613	237,050	220,949	287,497	291,660	231,673	141,757	118,554	
Operating Grants and Contributions	943,327	823,107	934,939	798,064	745,051	642,443	636,170	514,772	490,373
Total Business-type Activities Program Revenues	2,477,980	2,373,557	2,474,617	2,418,057	2,408,315	2,256,611	2,120,512	1,827,103	1,663,186
Total District Program Revenues	\$ 9,510,681	\$ 9,540,282	\$ 11,456,518	\$ 12,273,378	\$ 13,388,700	\$ 12,520,959	\$ 10,300,239	\$ 9,520,281	\$ 5,564,922
Net (Expense)/Revenue:									
Governmental Activities	\$ (79,003,895)	\$ (76,097,414)	\$ (74,365,986)	\$ (76,081,465)	\$ (67,961,109)	\$ (63,218,072)	\$ (58,760,002)	\$ (53,819,890)	\$ (53,715,564)
Business-type Activities	70,083	31,849	134,123	117,809	(148,417)	41,138	(195,464)	(237,354)	(12,952)
Total District-wide Net Expense	\$ (78,933,812)	\$ (76,065,565)	\$ (74,231,863)	\$ (75,963,656)	\$ (68,109,527)	\$ (63,176,933)	\$ (58,955,466)	\$ (54,057,245)	\$ (53,728,516)

(Continued)

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

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Assets:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 46,167,090	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596	\$ 36,770,924	\$ 33,865,573	\$ 29,367,845	\$ 27,084,055
Unrestricted Grants and Contributions	36,882,482	34,843,390	34,295,635	31,429,531	26,487,778	25,714,865	25,324,919	25,216,600	28,253,318
Investment Earnings	64,961	48,913	105,442	788,385	1,820,498	688,473	185,560	120,385	184,126
Miscellaneous Income	253,600	100,401	219,243	941,689	131,050	356,631	342,740	299,730	260,530
Miscellaneous Expenses		(16,903)							
Loss on Disposal of Capital Assets	(18,093)	(65,988)	(98,497)		(368,199)	(51,558)	(528,334)		
Cancellation of Accounts Receivable/Duplicate Payables		(16,140)	(716,558)	(1,669)	(687,632)				
Transfers			(57,502)	113,342	(194,896)	(303,041)	(181,620)	(185,790)	(11,103)
Total Governmental Activities	83,350,040	80,261,504	75,948,595	72,035,201	65,953,195	63,176,294	59,008,838	54,818,769	55,770,926
Business-type Activities:									
Investment Earnings				1,381	4,264	902			
Cancellation of Accounts Receivable/Duplicate Payables			(1,266)						
Loss on Disposal of Capital Assets		(5,002)							
Transfers			(436)	(160,524)	147,643	261,319	181,620	147,013	11,103
Total Business-type Activities	-	(5,002)	(1,702)	(159,142)	151,906	262,221	181,620	147,013	11,103
Total District-wide	\$ 83,350,040	\$ 80,256,502	\$ 75,946,893	\$ 71,876,058	\$ 66,105,101	\$ 63,438,515	\$ 59,190,458	\$ 54,965,782	\$ 55,782,029
Change in Net Assets:									
Governmental Activities	\$ 4,346,145	\$ 4,164,090	\$ 1,582,610	\$ (4,046,264)	\$ (2,007,914)	\$ (41,778)	\$ 248,836	\$ 998,879	\$ 2,055,362
Business-type Activities	70,083	26,847	132,421	(41,333)	3,489	303,360	(13,843)	(90,341)	(1,849)
Total District	\$ 4,416,228	\$ 4,190,937	\$ 1,715,031	\$ (4,087,598)	\$ (2,004,425)	\$ 261,582	\$ 234,992	\$ 908,538	\$ 2,053,513

Source: District Records (Exhibit A-2)

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

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:									
Restricted:									
Capital Reserve Account	\$ 500,400	\$ 594,046	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375
Excess Surplus	5,532,084	5,801,016	3,410,057	1,477,459	1,234,289	2,160,027	2,100,866	1,163,644	1,576,093
Assigned:									
Other Purposes	1,877,333	971,837							
Subsequent Year's Expenditure	830,818	541,553							
Unassigned (Deficit)	1,499,026	(1,404,538)	(1,021,361)	(1,704,253)	330,777	1,475,942	1,438,551	2,233,481	422,098
Reserved									
Other			1,173,670	616,051	117,773	214,206		111,325	
Total General Fund	\$ 10,239,661	\$ 6,503,914	\$ 3,582,741	\$ 409,632	\$ 1,703,214	\$ 3,870,550	\$ 3,559,793	\$ 3,528,825	\$ 2,018,566
All Other Governmental Funds:									
Restricted:									
Capital Projects Fund	\$ 95,780	\$ 939,417	1,796,874	11,141,484	32,846,842	43,610,522	\$ 1,373,399	4,794,650	21,347,568
Special Revenue Fund	275,023	196,581	212,067	218,308	67,109	82,101			
Debt Service Fund	70,362		178,994	224,082	1,643,352	4	3	1	1
Permanent Fund									117,528
Unassigned (Deficit) - Debt Service Fund		(68,335)							
Unassigned (Deficit) - Special Revenue Fund								\$ (26,101)	\$ (26,101)
Total All Other Governmental Funds	\$ 441,165	\$ 1,067,663	\$ 2,187,936	\$ 11,583,875	\$ 34,557,303	\$ 43,692,627	\$ 1,373,401	\$ 4,768,551	\$ 21,438,996

Source: District Records (Exhibit B-1)

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

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues:									
Tax Levy	\$ 46,167,090	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596	\$ 36,770,924	\$ 33,865,573	\$ 29,367,845	\$ 27,084,055
Miscellaneous	904,805	828,284	764,222	2,009,545	2,077,294	45,009,896	727,147	587,726	515,142
State Sources	39,576,638	38,189,996	34,767,652	38,671,344	34,883,050	33,297,671	30,698,389	30,015,639	29,283,548
Federal Sources	3,752,302	3,141,149	8,070,348	2,334,037	2,459,367	2,470,718	2,607,411	2,689,273	2,801,020
Total Revenue	90,400,835	87,527,260	85,803,054	81,778,849	78,184,306	117,549,209	67,898,520	62,660,483	59,683,765
Expenditures:									
Instruction									
Regular Instruction	22,909,128	23,417,601	24,444,586	24,376,422	23,308,504	22,374,821	20,095,175	18,570,932	18,135,953
Special Education Instruction	7,587,860	7,151,922	6,549,798	7,221,994	6,646,826	5,987,028	6,414,697	5,565,576	3,977,496
Other Special Instruction	1,628,382	155,393	153,058	146,843	141,466	116,817	84,111	27,017	27,347
Vocational	90,941	90,699	80,394	85,938	80,463	74,787	93,812	90,587	74,502
Other Instruction	1,015,413	1,772,693	1,465,040	1,966,319	1,496,371	780,842	799,065	707,587	726,154
Support Services:									
Student and Instruction Related Services	11,558,848	10,867,189	10,211,163	9,971,001	9,646,530	8,751,832	8,288,185	8,251,633	8,886,507
School Administrative Services	3,112,649	3,025,027	3,073,330	3,399,253	3,159,859	3,181,625	3,081,492	2,980,973	3,156,445
Other Administrative Services	2,616,917	2,476,014	2,391,131	2,288,386	2,428,299	2,202,270	2,404,803	2,314,206	1,432,185
Plant Operations and Maintenance	7,853,489	8,134,807	7,947,870	7,668,271	7,138,672	6,316,738	6,009,282	5,115,956	4,985,908
Pupil Transportation	5,022,229	5,527,274	5,526,479	5,417,884	5,466,917	4,800,105	4,384,650	3,923,679	3,981,215
Unallocated Benefits	17,216,119	16,482,269	15,422,348	14,150,971	14,737,600	13,871,716	11,175,259	9,706,342	8,608,929
Transfer to Charter Schools	22,495								
Capital Outlay	1,259,624	2,623,647	8,574,363	24,157,460	10,931,586	2,725,642	4,816,181	17,025,398	11,732,376
Debt Service:									
Principal	2,714,473	2,709,474	2,469,474	2,399,474	2,194,474	2,129,474	2,059,474	2,034,474	2,009,474
Interest and Other Charges	2,683,019	2,687,001	2,942,792	4,910,839	1,226,871	1,302,488	1,374,893	1,445,586	2,108,719
Total Expenditures	87,291,586	87,121,010	91,251,824	108,161,054	88,604,438	74,616,186	71,081,081	77,759,944	69,843,210

(Continued)

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

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures(Cont'd):									
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	\$ 3,109,249	\$ 406,250	\$ (5,448,770)	\$ (26,382,205)	\$ (10,420,132)	\$ 42,933,024	\$ (3,182,561)	\$ (15,099,461)	\$ (10,159,445)
Other Financing Sources (Uses):									
Premiums on Bond Anticipation Notes								37,255	
Accounts Receivable/Payable Canceled		(65,988)	(716,558)	(1,669)	(687,632)				
Capital Leases		1,460,639		2,003,522					576,273
Transfers In				160,524				20,516	123,704
Transfers Out			(57,502)	(47,182)	(194,896)	(303,041)	(181,620)	(206,307)	(134,807)
Total Other Financing Sources (Uses)	-	1,394,651	(774,060)	2,115,194	(882,528)	(303,041)	(181,620)	(148,536)	565,170
Net Change in Fund Balances	\$ 3,109,249	\$ 1,800,901	\$ (6,222,830)	\$ (24,267,010)	\$ (11,302,659)	\$ 42,629,982	\$ (3,364,182)	\$ (15,247,997)	\$ (9,594,275)
Debt Service as a Percentage of Noncapital Expenditures	6.3%	6.4%	6.5%	8.7%	4.4%	4.8%	5.2%	5.7%	7.1%

Source: District Records (Exhibit B-2)

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

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Tuition	\$ 440,587	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298	\$ 63,413	\$ 150,976	\$ 49,931	\$ 75,372	\$ 38,027
South Jersey Tax Rebate								151,800		
Interest on Investments	64,961	48,913	46,481	77,654	177,151	803,441	185,560	99,868	60,422	64,422
Refund of Prior Year Expenditures	135,825	10,523	21,121	15,681	40,257	12,439	1,454	150,652	72,522	2,322
Athletic Gate Receipts	20,713	4,950			3,223	235	16,373	15,656	12,481	10,462
Building Rental								46,211		
Lost Book Fees	3,579	5,342	4,879	6,151	5,918	6,449	6,005	6,463	6,863	5,792
Insurance and Claims				358,019					85,380	
Miscellaneous	93,483	54,663	193,243	113,257	81,652	337,508	167,932	43,493	138	
	<u>\$ 759,148</u>	<u>\$ 648,692</u>	<u>\$ 636,071</u>	<u>\$ 846,136</u>	<u>\$ 429,499</u>	<u>\$ 1,223,485</u>	<u>\$ 528,300</u>	<u>\$ 564,073</u>	<u>\$ 313,178</u>	<u>\$ 121,025</u>

Source: District Records

Revenue Capacity

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

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

Year Ended <u>Dec. 31</u>	Total Assessed <u>Value</u>	Public Utilities (1)	Net Valuation <u>Taxable</u>	Tax-Exempt <u>Property</u>	Estimated (County Equalized) <u>Value</u>	Total Direct School Tax <u>Rate (2)</u>
2012	\$ 2,851,419,800	\$ 9,480,951	\$ 2,860,900,751	\$ 214,680,700	\$ 2,760,682,073	1.63
2011	2,871,410,400	10,446,211	2,881,856,611	203,351,100	2,885,341,969	1.59
2010	2,888,020,100	9,728,263	2,898,748,363	203,898,700	3,033,060,120	1.51
2009	2,874,088,300	9,293,958	2,881,250,038	200,961,400	3,105,787,267	1.41
2008	2,842,526,900	9,878,892	2,852,405,792	199,862,900	2,892,526,900	1.36
2007	1,430,956,860	5,158,349	1,436,115,209	122,471,150	2,646,265,600	2.63
2006	1,369,209,660	5,813,908	1,375,023,568	120,450,750	2,196,426,660	2.57
2005	1,308,058,020	7,027,276	1,315,085,296	117,809,250	1,835,470,068	2.36
2004	1,260,705,060	7,879,158	1,268,584,218	106,676,750	1,618,341,751	2.23
2003	1,204,931,492	8,398,657	1,213,330,149	106,113,460	1,430,463,566	1.76

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

(2) Tax rates are per \$100

Source: Gloucester County Board of Taxation

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

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Special Districts</u>	<u>Township of Monroe</u>	<u>Gloucester County</u>	
2012	\$ 1.490	\$ 0.137	\$ 1.627	N/A	\$ 0.717	\$ 0.529	\$ 2.873
2011	1.455	0.134	1.589	N/A	0.704	0.537	2.830
2010	1.386	0.125	1.511	N/A	0.691	0.576	2.778
2009	1.309	0.096	1.405	N/A	0.678	0.592	2.675
2008	1.271	0.088	1.359	N/A	0.628	0.562	2.549
2007	2.460	0.170	2.630	N/A	1.123	1.015	4.768
2006	2.445	0.124	2.569	N/A	1.098	0.943	4.610
2005	2.253	0.105	2.358	N/A	1.065	0.895	4.318
2004	2.094	0.131	2.225	N/A	0.907	0.795	3.927
2003	1.694	0.065	1.759	N/A	0.795	0.693	3.247

Source: Municipal Tax Collector

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

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Valuation Taxable	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Sam's Club	\$ 13,270,200	1	0.46%			
Nationwide Mobile Home Sales & Park	11,411,400	2	0.40%			
Meadowview (Nursing Home)	10,450,000	3	0.37%			
Jefferson Village (Apartments)	10,250,000	4	0.36%			
Williamstown Friendly Village	10,024,400	5	0.35%			
Verizon	9,480,951	6	0.33%			
Gordon Partnership	8,979,600	7	0.31%			
Laurelton Village	8,339,100	8	0.29%			
Cordia Commons	6,327,000	9	0.22%			
Scotland Run	6,300,000	10	0.22%			
Total	<u>\$ 94,832,651</u>		<u>3.31%</u>	<u>\$ -</u>		

Source: District CAFR & County Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School District</u> <u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>	
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>
2012	\$ 45,767,461	\$ 45,767,461	100.00%
2011	45,367,831	45,367,831	100.00%
2010	42,200,832	42,200,832	100.00%
2009	38,763,293	38,763,293	100.00%
2008	38,764,596	38,764,596	100.00%
2007	36,770,919	36,770,919	100.00%
2006	31,426,526	31,426,526	100.00%
2005	31,002,406	31,002,406	100.00%
2004	28,225,950	28,225,950	100.00%
2003	24,733,471	24,733,471	100.00%

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

Debt Capacity

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income (2)	Outstanding Debt Per Capital (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	\$ 61,451,393	-	\$ 716,958	-	-	\$ 62,168,351	Unavailable	Unavailable
2011	63,930,421	-	1,433,328	-	-	65,363,749	Unavailable	Unavailable
2010	66,639,895	-	837,288	-	-	67,477,183	4.91%	2,028
2009	69,241,368	-	1,301,613	-	-	70,542,981	5.33%	2,134
2008	71,640,842	-	299,361	-	-	71,940,203	5.44%	2,200
2007	73,835,316	-	584,821	-	-	74,420,137	6.11%	2,329
2006	32,970,787	-	1,183,805	-	-	34,154,592	2.98%	1,089
2005	35,005,261	-	602,091	-	-	35,607,352	3.34%	1,151
2004	37,039,735	-	970,797	-	-	38,010,532	3.80%	1,253
2003	38,429,209	-	810,286	-	-	39,239,495	4.24%	1,330

Sources:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 61,451,393	\$ -	\$ 61,451,393	2.15%	1,696
2011	63,930,421	-	63,930,421	2.22%	1,768
2010	66,639,895	-	66,639,895	2.30%	2,003
2009	69,241,368	-	69,241,368	2.40%	2,095
2008	71,640,842	-	71,640,842	2.51%	2,190
2007	73,835,316	-	73,835,316	5.14%	2,311
2006	32,970,787	-	32,970,787	2.40%	1,051
2005	35,005,261	-	35,005,261	2.66%	1,131
2004	37,039,735	-	37,039,735	2.92%	1,221
2003	38,429,209	-	38,429,209	3.17%	1,303

Sources:

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

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

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized valuation basis (1)

2011	\$ 2,764,959,461
2010	2,886,710,731
2009	<u>3,000,058,581</u>
	<u>\$ 8,651,728,773</u>

Average equalized valuation of taxable property \$ 2,883,909,591

Debt limit (4% of average equalization value) (2) 115,356,384
 Total Net Debt Applicable to Limit 62,520,619

Legal Debt Margin \$ 52,835,765

	Fiscal Year Ended June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 115,356,384	\$ 119,287,199	\$ 118,751,621	\$ 112,390,289	\$ 99,445,110	\$ 86,423,140	\$ 71,766,979	\$ 62,092,343	\$ 55,333,233
Total net debt applicable to limit (3)	<u>61,451,393</u>	<u>63,930,421</u>	<u>66,639,895</u>	<u>69,241,368</u>	<u>71,640,842</u>	<u>73,835,316</u>	<u>30,886,313</u>	<u>32,970,787</u>	<u>35,005,261</u>
Legal debt margin	<u>\$ 53,904,991</u>	<u>\$ 55,356,778</u>	<u>\$ 52,111,726</u>	<u>\$ 43,148,920</u>	<u>\$ 27,804,268</u>	<u>\$ 12,587,824</u>	<u>\$ 40,880,666</u>	<u>\$ 29,121,556</u>	<u>\$ 20,327,972</u>
Total net debt applicable to the limit as a percentage of debt limit	53.27%	53.59%	56.12%	72.04%	85.43%	43.04%	53.10%	63.26%	63.26%

Sources:

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	36,232	Unavailable	Unavailable	10.30%
2011	36,163	Unavailable	Unavailable	11.40%
2010	33,276	1,375,530,012	41,337	10.80%
2009	33,057	1,323,932,850	40,050	6.40%
2008	32,707	1,321,231,972	40,396	5.40%
2007	31,956	1,217,331,864	38,094	5.40%
2006	31,356	1,145,309,256	36,526	5.00%
2005	30,940	1,067,399,060	34,499	5.40%
2004	30,347	1,000,479,896	32,968	4.20%
2003	29,496	924,375,144	31,339	4.70%

Source:

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

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

<u>Employer</u>	<u>2012 (1)</u>			<u>2003 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>
MTS Systems Corporation	1,000	1	5.73%			
Monroe Township School District	877	2	5.03%			
County of Gloucester	350	3	2.01%			
Rowan University	300	4	1.72%			
Kennedy Memorial Hospital	250	5	1.43%		N/A	
Missa Bay, LLC	200	6	1.15%			
Monroe Township School District	200	7	1.15%			
U.S. Foodservices	140	8	0.80%			
DGI Services	120	9	0.69%			
Delaware Valley Wholesale Florist	80	10	0.46%			
			<u>20.16%</u>			

(1) Township Wide Information

(2) Unavailable

Source: Monroe

Operating Information

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

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

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>							
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction								
Regular	348.0	344.9	325.7	338.0	331.0	314.6	322.0	295.0
Special education	104.2	96.4	94.0	93.0	92.0	88.0	81.0	71.0
Other special education	99.2	85.8	35.0	35.0	8.0	6.5	6.0	6.0
Vocational	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other instruction	26.0	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Nonpublic school programs					5.0	5.0		
Adult/continuing education programs								
Support Services:								
Solicitor	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Student & instruction related services	107.9	91.1	50.8	63.5	42.0	39.0	43.0	35.0
General administrative services	8.0	6.8	8.0	9.0	8.0	13.0	50.0	46.0
School administrative services	61.5	65.7	191.0	203.5	218.0	203.0	142.0	119.0
Business administrative services	9.6	9.0	10.0	10.0	9.0	7.0	26.0	29.0
Plant operations and maintenance	2.0	12.2	2.0	2.0	2.0	2.0	2.0	2.0
Pupil transportation	4.6	4.6	4.0	4.0	5.0	5.0	2.0	2.0
Admin Info Tech	4.0	8.0	15.0	12.0	11.0	10.0	9.0	9.0
Total	<u>777.0</u>	<u>729.4</u>	<u>740.5</u>	<u>775.0</u>	<u>737.0</u>	<u>699.1</u>	<u>689.0</u>	<u>620.0</u>

Source: District Records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2012	5,961	\$ 87,291,586	\$14,644	1.79%	452	1:15	1:13	1:13	6,055.8	5,758.2	-0.02%	95.09%
2011	6,059	87,166,235	14,386	-4.07%	443	1:15	1:13	1:12	6,056.8	5,758.9	1.38%	95.08%
2010	6,085	91,251,824	14,996	-18.43%	490	1:9	1:13	1:10	5,974.1	5,697.5	1.55%	95.37%
2009	5,883	108,161,054	18,385	25.85%	443	1:15	1:13	1:12	5,883.1	5,601.0	-3.00%	95.21%
2008	6,065	88,604,438	14,609	17.61%	468	1:15	1:13	1:12	6,065.0	5,601.4	0.30%	92.36%
2007	6,007	74,616,186	12,422	2.19%	452	1:15	1:13	1:12	6,047.0	5,441.0	4.73%	89.98%
2006	5,848	71,081,081	12,155	-16.31%	445	1:13	1:13	1:12	5,774.0	5,593.0	6.10%	96.87%
2005	5,354	77,759,944	14,524	11.34%	445	1:13	1:13	1:12	5,442.0	5,271.0	2.22%	96.86%
2004	5,354	69,843,210	13,045	10.10%	445	1:13	1:13	1:12	5,324.0	5,011.5	3.85%	94.13%
2003	4,906	58,126,240	11,848	N/A	416	1:14	1:16	1:12	5,126.5	4,822.6	4.58%	94.07%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Elementary</u>										
Oak Knoll 1917 (1954, 1970)										
Square Feet	51,775									
Capacity (students)	363									
Enrollment	564	518	505	522	503	530	520	576	583	459
Whitehall 1967 (1970)										
Square Feet	44,823									
Capacity (students)	321									
Enrollment ^a	397	391	394	409	376	413	381	435	418	402
Holly Glen 1967 (1978,1991)										
Square Feet	60,500									
Capacity (students)	488									
Enrollment	571	680	697	673	692	645	576	660	631	681
Radix 1981										
Square Feet	75,500									
Capacity (students)	560									
Enrollment	728	760	676	760	753	714	708	818	837	874
<u>Williamstown Middle School (1958)</u>										
Square Feet	277,820									
Capacity (students)	1,598									
Enrollment	1,911	1,914	1,879	1,877	1,834	1,857	1,857	1,373	1,339	1,303
<u>Williamstown High School (1997)</u>										
Square Feet	305,000									
Capacity (students)	1,443									
Enrollment	1,790	1,796	1,772	1,756	1,879	1,811	1,732	1,580	1,546	1,417
<u>Other</u>										
Maple Grove Administration Building										
Square Feet	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281
Number of Schools at June 30, 2012										
Elementary = 4										
Middle School = 1										
High School = 1										
Other = 1										

Source: District Records

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

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

<u>School Facilities</u>	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Williamstown HS	\$ 124,907	\$ 104,485	\$ 80,852	\$ 129,430	\$ 219,207	\$ 228,048	\$ 104,343	\$ 114,751	\$ 127,611	\$ 108,849
Holly Glen Elementary	28,748	243,064	43,433	43,547	59,249	34,913	23,910	22,763	25,313	21,537
Oak Knoll Elementary	46,170	61,296	36,629	22,693	37,133	23,513	16,728	19,480	21,663	18,336
Radix Elementary	56,561	17,323	29,605	13,582	36,147	57,091	29,644	28,409	31,589	27,057
Whitehall Elementary	13,764	20,763	23,463	17,019	44,459	21,083	10,121	16,866	18,754	16,007
Williamstown MS	164,145	7,701	101,529	128,429	213,888	121,400	77,411	104,553	116,239	99,245
Undistributed	117,581									
Total School Facilities	551,876	454,632	315,510	354,701	\$ 610,082	\$ 486,049	\$ 262,157	\$ 306,822	\$ 341,169	\$ 291,031

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

Township of Monroe Board of Education
 Insurance Schedule
 June 30, 2012
Unaudited

	<u>Coverage</u>	<u>Deductable</u>
General & Auto Insurance - School Alliance Insurance Fund (SAIF)	\$5,000,000	\$1,000
Property and Auto Physical Damage - SAIF	250,000,000	1,000
Boiler and Machinery - SAIF	100,000,000	1,000
Comprehensive Crime Coverage - School Alliance Insurance Fund		
Money and Securities	50,000.00	1,000
Blanket Dishonesty Bond		
Including Faithful Performance	100,000 / 500,000	1,000
Computer Fraud	50,000	1,000
Forgery and Alteration	50,000	1,000
Environmental Impairment Liability - SCIA	1,000,000 / 25,000,000	1,000
Excess Liability - SCIA	5,000,000	1,000
Professional Liability - SCIA	5,000,000 / 5,000,000	1,000
Workers Compensation - NJSBA Insurance	40,314,418	
Employer's Liability	2,000,000	
Board Designee	373,000	
Business Administrator/ Board Secretary	373,000	

Source: District Records

SINGLE AUDIT SECTION

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

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

Compliance

We have audited the Township of Monroe School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2012. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Township of Monroe School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as findings no.: 2012-1 and 2012-2

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal controls over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal controls over compliance described in the accompanying Schedule of Findings and Questioned Costs and in the Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding 2012-1 to be a material weakness.

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 or 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. We did not identify any deficiencies in internal control over compliance that we consider to be *significant deficiencies*, as defined above.

The Township of Monroe School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2012

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Program or</u> <u>Award</u> <u>Amount</u>	<u>Local</u> <u>Match</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Special Education--Medicaid Initiative	93.778	N/A	153,199.25	N/A	7-1-11	6-30-12
Federal Emergency Management Agency						
Passed - Through New Jersey State Police,						
Office of Emergency Managemnt, Public Assistance Office:						
Public Assistance Grant	97.036	FEMA-4021-DR-NJ	2,826.00	N/A	7-1-11	6-30-12
U.S. Department of Education:						
Passed-through State Department of Education:						
Education Jobs Fund	84.410	N/A	1,184,454.00	N/A	7-1-11	6-30-12
Total General Fund						
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010	NCLB540012	561,976.00	N/A	9-1-11	8-31-12
ARRA Title I	84.389	ARRA540012	379,777.00	N/A	9-1-09	8-31-11
Title II - Part A	84.367	NCLB540012	220,354.00	N/A	9-1-11	8-31-12
Title II - Part D	84.318	NCLB540012	872.00	N/A	9-1-11	8-31-12
Title III	84.365	NCLB540012	13,129.00	N/A	9-1-11	8-31-12
Title IV	84.186	NCLB540010	16,031.00	N/A	9-1-09	8-31-10
I.D.E.A. Part B:						
Basic	84.027	IDEA540012	1,440,181.00	N/A	9-1-11	8-31-12
ARRA Basic	84.391	ARRA552012	1,473,993.00	N/A	9-1-09	8-31-11
Pre-School	84.173	IDEA540012	59,918.00	N/A	9-1-11	8-31-12
ARRA Pre School	84.392	ARRA552012	53,175.00	N/A	9-1-09	8-31-11
Carl D. Perkins - Secondary	84.048	PERK328-012	32,144.00	N/A	7-1-11	6-30-12
Total Special Revenue Fund						
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	N/A	96,173.25	N/A	7-1-10	6-30-11
National School Lunch Program	10.555	N/A	174,564.65	N/A	7-1-11	6-30-12
Cash Assistance:						
School Breakfast Program	10.553	N/A	85,496.42	N/A	7-1-10	6-30-11
School Breakfast Program	10.553	N/A	93,668.84	N/A	7-1-11	6-30-12
National School Lunch Program	10.555	N/A	609,773.56	N/A	7-1-10	6-30-11
National School Lunch Program	10.555	N/A	645,815.26	N/A	7-1-11	6-30-12
Special Milk Program	10.556	N/A	6,573.74	N/A	7-1-10	6-30-11
Special Milk Program	10.556	N/A	6,530.11	N/A	7-1-11	6-30-12
Total Enterprise Fund:						
Total Federal Financial Assistance						

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2012

<u>Balance June 30, 2011</u>			<u>Balance June 30, 2012</u>					
<u>Deferred Revenue (Accounts Receivable)</u>	<u>Due to Grantor</u>	<u>Local Match Provided</u>	<u>Cash Received</u>	<u>Adjustments</u>	<u>Budgetary Expenditures</u>	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>	<u>Due to Grantor</u>
			\$ 153,199.25		\$ 153,199.25			
			2,826.00		2,826.00			
			638,091.20		1,184,454.00	\$ (546,362.80)		
-	-	-	794,116.45	-	1,340,479.25	(546,362.80)	-	-
\$ (217,853.47)			454,024.00		288,555.42	(52,384.89)		
(94,681.32)			120,084.00		25,402.68			
(69,650.75)			247,542.00		215,625.80	(37,734.55)		
(550.00)			550.00					
(9,227.60)			16,951.00		5,822.18	(0.00)	\$ 1,901.22	
			1,904.00		1,904.00			
(524,673.06)			1,414,134.00		1,306,377.31	(416,916.37)		
(75,017.47)			544,979.00		444,546.55			\$ 25,414.98
(34,000.00)			64,819.00		39,357.10	(8,538.10)		
(1,072.51)			20,554.00		16,678.10			2,803.39
(12,440.00)			39,973.00		32,144.00	(4,611.00)		
(1,039,166.18)			2,925,514.00		2,376,413.14	(520,184.91)	1,901.22	28,218.37
29,251.54					29,251.54			
			174,564.65		146,496.10		28,068.55	
(2,699.06)			2,699.06					
			91,094.29		93,668.84	(2,574.55)		
(17,120.06)			17,120.06					
			629,630.12		645,815.26	(16,185.14)		
(316.11)			316.11					
			6,272.60		6,530.11	(257.51)		
9,116.31			921,696.89		921,761.85	(19,017.20)	28,068.55	
\$ (1,030,049.87)	\$ -	\$ -	\$ 4,641,327.34	\$ -	\$ 4,638,654.24	\$ (1,085,564.91)	\$ 29,969.77	\$ 28,218.37

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2012

State Grantor/ Program Title	State Project Number	Program or Award Amount	Matching	Grant Period		Balance June 30, 2011 Deferred Revenue/ (Accounts Receivable)	Due to Grantor
				From	To		
General Fund:							
State Department of Education:							
Equalization Aid	11-495-034-5120-078	\$ 27,874,758.00	N/A	7-1-10	6-30-11	\$ (2,628,854.48)	
Equalization Aid	12-495-034-5120-078	28,805,949.00	N/A	7-1-11	6-30-12		
Special Education Categorical Aid	11-495-034-5120-089	3,090,797.00	N/A	7-1-10	6-30-11	(291,491.52)	
Special Education Categorical Aid	12-495-034-5120-089	3,090,797.00	N/A	7-1-11	6-30-12		
Security Aid	12-495-034-5120-084	546,083.00	N/A	7-1-11	6-30-12		
Extraordinary Aid	11-100-034-5120-473	333,914.00	N/A	7-1-10	6-30-11	(333,914.00)	
Extraordinary Aid	12-100-034-5120-473	188,824.00	N/A	7-1-11	6-30-12		
Additional Nonpublic School Transportation Aid	11-495-034-5120-014	42,544.25	N/A	7-1-10	6-30-11	(42,544.25)	
Additional Nonpublic School Transportation Aid	12-495-034-5120-014	40,405.30	N/A	7-1-11	6-30-12		
State Education	Unknown	2,908.06	N/A	7-1-11	6-30-12		
T.P.A.F. Social Security Aid	11-495-034-5095-002	2,380,851.64	N/A	7-1-10	6-30-11	(228,092.17)	
T.P.A.F. Social Security Aid	12-495-034-5095-002	2,358,498.04	N/A	7-1-11	6-30-12		
Total General Fund						(3,524,896.42)	-
Special Revenue Fund:							
State Department of Education:							
Nonpublic Aid:							
Nursing Services	11-100-034-5120-070	102,290.20	N/A	7-1-10	6-30-11		\$ 3,628.60
Nursing Services	12-100-034-5120-070	44,895.00	N/A	7-1-11	6-30-12		
Textbook Aid (Ch. 194, L. 1977)	11-100-034-5120-064	43,226.00	N/A	7-1-10	6-30-11		11,498.39
Textbook Aid (Ch. 194, L. 1977)	12-100-034-5120-064	31,430.00	N/A	7-1-11	6-30-12		
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	11-100-034-512a-067	235,989.60	N/A	7-1-10	6-30-11		42,226.00
Compensatory Education	12-100-034-512a-067	177,519.00	N/A	7-1-11	6-30-12		
English as a Second Language	12-100-034-512b-067	3,276.00	N/A	7-1-11	6-30-12		
Transportation	12-100-034-5120-068	54,491.00	N/A	7-1-11	6-30-12		
Home Instruction	12-100-034-5120-066	6,191.00	N/A	7-1-11	6-30-12	(1,152.48)	
Handicapped Services (Ch. 193, L. 1977)							
Corrective Speech	11-100-034-512a-066	82,408.00	N/A	7-1-10	6-30-11		2,600.81
Corrective Speech	12-100-034-512a-066	72,666.00	N/A	7-1-11	6-30-12		
Examination and Classification	11-100-034-512b-066	56,494.00	N/A	7-1-10	6-30-11		6,393.66
Examination and Classification	12-100-034-512b-066	44,130.00	N/A	7-1-11	6-30-12		
Supplementary Instruction	11-100-034-512c-066	35,839.00	N/A	7-1-10	6-30-11		4,778.23
Supplementary Instruction	12-100-034-512c-066	30,165.00	N/A	7-1-11	6-30-12		
Total Special Revenue Fund						(1,152.48)	71,125.69
Debt Service Fund:							
State Department of Education:							
Debt Service Aid	12-495-034-5120-075	1,394,001.00	N/A	7-1-11	6-30-12		
Enterprise Fund:							
State School Lunch Aid	12-100-010-3350-023	21,565.31	N/A	7-1-11	6-30-12		
State School Lunch Aid	11-100-010-3350-023	22,228.68	N/A	7-1-10	6-30-11	(1,794.75)	
Total Enterprise Fund						(1,794.75)	
Total State Financial Assistance						\$ (3,527,843.65)	\$ 71,125.69

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2012

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2012			Memo	
				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2012	Cumulative Total Expenditures
\$ 2,628,854.48								\$ 27,874,758.00
26,097,660.55		\$ 28,805,949.00		\$ (2,708,288.45)			\$ (2,708,288.45)	28,805,949.00
291,491.52								3,090,797.00
2,800,205.29		3,090,797.00		(290,591.71)			(290,591.71)	3,090,797.00
494,741.16		546,083.00		(51,341.84)			(51,341.84)	546,083.00
333,914.00								333,914.00
		188,824.00		(188,824.00)			(188,824.00)	188,824.00
42,544.25								42,544.25
		40,405.30		(40,405.30)			(40,405.30)	40,405.30
		2,908.06		(2,908.06)			(2,908.06)	2,908.06
228,092.17								2,380,851.64
2,357,751.48		2,358,498.04		(746.56)			(746.56)	2,358,498.04
35,275,254.90	-	35,033,464.40	-	(3,283,105.92)	-	-	(3,283,105.92)	5,014,031.29
			\$ 3,628.60					98,661.60
44,895.00	\$ 0.65	35,915.65	11,498.39			\$ 8,980.00		35,915.00
31,430.00	0.26	26,729.26				4,701.00		31,727.61
			42,226.00					26,729.00
177,519.00	(0.16)	125,108.84				52,410.00		193,763.60
3,276.00	(\$0.24)	3,275.76				-		125,109.00
54,491.00		54,491.00						3,276.00
1,152.48		6,191.00		(6,191.00)				54,491.00
			2,600.81					6,191.00
72,666.00	\$0.15	62,398.15				10,268.00		79,807.19
			6,393.66					62,398.00
44,130.00	\$0.39	42,035.39				2,095.00		50,100.34
			4,778.23					42,035.00
30,165.00	\$0.24	25,956.24				4,209.00		31,060.77
								25,956.00
459,724.48	1.29	382,101.29	71,125.69	(6,191.00)	-	82,663.00	-	867,221.11
1,394,001.00		1,394,001.00						1,394,001.00
21,033.20		21,565.31		(532.11)				21,565.31
1,794.75								22,228.68
22,827.95		21,565.31		(532.11)			-	43,793.99
\$ 37,151,808.33	\$ 1.29	\$ 36,831,132.00	\$ 71,125.69	\$ (3,289,829.03)	\$ -	\$ 82,663.00	\$ (3,283,105.92)	\$ 7,319,047.39

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$129,876 for the general fund and \$116,510 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$38,068 for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 1,337,653	\$ 37,800,535	\$ 39,138,189
Special Revenue	2,414,648	382,101	2,796,749
Debt Service		1,394,001	1,394,001
Food Service	<u>921,762</u>	<u>21,565</u>	<u>943,327</u>
	<u>\$ 4,674,064</u>	<u>\$ 39,598,203</u>	<u>\$ 44,272,266</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

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

Note 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2012.

Note 7: MAJOR PROGRAMS

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

**MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? X yes no

 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>NCLB - Title I</u>
<u>84.389</u>	<u>ARRA - NCLB - Title I</u>
<u>84.027</u>	<u>IDEA Part B--Basic</u>
<u>84.391</u>	<u>ARRA - IDEA Part B--Basic</u>
<u>84.173</u>	<u>IDEA Part B--Preschool</u>
<u>84.392</u>	<u>ARRA - IDEA Part B--Preschool</u>
<u>10.555</u>	<u>National School Lunch Program - Food Distribution</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u>84.410</u>	<u>Education Jobs Fund</u>

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

Auditee qualified as low-risk auditee? X yes no

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2012-1

Criteria or Specific Requirement

The District is required to have a properly maintained general ledger.

Condition

The general ledger maintained by the District required numerous and material audit adjustments. Further, the warrant account reconciliation and Board Secretary Reports were not completed on a timely basis.

Context

Although these reports were not submitted or reconciled on time due to issues the district had with the new computer system, the underlying data from the general ledger was available and was deemed to be sufficient enough not to create an audit scope limitation.

Effect

Material misstatement of the school district's financial records were not being prevented or detected and corrected on a timely basis.

Cause

During the year the district switched to a new computer system, including new server hardware and financial software. The District employees were not provided with adequate training on the system nor were the system's reports properly set up to comply with the State reporting requirements.

Recommendation

We recommend that the district consider seeking additional training for employees on the use of the financial system and that the general ledger be reconciled on a timely basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

Finding No. 2012-2

Information on the Federal Program

Food Distribution Program (CFDA Number 10.550)
School Breakfast Program (CFDA Number 10.553)
National School Lunch Program (CFDA Number 10.555)
Special Milk Program (CFDA Number 10.556)

Criteria or Specific Requirement

Purchases over \$26,000 must adhere to N.J.S.A. 18A:18A Public School Contracts Law.

Condition

The District did not bid the rehabilitation of the Radix cafeteria which cost \$53,884.69.

Questioned Costs

None.

Context

The school contracted their food service company to remodel the Radix cafeteria who then subcontracted it to another vendor. Neither the food service company nor the sub-contractor had a contract that was awarded as required by Public School Contracts Law.

Effect

A contract was awarded without adhering to Public School Contracts Law.

Cause

District oversight.

Recommendation

All contracts, including sub contracts must adhere to Public School Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

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

Finding No. 2012-1

Information on the State Program

Equalization Aid (GMIS Number 495-034-5120-078)
Special Education Categorical Aid (GMIS Number 495-034-5120-089)
Security Aid (GMIS Number 495-034-5120-084)

Criteria or Specific Requirement

The District is required to have a properly maintained general ledger.

Condition

The general ledger maintained by the District required numerous and material audit adjustments. Further, the warrant account reconciliation and Board Secretary Reports were not completed on a timely basis.

Questioned Costs

None.

Context

Although these reports were not submitted or reconciled on time due to issues the district had with the new computer system, the underlying data from the general ledger was available and was deemed to be sufficient enough not to create an audit scope limitation.

Effect

Material misstatement of the school district's financial records were not being prevented or detected and corrected on a timely basis.

Cause

During the year the district switched to a new computer system, including new server hardware and financial software. The District employees were not provided with adequate training on the system nor were the system's reports properly set up to comply with the State reporting requirements.

Recommendation

We recommend that the district consider seeking additional training for employees on the use of the financial system and that the general ledger be reconciled on a timely basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2012-2

Information on the State Program

Equalization Aid (GMIS Number 495-034-5120-078)
Special Education Categorical Aid (GMIS Number 495-034-5120-089)
Security Aid (GMIS Number 495-034-5120-084)

Criteria or Specific Requirement

Purchases over \$26,000 must adhere to N.J.S.A. 18A:18A Public School Contracts Law.

Condition

The District did not bid the rehabilitation of the Radix cafeteria which cost \$53,884.69.

Questioned Costs

None.

Context

The school contracted their food service company to remodel the Radix cafeteria who then subcontracted it to another vendor. Neither the food service company nor the sub-contractor had a contract that was awarded as required by Public School Contracts Law.

Effect

A contract was awarded without adhering to Public School Contracts Law.

Cause

District oversight.

Recommendation

All contracts, including sub contracts must adhere to Public School Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

MONROE TOWNSHIP BOARD OF EDUCATION
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None

