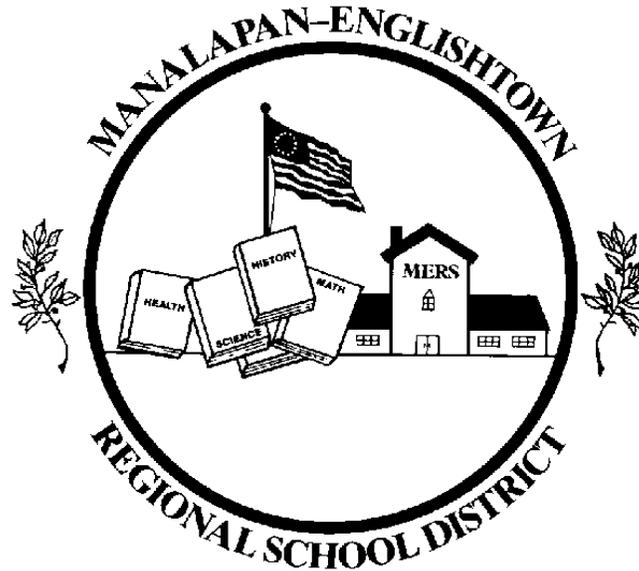


# MANALAPAN - ENGLISHTOWN

*REGIONAL SCHOOLS*



A REGIONAL DISTRICT COMPRISED OF THE  
TOWNSHIP OF MANALAPAN  
AND THE  
BOROUGH OF ENGLISHTOWN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*FOR THE FISCAL YEAR ENDED*

*June 30, 2015*

**MANALAPAN-ENGLISHTOWN SCHOOL DISTRICT**  
**ENGLISHTOWN, NEW JERSEY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2015**

**Prepared by**

**Manalapan-Englishtown Regional School District Business Office,  
Sharon Silvia Assistant Business Administrator**

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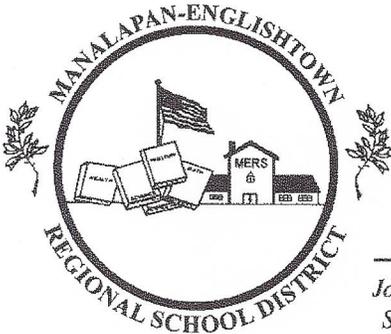
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## INTRODUCTORY SECTION



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

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

*Veronica Wolf  
Board Secretary*

**BUSINESS OFFICE**

**Veronica Wolf**

*Business Administrator/  
Board Secretary*

**Sharon Silvia**

*Assistant Business Administrator/  
Assistant Board Secretary*

54 Main Street  
Englishtown, NJ 07726-1529

November 20, 2015

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

Dear Board Members:

With pleasure, we submit the Comprehensive Annual Financial Report (CAFR) of the Manalapan-Englishtown Regional School District for the fiscal year ended June 30, 2015. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with Management of the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section contains a Table of Contents, Letter of Transmittal, Roster of Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1996, as amended, the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

**SCHOOL DISTRICT ORGANIZATION**

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

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

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

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

Ad-hoc advisory committees composed of representatives from the community; administration, PTA's, and the Township and Borough are sometimes formed to provide the Board of Education with information and input on specific issues. In the 2014-15 school year the Board of Education did not have a specific Ad-Hoc committee, although the district did seek input from community members and the PTA's regarding curriculum program offerings, a possible referendum and changes in transportation.

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

To maintain communication with the various constituent groups, the District utilizes its web site. Budget information, while available on the web site, is also presented to the township committee and borough council.

The New Jersey Department of Education released its yearly Taxpayers' Guide to Education Spending for all school districts in the State. The guide compares districts with those who are similar in enrollment/configurations. The information on expenditures was taken from certified budgets on file with the State Department of Education. This reports shows that the district spends \$17,181 per pupil while the average costs for similar districts are \$19,212. Of the 82 K-8 school districts in the state with enrollments exceeding 751 children, Manalapan-Englishtown Regional ranked 29th lowest in total cost per pupil.

**EDUCATIONAL PROGRAM**

Each of the schools in the district follows the district-wide goals and educational approaches to the teaching of children, while maintaining a unique personality that makes up that particular school. The transition from the New Jersey Core Curriculum Content Standards to the Common Core State Standards in Language Arts and Mathematics began in 2011-2012 and was completed by September of 2012. The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2005-06 through 2014-15.

	Enrollment
<b><i>School Year</i></b>	<b><i>As of October 15</i></b>
2005-06	5,495
2006-07	5,446
2007-08	5,471
2008-09	5,454
2009-10	5,364
2010-11	5,188
2011-12	5,161
2012-13	5,136
2013-14	5,027
2014-15	5,108

## **ECONOMIC CONDITION AND OUTLOOK**

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

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

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

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

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

The District, along with all of the other public school systems in the state, will continue to face difficult economic situations in the future since the primary funding source is and will continue to be property tax revenue. The proposed budget for the fiscal year 2015-16 was approved on May 28, 2015. Overall tax revenue for 2015-2016 was increased by 3.02%, but the increased expenditures from the growing cost of contractual salary increases, employee health care, increases in the contributions to the retirement system, and rising insurance premiums have outpaced the additional revenue. We recognize that the state is in a financial crisis and want to assure our residents that the Manalapan-Englishtown Regional School District is doing its part to maintain a responsible budget. The District's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the district has been accustomed to providing. Manalapan-Englishtown Regional School's Foundation and the Manalapan-Englishtown Regional School District's PTA's donated generously during the 2014-2015 school year.

## **MAJOR INITIATIVES**

The Board of Education has completed the roof replacement projects at both the Manalapan-Englishtown Middle School and the Pine Brook Elementary School. The District has completed several phases of its One to One Digital Conversion Initiative. In September of 2015, the initiative will be fully implemented. Every student in grades six through eight will have a Chromebook for use both in and outside of school and each fifth grade class has been supplied with a Chromebook cart.

The capital projects listed below are in various stages of implementation:

- Fire Proofing upgrade at the Manalapan-Englishtown Middle School
- Dry Suppression System Installation and HVAC Upgrades at the Manalapan-Englishtown Middle School and Wemrock Brook Elementary School
- Remodeling of Milford Brook School main office as part of the security upgrade of district facilities

## **INTERNAL CONTROLS**

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

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

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

## **BUDGETARY CONTROLS**

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

## **CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Basic Financial Statements, Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **RISK MANAGEMENT**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation. A schedule of insurance coverage is found in Exhibit J-20.

## **INDEPENDENT AUDIT**

State statutes require an annual audit by independent certified public accountants. The accounting firm of Jump, Perry & Company, L.L.P. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act Amendments of 1996 and the related U.S Office of Management and Budget Circular, "Audits of State, Local Governments and Non-Profit Organizations" A-133 and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

**ACKNOWLEDGMENTS**

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

Respectfully submitted,

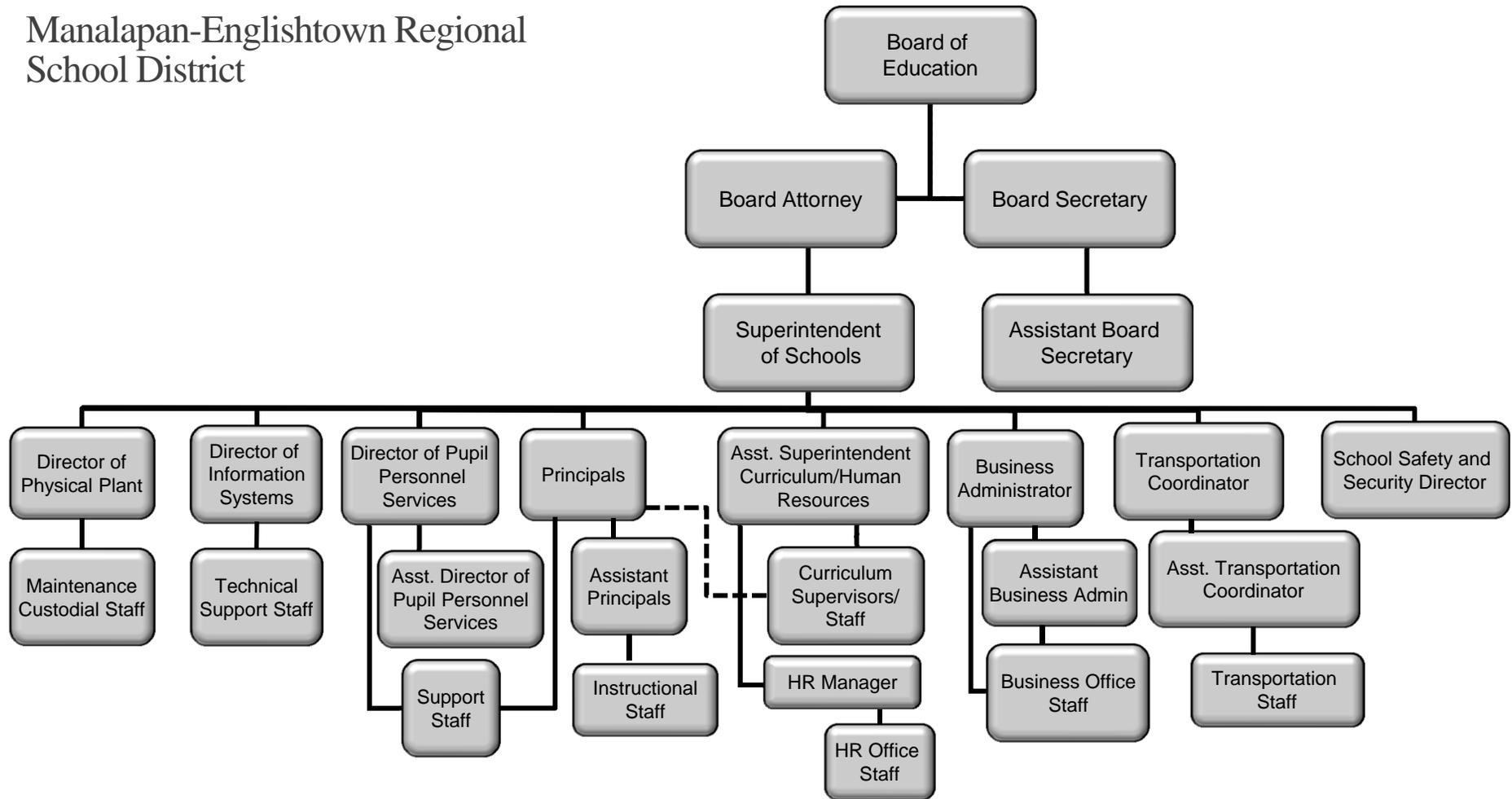


John J. Marciante, Jr., PH. D  
Superintendent



Veronica Wolf  
Board Secretary/School Business Administrator

# Manalapan-Englishtown Regional School District



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**

**ENGLISHTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS**

JUNE 30, 2015

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Dotty Porcaro, President	2017
Joanne Schechter, Vice President	2015
Brian Graime	2016
Annamarie Galante	2015
Gerald Bruno	2016
Lori Semel	2015
Michele Stipelman	2017
Martin I. Spindel	2017
Christine Parisi	2016

**Other Officials**

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

Veronica Wolf, Business Administrator/Board Secretary

Sharon Silvia, Assistant Business Administrator/Assistant Board Secretary

Sanford Brown, Solicitor

**MANALAPAN-ENGLISHTOWN BOARD OF EDUCATION**

**Consultants and Advisors**

June 30, 2015

**Architect**

Lan Associates, Inc.  
445 Godwin Avenue  
Midland Park, NJ 07432

**Audit Firm**

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

**Attorney**

Sanford D. Brown, Esq.  
1127 Highway 35  
Ocean Township, NJ 07712

**Official Depository**

PNC Bank  
109 Route 9  
Marlboro, New Jersey 07726

**Financial Advisor**

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

**Bond Council**

John L. Kraft, Esq.  
Kraft & Capizzi, LLC  
505 Thornall Street  
Edison, NJ 08837

## FINANCIAL SECTION

**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Manalapan-Englishtown Regional School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015 on our consideration of the Board of Education of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey'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* in considering Board of Education of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey's internal control over financial reporting and compliance.

Respectfully submitted,

*Jump, Perry and Company, L.L.P.*

JUMP, PERRY AND COMPANY, L.L.P.  
Toms River, New Jersey

*Kathryn Perry, CPA*

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

Toms River, New Jersey  
November 20, 2015

## REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

The Discussion and Analysis (MD&A) of Manalapan-Englishtown Regional School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

### Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ In total, Net Position of governmental activities increased \$511,331, which represents a 1.75% increase from 2014. Net Position of business-type activities increased \$70,328, which represents a .12% increase from 2014.
- ❖ General revenues accounted for \$78,649,239 in revenue or 91.06% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$7,724,628 or 9.89% of total revenues of \$86,373,867.
- ❖ Total assets of governmental activities decreased by \$2,335,814 as cash and cash equivalents decreased by \$1,197,655, receivables decreased by \$306,337, net capital assets decreased by \$831,822, and other assets increased by \$911,450.
- ❖ The District had \$85,862,536 in governmental activity expenses; only \$7,724,628 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$78,649,239 were adequate to provide for these programs.
- ❖ In the governmental funds, the general fund had \$82,242,343 in revenues and \$82,439,258 in expenditures. The general fund's fund balance decreased \$196,915 over 2014.

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

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

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing services that can be provided by the government along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Manalapan-Englishtown Regional School District, the general fund is by far the most significant fund.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

This document contains the large number of funds used by the District to provide programs and activities. The view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The statement of net position and the statement of activities help answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector 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 Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the District as a whole, the financial position of the 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 District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and others.

In the statement of net position and the statement of activities, the school district is divided into two distinct kinds of activities:

- ◆ Governmental Activities – All of the District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis in order to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

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

**Fund Financial Statements**

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

**Governmental Funds**

The 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 future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental funds information help the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

**Proprietary Fund**

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

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found on pages 36 to 60 of this report.

**The School District as a Whole**

Recall that the statement of net position provides the perspective of the school district as a whole. Net Position may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the school district's Net Position for 2015 and 2014.

**Table 1  
Net Position**

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
<b>Assets</b>				
Current and Other Assets	\$ 11,347,228	\$ 12,851,220	\$ 593,646	\$ 507,305
Capital Assets, Net	97,913,334	98,745,156	224,458	254,423
Total Assets	<u>\$ 109,260,562</u>	<u>\$ 111,596,376</u>	<u>\$ 818,104</u>	<u>\$ 761,728</u>
<b>Deferred Outflows</b>				
Deferred outflows - PERS	\$ 934,653	\$ -		
Bond Issuance Costs, net	220,358	243,561	\$ -	\$ -
Total Deferred Outflows	<u>\$ 1,155,011</u>	<u>\$ 243,561</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>				
Long-term Liabilities	\$ 72,534,559	\$ 44,615,144	\$ -	\$ -
Other Liabilities	5,725,710	5,483,639	164,264	178,216
Total Liabilities	<u>\$ 78,260,269</u>	<u>\$ 50,098,783</u>	<u>\$ 164,264</u>	<u>\$ 178,216</u>
<b>Deferred Inflows</b>				
Deferred inflows - PERS	\$ 2,492,354	\$ -	\$ -	\$ -
Total Deferred Outflows	<u>\$ 2,492,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Position</b>				
Net Investment in Capital				
Assets	\$ 54,812,614	\$ 53,679,682	\$ 224,458	\$ 254,423
Restricted	10,132,234	10,386,596	-	-
Unrestricted	(35,281,898)	(2,325,124)	429,382	329,089
Total Net Position	<u>\$ 29,662,950</u>	<u>\$ 61,741,154</u>	<u>\$ 653,840</u>	<u>\$ 583,512</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

The district's combined Net Position was \$30,316,790 on June 30, 2015. This was an increase of \$581,659, 1.96% from the prior year after the prior period adjustment was recorded. See Note 22 for more details.

Table 2 shows the changes in Net Position from fiscal year 2015 and fiscal year 2014.

**Table 2**  
**Changes in Net Position**

Governmental Activities		Business-type Activities	
2015	2014	2015	2014
\$ 25,194	\$ 384,137	\$ 1,576,958	\$ 1,624,960
7,699,434	7,511,687	438,677	447,813
58,393,874	56,038,070	-	-
19,876,153	20,511,322	-	-
379,212	270,299	42	-
<u>86,373,867</u>	<u>84,715,515</u>	<u>2,015,677</u>	<u>2,072,773</u>
54,064,437	51,130,539	-	-
8,556,080	8,208,796	-	-
1,130,398	1,059,447	-	-
4,742,655	4,646,535	-	-
8,662,640	9,433,435	-	-
7,207,730	7,133,698	-	-
1,498,596	1,907,067	-	-
-	-	1,945,349	1,994,809
<u>85,862,536</u>	<u>83,519,517</u>	<u>1,945,349</u>	<u>1,994,809</u>
<u>\$ 511,331</u>	<u>\$ 1,195,998</u>	<u>\$ 70,328</u>	<u>\$ 77,964</u>

**Governmental Activities**

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

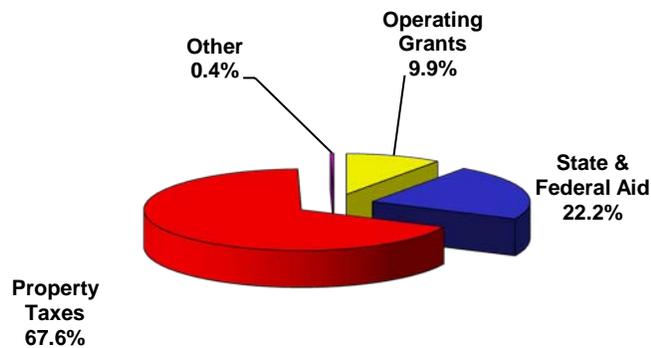
On Tuesday, January 17, 2012, the Manalapan-Englishtown Regional Board of Education passed a resolution moving the annual school board election to the General Election in November and effectively eliminated the requirement for voter approval of the district school budget as long as it does not exceed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

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

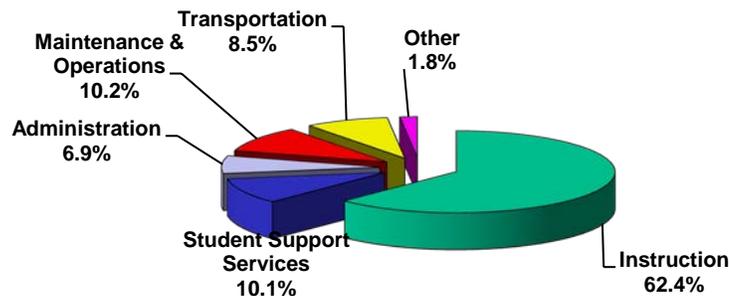
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

Property taxes made up 67.6% of revenues for governmental activities for the Manalapan-Englishtown Regional School District for fiscal year 2015 and 66.1% of revenues for fiscal year 2014. Property tax revenues increased by \$2,355,804, which is a 4.2% increase from the prior year. The District's total revenues for governmental activities were \$86,373,867 for the year ended June 30, 2015. Federal, state and local grants accounted for another 22.2% of revenue.

**Sources of Revenues for Fiscal Year 2015**



**Expenses for Fiscal Year 2015**



The total cost of all programs and services was \$85,862,536. Instruction comprised 62.4% of district expenses.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

**Business-Type Activities**

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

- Food service income exceeded expenses by \$70,328.
- Charges for services, which are the amounts paid by patrons for daily food services, represent \$1,576,958 of total revenue.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$438,677.

**Governmental Activities**

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

**Table 3**  
**Cost of Services**

	<b>Total Cost of Services 2015</b>	<b>Net Cost of Services 2015</b>	<b>Total Cost of Services 2014</b>	<b>Net Cost of Services 2014</b>
Instruction	\$ 54,064,437	\$ 48,917,529	\$ 51,130,539	\$ 45,761,475
Support Services:				
Pupils and Instructional Staff	8,556,080	8,049,950	8,208,796	7,695,066
General Administration, School				
Administration, and Central Srvc	5,873,053	5,391,353	5,705,982	4,982,842
Operations and Maint. Of Facilities	8,662,640	7,952,140	9,433,435	8,774,775
Pupil Transportation	7,207,730	6,451,250	7,133,698	6,635,618
Interest on debt	1,498,596	1,375,686	1,907,067	1,773,917
<b>Total Expenses</b>	<b>\$ 85,862,536</b>	<b>\$ 78,137,908</b>	<b>\$ 83,519,517</b>	<b>\$ 75,623,693</b>

- ❖ Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- ❖ Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- ❖ General administration, school administration and business include expenses associated with administrative and financial supervision of the District.
- ❖ Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in effective working condition.
- ❖ Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.
- ❖ Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to District debt.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$85,129,088 and expenditures were \$87,113,826. The net negative changes in fund balances for the year were in the general fund, which showed a decrease of \$204,276, the capital projects fund, which showed a decrease of \$120,193 and the debt service fund, which showed an increase of \$52,994. The most significant change was in the general fund, which is due to the increased costs of salaries and benefits as well as an increase in transportation costs. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

**Table 4**  
**Revenues for the Fiscal Year Ended June 30,**

	<b>2015 Amount</b>	<b>2014 Amount</b>	<b>Percent Change</b>
Property taxes	\$ 58,393,874	\$ 56,038,070	4.20%
Tuition	25,194	384,137	-93.44%
Interest earnings	1,931	2,277	-15.20%
Miscellaneous	367,381	372,775	-1.45%
State sources	24,868,074	26,283,087	-5.38%
Federal sources	1,472,634	1,585,962	-7.15%
<b>Total</b>	<b>\$ 85,129,088</b>	<b>\$ 84,666,308</b>	<b>0.55%</b>

Revenues were up \$462,780 or .55% over the prior year. Although tuition revenue decreased significantly, property taxes increased. Interest earnings continue to decrease due to lowered interest rates because of current economic conditions.

**Table 5**  
**Expenditures for the Fiscal Year Ended June 30,**

	<b>2015 Amount</b>	<b>2014 Amount</b>	<b>Percent Change</b>
Salaries and wages	\$ 47,260,581	\$ 46,313,475	2.04%
Benefits	20,381,967	20,164,275	1.08%
Purchased services	7,172,530	7,665,191	-6.43%
Supplies and other	4,447,024	5,126,738	-13.26%
Capital outlay	2,607,956	1,509,705	72.75%
Debt service	3,941,734	3,962,072	-0.51%
<b>Total</b>	<b>\$ 85,811,792</b>	<b>\$ 84,741,456</b>	<b>1.26%</b>

Expenditures increased by \$1,070,336 or 1.26% more than the prior year. The overall increase is due to major projects being completed in the 2014-2015 school year.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

Fund balance is an integral part of the district financial position. The unreserved and undesignated fund balances in the general fund for the past seven years are as follows:

**Table 6**  
**Fund Balance**

<u>School Year</u>	<u>GAAP</u>	<u>Budgetary Basis</u>
07-08	511,166	1,420,992
08-09	(424,907)	372,805
09-10	(563,211)	1,571,181
10-11	(91,073)	1,672,188
11-12	(35,804)	1,881,637
12-13	(260,329)	1,690,110
13-14	(201,884)	1,745,198
14-15	(240,069)	1,714,374

In 2003, P.L. 2003, c.97 provided that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides the legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, Governmental Accounting Standards requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes the liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the District cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund.

During the course of the fiscal year 2015, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. The following explains the reasons for significant budget transfers:

- ✓ The district received \$204,851 in extraordinary aid for special education costs that were not budgeted. The district is eligible to receive additional funding for each special education student whose program costs exceed \$40,000. However, the state does not have adequate funding for these students and prorates the amount given to districts based on the applications received for this aid and the total amount allocated.
- ✓ TPAF, which is the state's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the District and is required to be reflected in the financial statements.
- ✓ Legal services for employee litigation and special education cases.
- ✓ Changes in Charter School enrollment. The District pays the Charter Schools for students who reside in our district but are enrolled in their schools.
- ✓ Increases in transportation contracted repair services.
- ✓ Additional students sent out of district.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

**Capital Assets**

At the end of the fiscal year 2015, the school district had \$97,913,334 invested in land, buildings and improvements and machinery and equipment. Table 7 shows fiscal 2015 balances compared to 2014.

**Table 7**  
**Capital Assets (Net of Depreciation) at June 30,**

<u>School Year</u>	<u>2015</u>	<u>2014</u>
Land	\$ 9,747,190	\$ 9,747,190
Construction in progress	1,483,348	601,290
Building and improvements	84,070,145	85,728,014
Machinery and equipment	<u>2,612,651</u>	<u>2,668,662</u>
Totals	<u>\$ 97,913,334</u>	<u>\$ 98,745,156</u>

Overall, the capital assets decreased \$831,822 from fiscal year 2014 to fiscal year 2015. This decrease in Net Position is due to the depreciation on the completed construction projects. For more detailed information, please refer to Note 6 in the Notes to the Basic Financial Statements.

**Debt Administration**

As of June 30, 2015 the District had \$75,097,165 of outstanding debt. Of this amount, \$2,407,820 is for compensated absences, \$1,111,256 for bus and equipment leases, \$41,855,000 for bonds for school construction, and the balance of \$29,723,089 is for PERS pension liability.

At June 30, 2011, the District's overall legal debt limit was \$200,452,819 and the unvoted debt margin was \$150,147,818. For more detailed information, please refer to Note 7 in the Notes to the Basic Financial Statements. Following is a listing of all bond issues for which the District is currently paying debt service.

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Remaining</u>
General Obligation Bonds - 2004	10/15/04	18,995,000	10,580,000
General Obligation Bonds - 2006	10/01/06	9,695,000	9,525,000
General Obligation Bonds - 2007	01/05/07	9,795,000	9,585,000
General Obligation Bonds - 2012	01/31/12	12,840,000	<u>12,165,000</u>
			<u>\$ 41,855,000</u>

**For the Future**

- It is the opinion of the Superintendent and Business Administrator that while the Manalapan-Englishtown Regional School District has historically maintained a strong financial position we will be facing a more difficult financial situation due to the state's inability to fund the current school funding formula. The District is proud of the community's support of its public schools.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (CONTINUED)

- Key areas of concern are the decreased state funding, the new funding formula for schools that was enacted in January 2008 and the continued necessary increased reliance on local property taxes. Manalapan-Englishtown Regional is primarily a residential community with very few commercial ratables; thus the burden is focused on homeowners to bear the tax burden.
- With the continued concern over property taxes it is important to highlight the areas of either shared services or buying cooperatives in an effort to reduce expenses. These areas include utilizing Educational Data Services, Middlesex Regional Educational Services Commission, Monmouth Ocean Educational Services Commission, and many other Co-Op's for the purchase of classroom supplies, art supplies, maintenance supplies, copy paper, and other services. The District is exploring opportunities for future purchases jointly with other districts within the Freehold Regional area.
- In conclusion, the Manalapan-Englishtown Regional School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting and internal financial controls are well regarded. The District plans to continue its sound fiscal management practices to meet the challenges of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have questions about this report or need additional information, contact Veronica Wolf, School Business Administrator/Board Secretary, Manalapan-Englishtown Regional Board of Education, 54 Main Street, Englishtown, NJ 07746 or e-mail [vwolf@mersnj.us](mailto:vwolf@mersnj.us).

## BASIC FINANCIAL STATEMENTS

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,720,181	\$ 526,443	\$ 11,246,624
Receivables, net	22,486	2,189	24,675
Receivables - state	408,112	2,285	410,397
Receivables - other governments	196,417	28,055	224,472
Interfund receivable	32	12,634	12,666
Inventory	-	22,040	22,040
Capital assets, non-depreciable	11,230,538	-	11,230,538
Capital assets, depreciable, net	86,682,796	224,458	86,907,254
Total assets	<u>109,260,562</u>	<u>818,104</u>	<u>110,078,666</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows - PERS	934,653	-	934,653
Deferred bond issuance costs, net	220,358	-	220,358
Total deferred outflows	<u>1,155,011</u>	<u>-</u>	<u>1,155,011</u>
<b>LIABILITIES</b>			
Accounts payable	1,030,870	133,121	1,163,991
Accrued bond interest	354,822	-	354,822
Other current liabilities	272,932	-	272,932
Unearned revenue	130,189	31,143	161,332
Noncurrent liabilities:			
Due within one year	3,936,897	-	3,936,897
Due beyond one year	72,534,559	-	72,534,559
Total liabilities	<u>78,260,269</u>	<u>164,264</u>	<u>78,424,533</u>
<b>DEFERRED INFLOWS</b>			
Deferred inflows - PERS	2,492,354	-	2,492,354
Total deferred inflows	<u>2,492,354</u>	<u>-</u>	<u>2,492,354</u>
<b>NET POSITION</b>			
Net investment in capital assets	54,812,614	224,458	55,037,072
Restricted for:			
Debt service	53,070	-	53,070
Capital projects	-	-	-
Other purposes	10,079,164	-	10,079,164
Unrestricted	(35,281,898)	429,382	(34,852,516)
Total net position	<u>\$ 29,662,950</u>	<u>\$ 653,840</u>	<u>\$ 30,316,790</u>

See accompanying notes to financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

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
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 38,746,639	\$ 25,194	\$ 3,858,924	\$ -	\$ (34,862,521)	\$ -	\$ (34,862,521)
Special schools instruction	12,047,689	-	988,130	-	(11,059,559)	-	(11,059,559)
Other special instruction	3,263,657	-	267,680	-	(2,995,977)	-	(2,995,977)
Nonpublic school programs	6,452	-	6,980	-	528	-	528
Support services and undistributed costs:							
Tuition	965,931	-	-	-	(965,931)	-	(965,931)
Student & instruction related services	7,590,149	-	506,130	-	(7,084,019)	-	(7,084,019)
General administration	1,130,398	-	92,710	-	(1,037,688)	-	(1,037,688)
School administrative services	3,169,779	-	259,980	-	(2,909,799)	-	(2,909,799)
Central services	1,183,092	-	97,040	-	(1,086,052)	-	(1,086,052)
Administrative information technology	389,784	-	31,970	-	(357,814)	-	(357,814)
Plant operations & maintenance	8,662,640	-	710,500	-	(7,952,140)	-	(7,952,140)
Pupil transportation	7,207,730	-	756,480	-	(6,451,250)	-	(6,451,250)
Interest on long-term debt	1,498,596	-	122,910	-	(1,375,686)	-	(1,375,686)
Total governmental activities	<u>85,862,536</u>	<u>25,194</u>	<u>7,699,434</u>	<u>-</u>	<u>(78,137,908)</u>	<u>-</u>	<u>(78,137,908)</u>
<b>Business-type activities:</b>							
Food service	1,945,349	1,576,958	438,677	-	-	70,286	70,286
Total business-type activities	<u>1,945,349</u>	<u>1,576,958</u>	<u>438,677</u>	<u>-</u>	<u>-</u>	<u>70,286</u>	<u>70,286</u>
Total primary government	<u>\$ 87,807,885</u>	<u>\$ 1,602,152</u>	<u>\$ 8,138,111</u>	<u>\$ -</u>	<u>\$ (78,137,908)</u>	<u>\$ 70,286</u>	<u>\$ (78,067,622)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					54,942,228	-	54,942,228
Taxes levied for debt service					3,451,646	-	3,451,646
Federal and state aid - not restricted					19,453,268	-	19,453,268
Federal and State aid - restricted					422,885	-	422,885
Miscellaneous income					377,281	-	377,281
Investment earnings					1,931	42	1,973
Total general revenues, special items, extraordinary items and transfers					<u>78,649,239</u>	<u>42</u>	<u>78,649,281</u>
<b>Change in net position</b>					511,331	70,328	581,659
<b>Net position—beginning</b>					29,151,619	583,512	29,735,131
<b>Net position—ending</b>					<u>\$ 29,662,950</u>	<u>\$ 653,840</u>	<u>\$ 30,316,790</u>

See accompanying notes to financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,248,840	\$ 13,574	\$ -	\$ 53,070	\$ 6,315,484
Receivables, net	6,116	16,370	-	-	22,486
Due from other funds	7,832	-	-	-	7,832
Receivables from other governments	408,112	196,417	-	-	604,529
Restricted cash and cash equivalents	4,404,697	-	-	-	4,404,697
<b>Total assets</b>	<b>\$ 11,075,597</b>	<b>\$ 226,361</b>	<b>\$ -</b>	<b>\$ 53,070</b>	<b>\$ 11,355,028</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	969,638	61,232	-	-	1,030,870
Interfund payable	-	7,800	-	-	7,800
Payable to state government	-	59,711	-	-	59,711
Deferred revenue	40,644	89,545	-	-	130,189
Other current liabilities	205,148	8,073	-	-	213,221
<b>Total liabilities</b>	<b>1,215,430</b>	<b>226,361</b>	<b>-</b>	<b>-</b>	<b>1,441,791</b>
Fund Balances:					
Restricted for:					
Excess surplus	2,000,000	-	-	-	2,000,000
Excess surplus -- designated for Subsequent year's expenditures	1,972,162	-	-	-	1,972,162
Maintenance reserve account	2,850,000	-	-	-	2,850,000
Capital reserve account	1,554,697	-	-	-	1,554,697
Debt service fund	-	-	-	53,070	53,070
Capital Projects	-	-	-	-	-
Committed to:					
Other purposes	852,305	-	-	-	852,305
Assigned to:					
Designated by the BOE for subsequent year's expenditures	850,000	-	-	-	850,000
Unassigned, reported in:					
General fund	(218,997)	-	-	-	(218,997)
<b>Total Fund balances</b>	<b>9,860,167</b>	<b>-</b>	<b>-</b>	<b>53,070</b>	<b>9,913,237</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,075,597</b>	<b>\$ 226,361</b>	<b>\$ -</b>	<b>\$ 53,070</b>	<b>\$ 11,355,028</b>

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 144,202,605 and the accumulated depreciation is \$46,289,271.	97,913,334
Deferred outflows related to the PERS pension plan	934,653
Deferred inflows related to the PERS pension plan	(2,492,354)
The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The bond issuance costs are \$363,325 and the accumulated amortization is \$142,967.	220,358
Accrued bond interest	(354,822)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(76,471,456)
<b>Net position of governmental activities</b>	<b>\$ 29,662,950</b>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 54,942,228	\$ -	\$ -	\$ 3,451,646	\$ 58,393,874
Tuition charges	25,194	-	-	-	25,194
Interest on investments	1,375	-	4	-	1,379
Interest earned on capital reserve funds	552	-	-	-	552
Miscellaneous	296,381	71,000	-	-	367,381
Total - Local Sources	55,265,730	71,000	4	3,451,646	58,788,380
State sources	25,667,218	12,850	(67,155)	490,040	26,102,953
Federal sources	-	1,472,634	-	-	1,472,634
Total revenues	80,932,948	1,556,484	(67,151)	3,941,686	86,363,967
<b>EXPENDITURES</b>					
Current:					
Regular instruction	25,630,841	1,275,218	-	-	26,906,059
Special education instruction	9,014,473	-	-	-	9,014,473
Other special instruction	2,476,876	-	-	-	2,476,876
Nonpublic school programs	-	6,452	-	-	6,452
Support services and undistributed costs:					
Tuition	965,931	-	-	-	965,931
Student & instruction related services	7,383,307	-	-	-	7,383,307
General administration	854,084	274,814	-	-	1,128,898
School administrative services	3,150,236	-	-	-	3,150,236
Central services	1,183,092	-	-	-	1,183,092
Administrative information technology	389,784	-	-	-	389,784
Plant operations & maintenance	7,916,526	-	-	-	7,916,526
Pupil transportation	6,995,038	-	-	-	6,995,038
Employee benefits	13,047,464	-	-	-	13,047,464
Debt service:					
Principal	-	-	-	2,065,000	2,065,000
Interest and other charges	-	-	-	1,876,734	1,876,734
Capital outlay	2,607,956	-	-	-	2,607,956
Total expenditures	81,615,608	1,556,484	-	3,941,734	87,113,826
Excess (Deficiency) of revenues over expenditures	(682,660)	-	(67,151)	(48)	(749,859)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases	478,384	-	-	-	478,384
Transfer in	-	-	-	53,042	53,042
Transfers out	-	-	(53,042)	-	(53,042)
Total other financing sources and uses	478,384	-	(53,042)	53,042	478,384
Net change in fund balances	(204,276)	-	(120,193)	52,994	(271,475)
Fund balance—July 1	10,064,443	-	120,193	76	10,184,712
Fund balance—June 30	\$ 9,860,167	\$ -	\$ -	\$ 53,070	\$ 9,913,237

See accompanying notes to financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>(271,475)</b>
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	2,854,487	
Capital outlays	<u>(2,026,340)</u>	(828,147)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.		
Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2015	(449,088)	
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2015	<u>462,663</u>	(13,575)
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey.		
		(65,546)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
		2,065,000
In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation.		
		7,431
In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded.		
		(23,203)
In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure. (Amount is net of payments included in capital outlay)		
		(84,474)
In the Statement of Activities, the fair market value of donated capital assets should be recognized as revenue in the period when all eligibility requirements are met (typically in the period when ownership is transferred). In the Governmental Funds, however, the fair market value of these donated assets are not reported as an increase in financial resources.		
		9,900
In the Statement of Activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		<u>(284,580)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>511,331</u></b>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-type-activities-</b> <b>Enterprise Funds</b> <b>Food</b> <b>Service</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 526,443
Accounts receivable	30,340
Other receivables	2,189
Prepaid expense	12,634
Inventories	22,040
Total current assets	593,646
Noncurrent assets:	
Building improvements	192,533
Furniture, machinery & equipment	1,344,287
Less accumulated depreciation	(1,312,362)
Total noncurrent assets	224,458
Total assets	\$ 818,104
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 133,121
Unearned revenue	31,143
Total current liabilities	164,264
<b>NET POSITION</b>	
Invested in capital assets net of related debt	224,458
Unrestricted	429,382
Total net position	653,840
Total liabilities and net position	\$ 818,104

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Food Service</b>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 934,690
Daily sales - non-reimbursable programs	633,318
Special functions	8,950
Total operating revenues	1,576,958
Operating expenses:	
Cost of sales	908,356
Salaries	566,053
Employee benefits	209,190
Other purchased professional services	126,707
Cleaning, repair and maintenance services	50,332
General supplies	44,127
Depreciation	40,584
Total Operating Expenses	1,945,349
Operating income (loss)	(368,391)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	20,304
Federal sources:	
National school lunch program	331,539
Special milk program	357
Food distribution program	86,477
Interest and investment revenue	42
Total nonoperating revenues (expenses)	438,719
Change in net position	70,328
Total net position—beginning	583,512
Total net position—ending	\$ 653,840

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2015**

	<b>Food Service</b>
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 1,629,920
Payments to employees	(566,053)
Payments for employee benefits	(209,190)
Payments to suppliers	(1,066,148)
Net cash used for operating activities	(211,471)
Cash Flows from Noncapital Financing Activities	
State sources	20,304
Federal sources	331,896
Net cash provided by noncapital financing activities	352,200
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(10,619)
Net cash used for capital and related financing activities	(10,619)
Cash Flows from Investing Activities	
Interest on investments	42
Net cash provided by investing activities	42
Net increase in cash and cash equivalents	130,152
Balances-beginning of the year	396,291
Balances-end of the year	\$ 526,443
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating loss	\$ (368,391)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	40,584
Federal commodities	86,477
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	6,058
Increase in prepaid expense	(4,872)
Decrease (increase) in accounts receivable	46,904
Decrease (increase) in inventory	1,779
Increase (decrease) in accounts payable	(20,010)
Total adjustments	156,920
Net cash used by operating activities	\$ (211,471)

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**

	Trust				Agency			
	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trust Fund	Student Activity	Payroll	Flex Spending	Total Agency
<b>ASSETS</b>								
Cash and cash equivalents	\$ 641,312	\$ 5,459	\$ 40,009	\$ 686,780	\$ 57,465	\$ 531,598	\$ 71,589	\$ 660,652
Other accounts receivable	-	-	-	-	-	-	-	-
Interfund receivable	79,650	-	-	79,650	-	-	-	-
Total assets	<u>720,962</u>	<u>5,459</u>	<u>40,009</u>	<u>766,430</u>	<u>\$ 57,465</u>	<u>\$ 531,598</u>	<u>\$ 71,589</u>	<u>\$ 660,652</u>
<b>LIABILITIES</b>								
Accounts payable	11,240	1,576	-	12,816	3,808	426,902	-	430,710
Payroll deductions and withholdings	-	-	-	-	-	25,016	71,587	96,603
Payable to student groups	-	-	-	-	53,657	-	-	53,657
Intrafund payable	-	-	-	-	-	79,650	-	79,650
Other current liabilities	-	-	-	-	-	30	2	32
Total liabilities	<u>\$ 11,240</u>	<u>\$ 1,576</u>	<u>-</u>	<u>\$ 12,816</u>	<u>\$ 57,465</u>	<u>\$ 531,598</u>	<u>\$ 71,589</u>	<u>\$ 660,652</u>
<b>NET POSITION</b>								
Held in trust for unemployment claims and other purposes	709,722	-	40,009	749,731				
Reserved for scholarships	-	3,883	-	3,883				
Total net position	<u>709,722</u>	<u>3,883</u>	<u>40,009</u>	<u>753,614</u>				
	-	-	-	-				
Total liabilities and net position	<u>\$ 720,962</u>	<u>\$ 5,459</u>	<u>\$ 40,009</u>	<u>\$ 766,430</u>				

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trusts
<b>ADDITIONS</b>				
Contributions:				
Plan member	\$ 79,650	\$ -	\$ -	\$ 79,650
Other	-	1,500	-	1,500
Total Contributions	<u>79,650</u>	<u>1,500</u>	<u>-</u>	<u>81,150</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	-	-	-	-
Interest	69	-	6	75
Dividends	-	-	-	-
Less investment expense	-	-	-	-
Net investment earnings	<u>69</u>	<u>-</u>	<u>6</u>	<u>75</u>
Total additions	<u>79,719</u>	<u>1,500</u>	<u>6</u>	<u>81,225</u>
<b>DEDUCTIONS</b>				
Quarterly contribution reports	-	-	-	-
Unemployment claims	107,781	-	-	107,781
Scholarships awarded	-	1,600	-	1,600
Refunds of contributions	-	-	20,004	20,004
Administrative expenses	1,491	-	-	1,491
Total deductions	<u>109,272</u>	<u>1,600</u>	<u>20,004</u>	<u>130,876</u>
Change in net position	(29,553)	(100)	(19,998)	(49,651)
Net position—beginning of the year	<u>739,275</u>	<u>3,983</u>	<u>60,007</u>	<u>803,265</u>
Net position—end of the year	<u>\$ 709,722</u>	<u>\$ 3,883</u>	<u>\$ 40,009</u>	<u>753,614</u>

# MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

## Notes to Basic Financial Statements

June 30, 2015

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

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

The District serves an area of 32 square miles. It is located in Monmouth County and provides education for all of Manalapan-Englishtown Regional's students in grades K through 8. The District currently operates eight instructional buildings, a transportation depot, buildings and grounds office, and an administrative building. The District services approximately 5,100 students and is one of the largest K through 8 Districts in Monmouth County.

#### A. Reporting Entity

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Basis of Presentation

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A. Basis of Presentation (continued)**

The School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as an asset, deferred outflows, liability or deferred inflows have been charged to the Statement of Activities in the current year.

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

GASB Implemented in the current Fiscal Year: In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27(GASB No. 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods ending on or after June 30, 2015.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A. Basis of Presentation (continued)**

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

The District reports the following governmental funds:

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

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

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

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

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

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

The District reports the following proprietary fund:

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

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

**B. Basis of Accounting**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****C. Property Taxes**

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

**D. Budgets/Budgetary Control**

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

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

The 2015-16 budget was approved by the county on May 28, 2015. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2.

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2015.

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

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

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

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

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

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

**F. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

**G. Interfund Activity**

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

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

**H. Allowances for Uncollectible Accounts**

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

**I. Inventories and Prepaid Expenses**

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

Inventories in the enterprise funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

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

**J. Capital Assets**

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

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

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

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

**K. Compensated Absences**

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

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

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

**L. Unearned/Deferred Revenue**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****M. Accrued Liabilities and Long-Term Obligations**

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

**N. Net Position**

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

**O. Fund Balance Reserves**

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

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed – includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- 5) Unassigned – includes all spendable amounts not contained in the other classifications.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****P. Revenues – Exchange and Non-exchange Transactions**

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

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

**Q. Operating Revenues and Expenses**

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

**R. Management Estimates**

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

**S. Allocation of Indirect Expense**

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

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

**T. Deferred Outflows/Inflows of Resources**

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

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

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

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

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

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

Deposits:

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

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

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

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

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which a government's deposits and investments are exposed to custodial credit risk. Pursuant to Governmental Accounting Standards, the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. As of June 30, 2015, all of the District's deposits, except as noted below, were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

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

As of June 30, 2015, the carrying amount of the District's deposits for all funds was \$12,594,056 and the bank balance was \$13,312,270. All bank deposits, as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA.

Investments:

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

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

As of June 30, 2015, the District's Cash and Cash Equivalents consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	11,953,531
Capital Reserve	640,325
Change Funds	200
	<hr/>
Totals	<u>12,594,056</u>

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

The fiduciary funds had a balance of \$1,347,432 at June 30, 2015.

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

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

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

**4. RESTRICTED CASH RESERVES**

**A. Capital Reserve Account**

A capital reserve account was established by the District during fiscal year 2001-2002 in which it deposited \$100,000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.12(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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$2,094,363
Interest earnings	552
FY 2014-2015 Budgeted withdrawal	(1,454,363)
Funds unused at June 30, 2015	845,518
Deposit - June 30, 2015	<u>68,627</u>
Ending balance, June 30, 2015	<u>\$1,554,697</u>

The June 30, 2009 LRFP balance of local support costs of uncompleted capital projects is \$3,978,750. There were no withdrawals from the capital reserve for DOE approved facilities projects.

**4. RESTRICTED CASH RESERVES (CONTINUED)**

**B. Maintenance Reserve**

A maintenance reserve account was established by the District during fiscal year 2007-2008 in which it deposited \$484,791 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The District approved a transfer in June 2009 to the maintenance reserve in the amount of \$600,000. The District withdrew \$484,791 during the 2009-2010 school year for required maintenance projects. The District approved a transfer in June 2010 to the maintenance reserve in the amount of \$500,000. The District withdrew \$600,000 during the 2010-2011 school year for required maintenance projects. The District approved a transfer in June 2011 to the maintenance reserve in the amount of \$1,100,000. The District withdrew \$500,000 during the 2011-2012 school year for required maintenance projects. The District approved a transfer in June 2012 to the maintenance reserve in the amount of \$1,400,000. The District withdrew \$500,000 during the 2012-2013 school year for required maintenance projects. The District approved a transfer in June 2013 to the maintenance reserve in the amount of \$800,000. The District withdrew \$935,000 during the 2013-2014 school year for required maintenance projects. The District approved a transfer in June 2014 to the maintenance reserve in the amount of \$1,003,000. The District withdrew \$968,000 during the 2014-2015 school year for required maintenance projects.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2015.

The District approved a transfer in June 2015 to the maintenance reserve in the amount of \$950,000. The balance in the maintenance reserve at June 30, 2015 is \$2,850,000.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 2,868,000
Deposits	950,000
Withdrawals	<u>(968,000)</u>
Ending balance, June 30, 2015	<u>\$ 2,850,000</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**5. RECEIVABLES**

Receivables at June 30, 2015, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	<b>Governmental Fund Financial Statements</b>	<b>District-Wide Financial Statements</b>
State Aid	\$ 408,112	\$ 409,815
Federal Aid	196,417	224,472
Interfunds	7,832	12,666
Other	22,486	22,486
Gross Receivables	<u>634,847</u>	<u>669,439</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u><u>634,847</u></u>	<u><u>669,439</u></u>

**6. CAPITAL ASSETS**

Capital assets consisted of the following at June 30, 2015:

	Balance 6/30/2014	Transfers/ Additions	Transfers/ Retirements	Balance 6/30/2015
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land and land improvements	\$ 9,747,190	\$ -	\$ -	\$ 9,747,190
Construction in progress	601,290	882,058	-	1,483,348
Total capital assets not being depreciated	<u>10,348,480</u>	<u>882,058</u>	<u>-</u>	<u>11,230,538</u>
Capital assets being depreciated				
Building and building imprvmts	118,872,953	339,545	-	119,212,498
Machinery & equipment	13,407,595	814,638	(462,664)	13,759,569
Totals at historical cost	<u>132,280,548</u>	<u>1,154,183</u>	<u>(462,664)</u>	<u>132,972,067</u>
Less accumulated depreciation for:				
Building and bldg & land imprvmts	(33,144,939)	(1,997,414)	-	(35,142,353)
Machinery & equipment	(10,738,933)	(857,073)	449,088	(11,146,918)
Total accumulated depreciation	<u>(43,883,872)</u>	<u>(2,854,487)</u>	<u>449,088</u>	<u>(46,289,271)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>88,396,676</u>	<u>(1,700,304)</u>	<u>(13,576)</u>	<u>86,682,796</u>
Governmental activity capital assets, net	<u><u>\$ 98,745,156</u></u>	<u><u>\$ (818,246)</u></u>	<u><u>\$ (13,576)</u></u>	<u><u>\$ 97,913,334</u></u>
<b>Business-type Activities:</b>				
Capital assets being depreciated				
Building improvements	\$ 192,533	\$ -	\$ -	\$ 192,533
Machinery & equipment	1,333,668	10,619	-	1,344,287
Totals at historical cost	<u>1,526,201</u>	<u>10,619</u>	<u>-</u>	<u>1,536,820</u>
Less accumulated depreciation for:				
Building improvements	(122,088)	(9,627)	-	(131,715)
Machinery & equipment	(1,149,690)	(30,957)	-	(1,180,647)
Total accumulated depreciation	<u>(1,271,778)</u>	<u>(40,584)</u>	<u>-</u>	<u>(1,312,362)</u>
Enterprise fund capital assets, net	<u><u>\$ 254,423</u></u>	<u><u>\$ (29,965)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 224,458</u></u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**6. CAPITAL ASSETS (continued)**

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 2,114,633
Special instruction	148,354
Student & instruction services	206,842
General administration	1,500
School administration	19,543
Plant operations & maintenance	150,923
Student transportation	212,692
Total depreciation expense	<u>\$ 2,854,487</u>

**7. LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2015 the following changes occurred in the non-current liabilities:

	Balance 6/30/2014	Increase	Decrease	Balance 6/30/2015	Due Within One Year
Bonds Payable	\$ 43,920,000	\$ -	\$ 2,065,000	\$ 41,855,000	\$ 2,125,000
Obligations under capital leases	1,026,782	478,384	393,910	1,111,256	383,802
Pension liability - PERS	-	31,097,380	-	31,097,380	1,374,291
Compensated absences payable	2,123,240	325,477	40,897	2,407,820	53,804
	<u>\$ 47,070,022</u>	<u>\$ 31,901,241</u>	<u>\$ 2,499,807</u>	<u>\$ 76,471,456</u>	<u>\$ 3,936,897</u>

**A. Bonds Payable**

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

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

Year ending June 30,	Principal	Interest	Total
2016	2,125,000	1,801,631	3,926,631
2017	2,220,000	1,706,894	3,926,894
2018	2,330,000	1,600,403	3,930,403
2019	2,450,000	1,485,006	3,935,006
2020-2024	14,205,000	5,472,819	19,677,819
2025-2029	18,525,000	1,960,675	20,485,675
	<u>\$ 41,855,000</u>	<u>\$ 14,027,428</u>	<u>\$ 55,882,428</u>

**B. Bonds Authorized But Not Issued**

As of June 30, 2015 the District had no authorized nor issued bonds.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**7. LONG-TERM LIABILITIES (continued)**

**C. Capital Leases**

The District is leasing buses, equipment and a roof lease/purchase totaling \$1,166,874, with a net book value of \$1,111,256 under capital leases. All capital leases are for terms of two to five years. The following is a schedule of the future minimum leases payments under capital leases and the present value of the net minimum leases payments as of June 30, 2015:

	Fiscal Year Ended Jun 30,	Amount of Lease
	2016	402,484
	2017	400,604
	2018	77,806
	2019	57,196
	2020-2023	228,784
Total of Minimum Lease Payments		\$ 1,166,874
Less: amount representing interest		55,618
Present value of net minimum lease pmts		\$ 1,111,256

**8. PENSION PLANS**

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS"), the Teachers' Pension and Annuity Fund ("TPAF") or the Defined Contribution Retirement Program (DCRP) which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF)

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

For the year ended June 30, 2015, the District recognized pension expense of \$1,302,034 and revenue of \$1,302,034 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**8. PENSION PLANS (CONTINUED)**

Teachers' Pension and Annuity Fund (TPAF) (Continued)

At June 30, 2015, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.3077796387% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	67,156
Changes of assumptions	7,050,991	
Net difference between projected and actual earnings on pension plan investments	-	5,322,690
Changes in proportion and differences between District contributions and proportionate share of contributions	-	256,489
District contributions subsequent to the measurement date	-	-
Total	<u>7,050,991</u>	<u>5,646,335</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$164,498,200.

The District's proportionate share of other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by the State of New Jersey as follows:

Year ended June 30:	
2015	(402,233)
2016	(402,233)
2017	(402,233)
2018	(402,233)
2019	937,560
Thereafter	<u>2,343,901</u>
Total	<u>1,672,529</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**8. PENSION PLANS (CONTINUED)**

Public Employees' Retirement System (PERS)

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

For the year ended June 30, 2015, the District recognized pension expense of \$86,189. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.1587539904% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	934,653	-
Net difference between projected and actual earnings on pension plan investments		1,771,335
Changes in proportion and differences between District contributions and proportionate share of contributions	-	721,019
District contributions subsequent to the measurement date	-	-
Total	<u>934,653</u>	<u>2,492,354</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$29,723,089 and has been recorded on the district-wide financials. The current portion due in April 2016 for the June 30, 2015 liability is \$1,374,291 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2015 is \$31,097,380.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2015	(271,022)
2016	(271,022)
2017	(271,022)
2018	(271,022)
2019	171,811
Thereafter	<u>75,597</u>
Total	<u>(836,680)</u>

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**8. PENSION PLANS (CONTINUED)**

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	37,392,658	29,723,089	23,282,603

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Vesting and Benefit Provisions

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

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

**8. PENSION PLANS (CONTINUED)**Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$3,436,879 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,335,145 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements as a revenue and expenditure in accordance with Governmental Accounting Standards.

**9. DEFINED CONTRIBUTION RETIREMENT PLAN (DCRP)**

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

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

The District's contributions to the DCRP for June 30, 2015 were \$30,265. There was no liability for unpaid contributions at June 30, 2015.

**10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits of those State employees who retire after reaching age 60 and accumulating 25 years of credited service. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits thru TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical benefits 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 Chapter 126, P.L. 1992 c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**11. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards.

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

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

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

**12. DEFERRED COMPENSATION**

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

Lincoln Investment Planning, Inc.  
AXA/Equitable

Notes to Basic Financial Statements

**13. RISK MANAGEMENT**

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

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

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$ 70	\$ 79,650	\$ 107,781	\$ 709,722
2013-2014	70	73,112	71,272	739,275
2012-2013	100,058	76,287	82,684	738,876

**14. INTERFUND BALANCES AND ACTIVITY**

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 7,832	\$ -
Special Revenue Fund	-	7,800
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	-	32
	<u>\$ 7,832</u>	<u>\$ 7,832</u>

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

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**15. INVENTORY**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$	12,876
Supplies		6,695
Commodities		2,469
	\$	<u>22,040</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**16. CONTINGENT LIABILITIES**

Grant Programs

The school district participates in federal awards and state financial assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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

**17. FUND BALANCES**

General Fund – Of the \$9,860,167 General Fund balance at June 30, 2015, \$852,305 of encumbrances is committed to other purposes, \$2,000,000 is restricted for excess surplus, \$1,972,162 is restricted for excess surplus designated for subsequent year's expenditures, \$850,000 is assigned to offset 2015-16 general fund expenditures, \$1,575,769 is restricted for capital reserve, \$2,850,000 is restricted for maintenance reserve, and \$(240,069) is unreserved and undesignated.

**18. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$240,069 in the General Fund as of June 30, 2015 as reported in the fund statements. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, Governmental Accounting Standards require that recognition revenue, expenditure, asset, liability should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in June payments of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$201,884 is less than the two state aid payments.

**19. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$2,000,000.

**20. UNCERTAIN TAX POSITIONS**

The school district had no unrecognized tax benefits at June 30, 2015. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2012.

**21. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 20, 2015, the date the financial statements were available to be issued.

**22. PRIOR PERIOD ADJUSTMENT**

The implementation of GASB 68 resulted in recording the Deferred Outflows, Deferred Inflows and Pension liability on the June 30, 2015 district-wide financials. The balances at June 30, 2014 have been recorded into the beginning net position (A-1) for a total adjustment of \$32,589,535. This net recording into the net position created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 54,942,358	\$ -	\$ 54,942,358	54,942,228	\$ (130)
Tuition	31,000	-	31,000	25,194	(5,806)
Interest	-	-	-	1,375	1,375
Interest earned on capital reserve funds	-	-	-	552	552
Miscellaneous	360,825	-	360,825	296,381	(64,444)
<b>Total - local sources</b>	<u>55,334,183</u>	<u>-</u>	<u>55,334,183</u>	<u>55,265,730</u>	<u>(68,453)</u>
State sources:					
Equalization aid	12,610,419	-	12,610,419	12,610,419	-
Transportation aid	2,122,959	-	2,122,959	2,122,959	-
Special education aid	3,077,364	-	3,077,364	3,077,364	-
Security aid	403,710	-	403,710	403,710	-
Adjustment aid	1,573,138	-	1,573,138	1,476,768	(96,370)
Extraordinary aid	300,000	-	300,000	204,851	(95,149)
Other state aid	-	-	-	117,442	117,442
TPAF post retirement medical (on-behalf - Non-budgeted)	-	-	-	4,571,856	4,571,856
TPAF social security (reimbursed - Non-budgeted)	-	-	-	2,391,244	2,391,244
<b>Total state sources</b>	<u>20,087,590</u>	<u>-</u>	<u>20,087,590</u>	<u>26,976,613</u>	<u>6,889,023</u>
<b>Total revenues</b>	<u>75,421,773</u>	<u>-</u>	<u>75,421,773</u>	<u>82,242,343</u>	<u>6,820,570</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	1,811,737	60,000	1,871,737	1,855,910	15,827
Grades 1-5 - Salaries of teachers	10,914,332	(65,000)	10,849,332	10,495,805	353,527
Grades 6-8 - Salaries of teachers	8,000,290	(44,000)	7,956,290	7,623,280	333,010
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	40,000	17,400	57,400	57,286	114
Purchased professional-educational services	5,000	(4,218)	782	263	519
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	50,737	(13,000)	37,737	24,867	12,870
Purchased professional-educational services	5,750	(2,475)	3,275	3,275	-
Other purchased services (400-500 series)	251,400	21,393	272,793	236,755	36,038
General supplies	1,260,942	389,654	1,650,596	1,415,466	235,130
Textbooks	244,500	(58,739)	185,761	184,161	1,600
Other objects	55,000	(13,127)	41,873	22,377	19,496
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>22,639,688</u>	<u>287,888</u>	<u>22,927,576</u>	<u>21,919,445</u>	<u>1,008,131</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	242,933	45,800	288,733	288,541	192
Other salaries for instruction	341,092	(800)	340,292	309,844	30,448
Other purchased services (400-500 series)	500	-	500	-	500
General supplies	7,500	-	7,500	4,005	3,495
<b>Total Learning and/or Language Disabilities</b>	<u>592,025</u>	<u>45,000</u>	<u>637,025</u>	<u>602,390</u>	<u>34,635</u>
<b>Multiple Disabilities:</b>					
Salaries of teachers	701,260	(56,520)	644,740	599,236	45,504
Other salaries for instruction	259,734	3,520	263,254	255,392	7,862
Other purchased services	1,000	100	1,100	395	705
General supplies	4,000	(100)	3,900	2,157	1,743
Other objects	8,500	-	8,500	6,475	2,025
<b>Total Multiple Disabilities</b>	<u>974,494</u>	<u>(53,000)</u>	<u>921,494</u>	<u>863,655</u>	<u>57,839</u>
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	4,889,971	(194,000)	4,695,971	4,668,148	27,823
Other salaries for instruction	462,752	45,000	507,752	501,799	5,953
General supplies	2,500	6,176	8,676	3,456	5,220
Textbooks	500	-	500	-	500
<b>Total Resource Room/Resource Center</b>	<u>5,355,723</u>	<u>(142,824)</u>	<u>5,212,899</u>	<u>5,173,403</u>	<u>39,496</u>
<b>PSH</b>					
Salaries of teachers	637,819	(72,100)	565,719	539,470	26,249
Other salaries for instruction	327,889	5,100	332,989	303,075	29,914
General supplies	3,000	-	3,000	-	3,000
<b>Total PSH:</b>	<u>968,708</u>	<u>(67,000)</u>	<u>901,708</u>	<u>842,545</u>	<u>59,163</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Home Instruction</b>					
Salaries of teachers	\$ 5,000	\$ -	\$ 5,000	-	\$ 5,000
Purchased professional-educational services	-	10,000	10,000	600	9,400
<b>Total Home Instruction</b>	5,000	10,000	15,000	600	14,400
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	7,895,950	(207,824)	7,688,126	7,482,593	205,533
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	1,311,430	234,995	1,546,425	1,524,515	21,910
General supplies	3,500	(406)	3,094	2,473	621
<b>Total Basic Skills/Remedial - Instruction</b>	1,314,930	234,589	1,549,519	1,526,988	22,531
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	227,390	20,000	247,390	233,987	13,403
General supplies	2,000	1,000	3,000	1,868	1,132
<b>Total Bilingual Education - Instruction</b>	229,390	21,000	250,390	235,855	14,535
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	140,000	13,000	153,000	152,063	937
Other purchased services (400-500 series)	8,600	3,420	12,020	10,961	1,059
Supplies and materials	4,000	3,938	7,938	5,414	2,524
Other objects	5,000	(1,750)	3,250	815	2,435
<b>Total School-Spon. Cocurric. Actvts. - Instruction</b>	157,600	18,608	176,208	169,253	6,955
<b>School-Spon. Athletics - Instruction</b>					
Salaries	110,000	-	110,000	100,329	9,671
Other purchased services (400-500 series)	12,000	-	12,000	9,436	2,564
Supplies and materials	13,500	1,530	15,030	14,687	343
Other objects	3,500	-	3,500	2,538	962
<b>Total School-Spon. Athletics - Instruction</b>	139,000	1,530	140,530	126,990	13,540
<b>Total Instruction</b>	32,376,558	355,791	32,732,349	31,461,124	1,271,225
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - Regular	73,500	32,000	105,500	100,090	5,410
Tuition to other LEAs within the state - Special	-	69,054	69,054	67,398	1,656
Tuition to CSSD & Regional Day Schools	352,308	(154,549)	197,759	177,456	20,303
Tuition to Private Schools for the Disabled - Within State	497,945	82,450	580,395	569,242	11,153
Tuition - Other	48,700	3,045	51,745	51,745	-
<b>Total Undistributed Expenditures - Instruction</b>	972,453	32,000	1,004,453	965,931	38,522
<b>Undist. Expend. - Health Services</b>					
Salaries	747,301	-	747,301	727,397	19,904
Purchased professional and technical services	23,500	(1,000)	22,500	18,525	3,975
Other purchased services (400-500 series)	1,000	9,500	10,500	6,525	3,975
Supplies and materials	16,250	1,269	17,519	16,232	1,287
Other objects	-	680	680	680	-
<b>Total Undistributed Expenditures - Health Services</b>	788,051	10,449	798,500	769,359	29,141
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries of other professional staff	1,323,601	-	1,323,601	1,302,803	20,798
Purchased professional - educational services	122,000	(8,090)	113,910	93,476	20,434
General supplies	4,500	-	4,500	3,254	1,246
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Services</b>	1,450,101	(8,090)	1,442,011	1,399,533	42,478
<b>Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.</b>					
Salaries	54,775	-	54,775	18,761	36,014
Other salaries for instruction	999,341	(10,000)	989,341	903,561	85,780
Purchased professional - educational services	290,000	(2,450)	287,550	204,969	82,581
Supplies and materials	15,000	6,500	21,500	20,833	667
<b>Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.</b>	1,359,116	(5,950)	1,353,166	1,148,124	205,042
<b>Undist. Expend. - Guidance</b>					
Salaries of other professional staff	795,435	(3,500)	791,935	777,679	14,256
Purchased professional - educational services	6,000	-	6,000	5,180	820
Other purchased services (400-500 series)	50,000	(204)	49,796	45,846	3,950
Supplies and materials	36,000	(2,300)	33,700	26,702	6,998
<b>Total Undist. Expend. - Guidance</b>	887,435	(6,004)	881,431	855,407	26,024
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of other professional staff	1,262,803	(200)	1,262,603	1,251,370	11,233
Salaries of secretarial and clerical assistants	128,001	3,700	131,701	131,512	189
Other purchased professional and technical services	45,000	-	45,000	31,972	13,028
Misc. purchased service	450	-	450	101	349
Supplies and materials	5,750	283	6,033	4,535	1,498
Other objects	500	-	500	-	500
<b>Total Undist. Expend. - Child Study Teams</b>	1,442,504	3,783	1,446,287	1,419,490	26,797

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Improvement of Instruction Services</b>					
Salaries of supervisor of instruction	\$ 207,202	\$ -	\$ 207,202	\$ 207,091	\$ 111
Salaries of other professional staff	139,677	(2,200)	137,477	132,168	5,309
Salaries of secretarial and clerical assist.	16,679	-	16,679	16,678	1
Other purchased services (400-500)	5,000	2,200	7,200	6,777	423
Supplies and materials	750	-	750	344	406
Other objects	2,500	-	2,500	2,004	496
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<u>371,808</u>	<u>-</u>	<u>371,808</u>	<u>365,062</u>	<u>6,746</u>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	1,062,752	(6,050)	1,056,702	1,003,480	53,222
Supplies and materials	46,000	2,888	48,888	39,869	9,019
Other objects	14,000	-	14,000	11,948	2,052
<b>Total Undist. Expend. - Ed. Media Services/School Library</b>	<u>1,122,752</u>	<u>(3,162)</u>	<u>1,119,590</u>	<u>1,055,297</u>	<u>64,293</u>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of supervisors of instruction	272,027	(9,980)	262,047	261,898	149
Salaries of other professional staff	32,420	480	32,900	32,578	322
Salaries of secretarial & clerical assist.	25,018	-	25,018	25,018	-
Other salaries	-	500	500	69	431
Purchased professional - educational services	6,100	33,345	39,445	35,800	3,645
Other purchased services (400-500 series)	13,600	1,999	15,599	9,439	6,160
Supplies and materials	8,500	(1,215)	7,285	6,233	1,052
Other objects	300	(100)	200	-	200
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<u>357,965</u>	<u>25,029</u>	<u>382,994</u>	<u>371,035</u>	<u>11,959</u>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	243,723	(5,490)	238,233	231,524	6,709
Legal services	230,000	(27,410)	202,590	111,133	91,457
Audit fees	45,000	(500)	44,500	40,000	4,500
Architectural/Engineering Services	45,000	102,145	147,145	76,847	70,298
Other purchased professional services	52,000	(10)	51,990	36,000	15,990
Communications/Telephone	317,500	-	317,500	281,382	36,118
BOE Other Purchased Services	3,500	500	4,000	3,691	309
Misc purchased services (400-500 series)	41,291	828	42,119	38,461	3,658
General supplies	5,700	-	5,700	1,823	3,877
BOE In-House Training/Meeting Supplies	4,000	112	4,112	1,740	2,372
Miscellaneous expenditures	5,250	-	5,250	4,742	508
Membership Dues and Fees	29,000	-	29,000	26,741	2,259
<b>Total Undist. Expend. - Support Service - Gen. Admin.</b>	<u>1,021,964</u>	<u>70,175</u>	<u>1,092,139</u>	<u>854,084</u>	<u>238,055</u>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	1,930,847	28,100	1,958,947	1,958,536	411
Salaries of other professional staff	242,804	38,900	281,704	259,505	22,199
Salaries of secretarial and clerical assistants	797,985	28,000	825,985	818,738	7,247
Other purchased services (400-500 series)	43,336	1,552	44,888	36,609	8,279
Supplies and materials	63,180	7,901	71,081	58,949	12,132
Other objects	21,900	-	21,900	17,899	4,001
<b>Total Undist. Expend. - Support Service - School Admin.</b>	<u>3,100,052</u>	<u>104,453</u>	<u>3,204,505</u>	<u>3,150,236</u>	<u>54,269</u>
<b>Undist. Expend. - Support Service - Central Services</b>					
Salaries	847,467	2,100	849,567	848,068	1,499
Purchased professional services	86,300	(9,100)	77,200	60,451	16,749
Purchased technical services	254,300	(17,105)	237,195	167,057	70,138
Miscellaneous purchased services	111,750	(500)	111,250	77,809	33,441
Supplies and materials	37,000	(5,536)	31,464	15,271	16,193
Other objects	14,440	100	14,540	14,436	104
<b>Total Undist. Expend. - Support Service - Central Services</b>	<u>1,351,257</u>	<u>(30,041)</u>	<u>1,321,216</u>	<u>1,183,092</u>	<u>138,124</u>
<b>Undist. Expend. - Support Service - Admin. Information Tech.</b>					
Salaries	180,405	3,000	183,405	181,407	1,998
Purchased technical services	203,850	41,100	244,950	192,792	52,158
Other purchased services	20,000	6,800	26,800	11,269	15,531
Supplies and materials	6,100	(1,500)	4,600	4,316	284
Other objects	1,300	(1,300)	-	-	-
<b>Total Undist. Expend. - Support Service - Admin. Info. Tech.</b>	<u>411,655</u>	<u>48,100</u>	<u>459,755</u>	<u>389,784</u>	<u>69,971</u>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Cleaning, repair and maintenance services	803,000	61,990	864,990	757,126	107,864
General supplies	160,000	44,217	204,217	150,941	53,276
Other objects	5,000	-	5,000	-	5,000
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<u>968,000</u>	<u>106,207</u>	<u>1,074,207</u>	<u>908,067</u>	<u>166,140</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Custodial services</b>					
Salaries	\$ 3,456,799	\$ 19,000	\$ 3,475,799	\$ 3,337,471	\$ 138,328
Salaries of Non-instructional Aides	301,637	-	301,637	291,485	10,152
Purchased professional and technical services	10,000	20,737	30,737	10,750	19,987
Cleaning, repair and maintenance services	285,400	267,199	552,599	494,251	58,348
Other purchased property services	150,000	-	150,000	139,439	10,561
Insurance	482,177	6,400	488,577	444,475	44,102
Miscellaneous purchased services	1,000	600	1,600	865	735
General supplies	300,000	18,828	318,828	266,481	52,347
Energy - Natural gas	600,000	(18,000)	582,000	435,628	146,372
Energy - Electricity	1,250,000	(197,000)	1,053,000	865,829	187,171
Other objects	7,800	11,270	19,070	12,812	6,258
<b>Total Undist. Expend. - Custodial Services</b>	<b>6,844,813</b>	<b>129,034</b>	<b>6,973,847</b>	<b>6,299,486</b>	<b>674,361</b>
<b>Undistributed Expenditures - Care and Upkeep of Grounds</b>					
Salaries	228,998	(1,000)	227,998	219,654	8,344
Cleaning, Repair, and Maintenance Services	140,000	84,620	224,620	201,249	23,371
General Supplies	80,000	104,200	184,200	105,342	78,858
Other Objects	2,000	4,400	6,400	1,870	4,530
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>450,998</b>	<b>192,220</b>	<b>643,218</b>	<b>528,115</b>	<b>115,103</b>
<b>Undistributed Expenditures - Security</b>					
Salaries	51,000	(3,000)	48,000	46,521	1,479
Purchased Professional & Technical Services	30,000	2,884	32,884	31,734	1,150
Cleaning, Repair, and Maintenance Services	100,000	(13,614)	86,386	86,182	204
General Supplies	3,000	13,597	16,597	14,088	2,509
Other Objects	12,500	1,930	14,430	2,333	12,097
<b>Total Undistributed Expenditures - Security</b>	<b>196,500</b>	<b>1,797</b>	<b>198,297</b>	<b>180,858</b>	<b>17,439</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of Non-instructional Aides	410,814	27,000	437,814	432,239	5,575
Salaries for pupil transp.(between home and school) - Regular	2,156,558	(79,000)	2,077,558	1,922,436	155,122
Salaries for pupil transp.(between home and school) - Special	490,619	52,000	542,619	488,197	54,422
Salaries for pupil transp.(other than between home and school)	17,500	-	17,500	16,993	507
Social security contributions	240,000	-	240,000	213,864	26,136
Workers compensation	260,000	-	260,000	260,000	-
Health benefits	1,666,000	-	1,666,000	1,666,000	-
Other purchased professional and technical services	35,000	3,462	38,462	35,007	3,455
Cleaning, repair and maintenance services	65,000	39,000	104,000	101,512	2,488
Lease purchase payments - School buses	150,000	50,000	200,000	199,664	336
Contract services - Aid in Lieu of Payment for NP school students	145,000	(50,000)	95,000	89,107	5,893
Contract services (Between Home and School) - Joint agreements	60,000	(17,600)	42,400	42,194	206
Contract services (Sp Ed Stds) - Joint agreements	720,000	88,600	808,600	803,822	4,778
Contract services - (regular education students) - ESCs & CTSA	85,000	(59,000)	26,000	25,853	147
Contract services - (special education students) - ESCs & CTSA	-	-	-	-	-
Miscellaneous purchased services - Transportation	99,429	-	99,429	89,911	9,518
Supplies and materials	15,000	-	15,000	4,329	10,671
Transportation Supplies	890,500	(108,130)	782,370	594,680	187,690
Miscellaneous expenditures	12,000	-	12,000	9,230	2,770
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>7,518,420</b>	<b>(53,668)</b>	<b>7,464,752</b>	<b>6,995,038</b>	<b>469,714</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	2,500	3,500	6,000	5,479	521
Social security contributions	875,000	4,000	879,000	878,597	403
Other Retirement Contributions	1,600,000	(283,000)	1,317,000	1,308,745	8,255
Unemployment Compensation	195,000	-	195,000	-	195,000
Workmen's compensation	200,000	-	200,000	76,556	123,444
Health benefits	11,256,000	(453,655)	10,802,345	10,508,808	293,537
Tuition reimbursement	150,000	3,503	153,503	104,216	49,287
Other employee benefits	267,500	7,500	275,000	165,063	109,937
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>14,546,000</b>	<b>(718,152)</b>	<b>13,827,848</b>	<b>13,047,464</b>	<b>780,384</b>
On-behalf TPAF post retirement med. contrib.(non-budgeted)	-	-	-	4,571,856	(4,571,856)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	2,391,244	(2,391,244)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,963,100</b>	<b>(6,963,100)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>14,546,000</b>	<b>(718,152)</b>	<b>13,827,848</b>	<b>20,010,564</b>	<b>(6,182,716)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>45,161,844</b>	<b>(101,820)</b>	<b>45,060,024</b>	<b>48,848,562</b>	<b>(3,788,538)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>77,538,402</b>	<b>253,971</b>	<b>77,792,373</b>	<b>80,309,686</b>	<b>(2,517,313)</b>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	\$ 25,000	\$ (19,235)	\$ 5,765	\$ 5,765	\$ -
Grades 6-8	-	5,678	5,678	5,678	-
<b>Special Education - Instruction:</b>					
Multiple disabilities	-	2,090	2,090	2,090	-
<b>Undistributed:</b>					
Undistributed expenditures - School Admin.	-	2,300	2,300	-	2,300
Undistributed expenditures - Central services	16,000	3,320	19,320	19,313	7
Undistributed expenditures - Admin Info Tech.	10,000	56,303	66,303	66,303	-
Undistributed expenditures - Operation & maint. Of plant services	80,600	(12,825)	67,775	38,855	28,920
Undistributed expenditures - Required Maintenance for School Fac.	-	63,000	63,000	-	63,000
undistributed expenditures - Custodial	-	128,435	128,435	128,435	-
Undistributed expenditures - Care and Upkeep of Grounds	37,000	500	37,500	8,860	28,640
School buses - Regular	-	190,000	190,000	-	190,000
School buses - Special	-	112,720	112,720	112,517	203
Undistributed expenditures - Non-instr. Serv.	10,000	6,642	16,642	6,642	10,000
<b>Total Equipment</b>	<u>178,600</u>	<u>538,928</u>	<u>717,528</u>	<u>394,458</u>	<u>323,070</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	129,650	4,120	133,770	39,947	93,823
Construction Services	1,316,788	885,685	2,202,473	1,370,472	832,001
Lease Purchase Agreement - Principal	200,153	-	200,153	200,153	-
Other Objects	129,541	100	129,641	124,542	5,099
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,776,132</u>	<u>889,905</u>	<u>2,666,037</u>	<u>1,735,114</u>	<u>930,923</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>Undistributed Expenditures:</b>					
School Administration	-	-	-	478,384	(478,384)
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
Capital reserve - Transfer to	-	-	-	478,384	(478,384)
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,954,732</u>	<u>1,428,833</u>	<u>3,383,565</u>	<u>2,607,956</u>	<u>775,609</u>
<b>TOTAL EXPENDITURES</b>	<u>79,493,134</u>	<u>1,682,804</u>	<u>81,175,938</u>	<u>82,917,642</u>	<u>(1,741,704)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,071,361)</u>	<u>(1,682,804)</u>	<u>(5,754,165)</u>	<u>(675,299)</u>	<u>5,078,866</u>
<b>Other Financing Sources(Uses):</b>					
Capital leases - Non-budgeted	-	-	-	478,384	478,384
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>478,384</u>	<u>478,384</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(4,071,361)</u>	<u>(1,682,804)</u>	<u>(5,754,165)</u>	<u>(196,915)</u>	<u>5,557,250</u>
<b>Fund Balance, July 1</b>	12,011,525	-	12,011,525	12,011,525	-
<b>Fund Balance, June 30</b>	<u>\$ 7,940,164</u>	<u>\$ (1,682,804)</u>	<u>\$ 6,257,360</u>	<u>11,814,610</u>	<u>\$ 5,557,250</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				1,554,697	
Maintenance reserve				2,850,000	
Excess surplus - current year				2,000,000	
Excess surplus - designated for subsequent year's expenditures				1,972,162	
<b>Committed Fund Balance:</b>					
Other purposes				-	
Year-end encumbrances				852,305	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				850,000	
Unassigned fund balance				<u>\$ 1,735,446</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				\$ 11,814,610	
Last state aid payment not recognized on GAAP basis				(1,954,443)	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>9,860,167</u>	
Restricted fund balances				10,079,164	
Unrestricted fund balances				(218,997)	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>\$ 9,860,167</u>	

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ 167,046	\$ 167,046	\$ 77,682	\$ (89,364)
State sources	40,957	(8,040)	32,917	12,850	(20,067)
Federal sources	1,267,406	373,186	1,640,592	1,463,702	(176,890)
<b>Total Revenues</b>	<u>1,308,363</u>	<u>532,192</u>	<u>1,840,555</u>	<u>1,554,234</u>	<u>(286,321)</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	287,541	11,570	299,111	298,020	1,091
Purchased professional services	40,000	85,928	125,928	70,503	55,425
Textbooks	5,874	(809)	5,065	3,371	1,694
Tuition	800,000	10,325	810,325	761,588	48,737
Miscellaneous expense	-	1,639	1,639	1,307	332
General supplies	57,512	155,738	213,250	136,704	76,546
<b>Total instruction</b>	<u>1,190,927</u>	<u>264,391</u>	<u>1,455,318</u>	<u>1,271,493</u>	<u>183,825</u>
<b>Support services:</b>					
Other professional staff salaries	37,036	60,954	97,990	84,177	13,813
Personal services - employee benefits	6,000	31,143	37,143	33,575	3,568
Purchased professional - educational services	36,133	44,997	81,130	75,610	5,520
Purchased technical services	18,267	74,607	92,874	42,265	50,609
Travel	10,000	39,496	49,496	31,522	17,974
Supplies & materials	10,000	6,914	16,914	15,592	1,322
<b>Total support services</b>	<u>117,436</u>	<u>258,111</u>	<u>375,547</u>	<u>282,741</u>	<u>92,806</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	9,690	9,690	-	9,690
<b>Total facilities acquisition and const. serv.</b>	<u>-</u>	<u>9,690</u>	<u>9,690</u>	<u>-</u>	<u>9,690</u>
<b>Total expenditures</b>	<u>1,308,363</u>	<u>532,192</u>	<u>1,840,555</u>	<u>1,554,234</u>	<u>286,321</u>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2015**

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 82,242,343	<b>[C-2]</b>	\$ 1,554,234
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		2,250
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,302,034)		
The 2013-14 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.		1,947,082		-
The 2014-15 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.		(1,954,443)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	\$ 80,932,948	<b>[B-2]</b>	\$ 1,556,484
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 82,917,642	<b>[C-2]</b>	\$ 1,554,234
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,302,034)		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		2,250
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<b>[B-2]</b>	\$ 81,615,608	<b>[B-2]</b>	\$ 1,556,484

## REQUIRED SUPPLEMENTARY INFORMATION – PART III

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net Pension Liability-PERS**  
**For the Fiscal Year Ended June 30, 2015**

**Last 10 Fiscal Years\***

	<u>2015</u>
District's proportion of the net pension liability	0.1587539904%
District's proportionate share of the net pension liability	\$ 31,097,380
District's covered-employee payroll	12,521,737
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	40.27%
Plan fiduciary net position as a percentage of the total pension liability	67.89%

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

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

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District Contributions-PERS  
 For the Fiscal Year Ended June 30, 2015**

**Last 10 Fiscal Years\***

	<u>2015</u>
Contractually required contributions	\$ 1,308,745
Contributions in relation to the contractually required contribution	<u>1,308,745</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 12,521,737
Contributions as a percentage of covered- employee payroll	10.45%

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

**MANALAPN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net Pension Liability-TPAF**  
**For the Fiscal Year Ended June 30, 2015**

Last 10 Fiscal Years\*

	<u>2015</u>
District's proportion of the net pension liability	0.6214977599%
District's proportionate share of the net pension liability	\$ 332,170,325
District's covered-employee payroll	33,113,319
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	9.97%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

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

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

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Required Supplementary Information – Part III

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary increases: 2012-2021	2.15-4.40%
Thereafter	3.15-5.40% based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

## OTHER SUPPLEMENTARY INFORMATION

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Title I Part A 14/15</u>	<u>Title II Part A 14/15</u>	<u>Title III 14/15</u>	<u>IDEA-Part B-Basic Reg Prog 14/15</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>157,890</u>	<u>80,953</u>	<u>14,866</u>	<u>1,163,410</u>
Total revenues	<u>157,890</u>	<u>80,953</u>	<u>14,866</u>	<u>1,163,410</u>
Expenditures:				
Instruction:				
Salaries of teachers	129,844	-	466	167,710
Purchased professional services	-	-	-	59,738
General supplies	-	255	10,669	58,973
Tuition	-	-	-	761,588
Textbooks	-	-	-	-
Miscellaneous expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>129,844</u>	<u>255</u>	<u>11,135</u>	<u>1,048,009</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	32,696	1,126	50,355
Purchased professional services	-	-	-	26,000
Purchased technical services	-	25,900	-	11,110
Employee benefits	28,046	-	-	5,529
Travel	-	21,535	617	9,370
General supplies	-	567	1,988	13,037
Purchased prof.-educ.services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>28,046</u>	<u>80,698</u>	<u>3,731</u>	<u>115,401</u>
Total expenditures	<u>\$ 157,890</u>	<u>\$ 80,953</u>	<u>\$ 14,866</u>	<u>\$ 1,163,410</u>

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**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2015**

(Continued from prior page)

	IDEA-Part B-Preschool	Chapter 192/193 Nonpublic		
	Reg Prog 14/15	Classification 14/15	Speech 14/15	Instruction 14/15
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	1,260	1,767	-
Federal sources	46,583	-	-	-
Total revenues	<u>46,583</u>	<u>1,260</u>	<u>1,767</u>	<u>-</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	-	-	-
Tuition	-	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	-
Purchased professional services	46,583	-	-	-
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
General supplies	-	-	-	-
Purchased prof.-educ.services	-	1,260	1,767	-
Total other support services - students - special	<u>46,583</u>	<u>1,260</u>	<u>1,767</u>	<u>-</u>
Total expenditures	<u>\$ 46,583</u>	<u>\$ 1,260</u>	<u>\$ 1,767</u>	<u>\$ -</u>

(continued on next page)

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2015**

(Continued from prior page)

	<u>Non-Public</u>			<u>Target Take Charge of Education 14/15</u>	<u>Foundation for MERS 14/15</u>	<u>Other Local Grants 14/15</u>	<u>Total 2015</u>
	<u>Nursing 14/15</u>	<u>Textbook 14/15</u>	<u>Technology 14/15</u>				
Revenues:							
Local sources	\$ -	\$ -	\$ -	\$ 14,567	\$ 37,934	\$ 25,181	\$ 77,682
State sources	5,255	3,371	1,197	-	-	-	12,850
Federal sources	-	-	-	-	-	-	1,463,702
<b>Total revenues</b>	<u>5,255</u>	<u>3,371</u>	<u>1,197</u>	<u>14,567</u>	<u>37,934</u>	<u>25,181</u>	<u>1,554,234</u>
Expenditures:							
Instruction:							
Salaries of teachers	-	-	-	-	-	-	298,020
Purchased professional services	-	-	-	-	10,765	-	70,503
General supplies	-	-	1,197	13,867	26,562	25,181	136,704
Tuition	-	-	-	-	-	-	761,588
Textbooks	-	3,371	-	-	-	-	3,371
Miscellaneous expenses	-	-	-	700	607	-	1,307
<b>Total instruction</b>	<u>-</u>	<u>3,371</u>	<u>1,197</u>	<u>14,567</u>	<u>37,934</u>	<u>25,181</u>	<u>1,271,493</u>
Support services:							
Other support services - students - special:							
Other professional staff salaries	-	-	-	-	-	-	84,177
Purchased professional services	-	-	-	-	-	-	72,583
Purchased technical services	5,255	-	-	-	-	-	42,265
Employee benefits	-	-	-	-	-	-	33,575
Travel	-	-	-	-	-	-	31,522
General supplies	-	-	-	-	-	-	15,592
Purchased prof.-educ.services	-	-	-	-	-	-	3,027
<b>Total expenditures</b>	<u>\$ 5,255</u>	<u>\$ 3,371</u>	<u>\$ 1,197</u>	<u>\$ 14,567</u>	<u>\$ 37,934</u>	<u>\$ 25,181</u>	<u>\$ 1,554,234</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
For the Fiscal Year Ended June 30, 2015**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Alterations to Taylor Mills Elementary School	4/14/2005	2,426,991	2,446,170	(19,179)	-
Alterations to Pine Brook Elementary School	4/14/2005	2,844,423	2,842,661	1,762	-
Alterations to Milford Brook Elementary School	4/14/2005	1,033,851	984,823	49,028	-
Alterations to Lafayette Mills Elementary School	4/14/2005	2,276,542	2,268,607	7,935	-
Manalapan-Englishtown Middle School and Pine Brook School Roof Project		3,046,000	3,032,508	13,492	-
Totals		<u>\$ 11,627,807</u>	<u>\$ 11,574,769</u>	<u>\$ 53,038</u>	<u>\$ -</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2015**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	\$ (67,155)
Bond proceeds and transfers	-
Capital lease proceeds	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Interest	-
Total revenues	<u>(67,155)</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Transfers out	53,038
Total expenditures	<u>53,038</u>

Excess (deficiency) of revenues over (under) expenditures	(120,193)
Fund balance - beginning	120,193
Fund balance - ending	<u>\$ -</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Taylor Mills Elementary School**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 1,008,279	\$ (41,033)	\$ 967,246	\$ 967,246
Bond proceeds and transfers	1,459,745	-	1,459,745	1,459,745
Total revenues	<u>2,468,024</u>	<u>(41,033)</u>	<u>2,426,991</u>	<u>2,426,991</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	319,920	-	319,920	319,920
Construction services	2,126,250	-	2,126,250	2,126,250
Transfer out	-	(19,179)	(19,179)	(19,179)
Total expenditures	<u>2,446,170</u>	<u>(19,179)</u>	<u>2,426,991</u>	<u>2,426,991</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 21,854</u>	<u>\$ (21,854)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-090-03-1222			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$ 1,512,419			
Bonds Issued	\$ 1,512,419			
Original Authorized Cost	\$ 2,520,698			
Additional Authorized Cost	\$ (93,707)			
Revised Authorized Cost	\$ 2,426,991			
Percentage Increase over Original Authorized Cost	-3.72%			
Percentage Completion	100.00%			
Original target completion date	September 07			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Pine Brook Elementary School**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 700,000	\$ -	\$ 700,000	\$ 700,000
Bond proceeds and transfers	1,868,423	-	1,868,423	1,868,423
Transfer from capital reserve	276,000	-	276,000	276,000
Total revenues	<u>2,844,423</u>	<u>-</u>	<u>2,844,423</u>	<u>2,844,423</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	413,031	-	413,031	414,793
Construction services	2,429,630	-	2,429,630	2,429,630
Transfer out	-	1,762	1,762	-
Total expenditures	<u>2,842,661</u>	<u>1,762</u>	<u>2,844,423</u>	<u>2,844,423</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,762</u>	<u>\$ (1,762)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-075-03-1221			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$ 1,050,000			
Bonds Issued	\$ 1,050,000			
Original Authorized Cost	\$ 1,750,000			
Additional Authorized Cost	\$ 1,094,423			
Revised Authorized Cost	\$ 2,844,423			
Percentage Increase over Original				
Authorized Cost	62.54%			
Percentage Completion	100.00%			
Original target completion date	September 06			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Milford Brook Elementary School**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 172,730	\$ (26,122)	\$ 146,608	\$ 146,608
Bond proceeds and transfers	887,243	-	887,243	887,243
Total revenues	<u>1,059,973</u>	<u>(26,122)</u>	<u>1,033,851</u>	<u>1,033,851</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	109,873	-	109,873	109,873
Construction services	874,950	-	874,950	874,950
Transfers out	-	49,028	49,028	49,028
Total expenditures	<u>984,823</u>	<u>49,028</u>	<u>1,033,851</u>	<u>1,033,851</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 75,150</u>	<u>\$ (75,150)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-063-03-1220			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$ 259,095			
Bonds Issued	\$ 259,095			
Original Authorized Cost	\$ 431,325			
Additional Authorized Cost	\$ 602,526			
Revised Authorized Cost	\$ 1,033,851			
Percentage Increase over Original Authorized Cost	139.69%			
Percentage Completion	100.00%			
Original target completion date	September 07			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Lafayette Mills Elementary School**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 755,760	\$ -	\$ 755,760	\$ 755,760
Bond proceeds and transfers	1,520,782	-	1,520,782	1,520,782
Total revenues	<u>2,276,542</u>	<u>-</u>	<u>2,276,542</u>	<u>2,276,542</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	214,333	-	214,333	214,333
Construction services	2,054,274	-	2,054,274	2,054,274
Transfers out	-	7,935	7,935	7,935
Total expenditures	<u>2,268,607</u>	<u>7,935</u>	<u>2,276,542</u>	<u>2,276,542</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 7,935</u>	<u>\$ (7,935)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-050-03-1218			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$ 1,133,640			
Bonds Issued	\$ 1,133,640			
Original Authorized Cost	\$ 1,889,400			
Additional Authorized Cost	\$ 387,142			
Revised Authorized Cost	\$ 2,276,542			
Percentage Increase over Original Authorized Cost	20.49%			
Percentage Completion	100.00%			
Original target completion date	September 07			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Manalapan-Englishtown Middle School and Pine Brook School Roof Project**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	-	-	-
Capital lease proceeds	1,000,000	-	1,000,000	1,000,000
Transfer from capital reserve	2,000,000	-	2,000,000	2,000,000
Transfer from capital outlay	46,000	-	46,000	46,000
Total revenues	<u>3,046,000</u>	<u>-</u>	<u>3,046,000</u>	<u>3,046,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Construction services	3,032,508	-	3,032,508	3,046,000
Transfer out	-	13,492	13,492	-
Total expenditures	<u>3,032,508</u>	<u>13,492</u>	<u>3,046,000</u>	<u>3,046,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 13,492</u>	<u>\$ (13,492)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number MEMS	2920-060-11-1000			
Project Number Pine Brook	2920-075-11-1000			
Grant Date				
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 3,037,000.00			
Additional Authorized Cost	\$ 9,000.00			
Revised Authorized Cost	\$ 3,046,000.00			
Percentage Increase over Original Authorized Cost	0.30%			
Percentage Completion	100.00%			
Original target completion date	June 13			
Revised target completion date				

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Enterprise Fund**  
**Combining Statement of Net Position**  
**June 30, 2015**

	<b>Food Service</b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 526,443
Accounts receivable:	
State	2,285
Federal	28,055
Other	2,189
Prepaid expense	12,634
Inventories	22,040
Total current assets	593,646
Capital assets:	
Building improvements	192,533
Equipment	1,344,287
Accumulated depreciation	(1,312,362)
Total capital assets	224,458
Total assets	\$ 818,104
Liabilities and Net Position:	
Liabilities:	
Accounts payable	133,121
Unearned revenue	31,143
Total liabilities	164,264
Net position:	
Invested in capital assets, net of related debt	224,458
Unrestricted net position	429,382
Total net position	653,840
Total liabilities and net position	\$ 818,104

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Fund Net Position**  
**for the Fiscal Year ended June 30, 2015**

	<b>Food Service</b>
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 934,690
Special functions	8,950
Total-daily sales-reimbursable programs	943,640
Daily sales non-reimbursable programs	633,318
Total operating revenues	1,576,958
 Operating expenses:	
Salaries	566,053
Employee benefits	209,190
Other purchased services	126,707
Repairs and maintenance	50,332
Supplies and materials	44,127
Depreciation	40,584
Cost of sales	908,356
Total operating expenses	1,945,349
Operating loss	(368,391)
 Nonoperating revenues:	
State sources:	
State school lunch program	20,304
Federal sources:	
National school lunch program	331,539
Special milk program	357
U.S.D.A. commodities	86,477
Interest income	42
Total nonoperating revenues	438,719
 Change in net position	70,328
Total net position beginning	583,512
Total net position ending	\$ 653,840

**Exhibit G-3**

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
Food Services Enterprise Fund  
Combining Statement of Cash Flows  
for the Fiscal Year ended June 30, 2015**

	<u><b>Food Service</b></u>
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 1,629,920
Payments to employees	(566,053)
Payments for employee benefits	(209,190)
Payments to suppliers	(1,066,148)
Net cash used for operating activities	<u>(211,471)</u>
Cash Flows from Noncapital Financing Activities	
State sources	20,304
Federal sources	331,896
Net cash provided by noncapital financing activities	<u>352,200</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(10,619)
Net cash used for capital and related financing activities	<u>(10,619)</u>
Cash Flows from Investing Activities	
Interest on investments	42
Net cash provided by investing activities	<u>42</u>
Net increase in cash and cash equivalents	130,152
Balances-beginning of the year	396,291
Balances-end of the year	<u><u>\$ 526,443</u></u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:	
Operating loss	\$ (368,391)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	40,584
Federal commodities	86,477
Change in assets and liabilities:	
Increase in deferred revenue	6,058
Increase in prepaid expense	(4,872)
Decrease in accounts receivable	46,904
Decrease in inventory	1,779
Decrease in accounts payable	(20,010)
Total adjustments	<u>156,920</u>
Net cash used by operating activities	<u><u>\$ (211,471)</u></u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Combining Statement of Agency Fund Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2015**

	Trust				Agency			Total Agency
	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trust Fund	Student Activity	Payroll	Flex Spending	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 641,312	\$ 5,459	\$ 40,009	\$ 686,780	\$ 57,465	\$ 531,598	\$ 71,589	\$ 660,652
Other Accounts Receivable	-	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-	-
Intrafund receivable	79,650	-	-	79,650	-	-	-	-
Total assets	<u>720,962</u>	<u>5,459</u>	<u>40,009</u>	<u>766,430</u>	<u>57,465</u>	<u>531,598</u>	<u>71,589</u>	<u>660,652</u>
<b>LIABILITIES</b>								
Accounts payable	11,240	1,576	-	12,816	3,808	426,902	-	430,710
Payroll deductions and withholdings	-	-	-	-	-	25,016	71,587	96,603
Payable to student groups	-	-	-	-	53,657	-	-	53,657
Intrafund payable	-	-	-	-	-	79,650	-	79,650
Interfund payable	-	-	-	-	-	30	2	32
Total liabilities	<u>11,240</u>	<u>1,576</u>	<u>-</u>	<u>12,816</u>	<u>\$ 57,465</u>	<u>\$ 531,598</u>	<u>\$ 71,589</u>	<u>\$ 660,652</u>
<b>NET POSITION</b>								
Held in trust for unemployment claims and other purposes	709,722	-	40,009	749,731				
Reserved for scholarships	-	3,883	-	3,883				
Total net position	<u>709,722</u>	<u>3,883</u>	<u>40,009</u>	<u>753,614</u>				
Total liabilities and net position	<u>\$ 720,962</u>	<u>\$ 5,459</u>	<u>\$ 40,009</u>	<u>\$ 766,430</u>				

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Maintenance Contracts Trust	Total Trusts
<b>ADDITIONS</b>				
Contributions:				
Plan member	\$ 79,650	\$ -	\$ -	\$ 79,650
Other	-	1,500	-	1,500
Total Contributions	<u>79,650</u>	<u>1,500</u>	<u>-</u>	<u>81,150</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	-	-	-	-
Interest	69	-	6	75
Dividends	-	-	-	-
Less investment expense	-	-	-	-
Net investment earnings	<u>69</u>	<u>-</u>	<u>6</u>	<u>75</u>
Total additions	<u>79,719</u>	<u>1,500</u>	<u>6</u>	<u>81,225</u>
<b>DEDUCTIONS</b>				
Quarterly contribution reports	-	-	-	-
Unemployment claims	107,781	-	-	107,781
Scholarships awarded	-	1,600	-	1,600
Refunds of contributions	-	-	20,004	20,004
Administrative expenses	1,491	-	-	1,491
Total deductions	<u>109,272</u>	<u>1,600</u>	<u>20,004</u>	<u>130,876</u>
Change in net position	(29,553)	(100)	(19,998)	(49,651)
Net position—beginning of the year	<u>739,275</u>	<u>3,983</u>	<u>60,007</u>	<u>803,265</u>
Net position—end of the year	<u>\$ 709,722</u>	<u>\$ 3,883</u>	<u>\$ 40,009</u>	<u>\$ 753,614</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Pine Brook School	\$ 239	\$ -	\$ -	\$ 239
Manalapan-Englishtown Middle School	18,954	8,553	-	27,507
Odyssey of the Mind Fundraising	887	-	-	887
Wemrock Brook School	1,002	-	-	1,002
General - unallocated	27,817	13	-	27,830
Total all schools	<u>\$ 48,899</u>	<u>\$ 8,566</u>	<u>\$ -</u>	<u>\$ 57,465</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of receipts and disbursements**  
**For the Fiscal Year ended June 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Payroll deductions and withholdings	\$ 96,591	\$ 28,144,604	\$ 28,144,592	\$ 96,603
Accounts payable	287,644	426,902	287,644	426,902
Intrafund accounts payable	73,112	79,650	73,112	79,650
Interfund accounts payable	<u>57</u>	<u>73</u>	<u>98</u>	<u>32</u>
 Total	 <u>\$ 457,404</u>	 <u>\$ 28,651,229</u>	 <u>\$ 28,505,446</u>	 <u>\$ 603,187</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS PAYABLE  
AS OF JUNE 30, 2015**

Issue	Date of Issue	Amount of Issue	Date	Amount	Interest Rate	July 1, 2014	Issued	Retired	Balance June 30, 2015							
School District Bonds	10/15/2004	\$ 18,995,000	12/01/14	1,335,000	3.375%	11,915,000	-	1,335,000	10,580,000							
			12/01/15	1,310,000	5.500%											
			12/01/16	1,315,000	5.500%											
			12/01/17	1,315,000	5.500%											
			12/01/18	1,320,000	5.500%											
			12/01/19	1,320,000	5.750%											
			12/01/20	1,325,000	5.750%											
			12/01/21	1,335,000	5.750%											
			12/01/22	1,340,000	5.750%											
			School District Bonds	10/1/2006	\$ 9,695,000					10/01/14	25,000	4.000%	9,550,000	-	25,000	9,525,000
10/01/15	25,000	4.000%														
10/01/16	25,000	4.000%														
10/01/17	25,000	4.000%														
10/01/18	30,000	4.000%														
10/01/19	30,000	4.000%														
10/01/20	30,000	4.000%														
10/01/21	30,000	4.000%														
10/01/22	35,000	4.000%														
10/01/23	35,000	4.000%														
10/01/24	1,705,000	4.000%														
10/1/2025-2028	7,555,000	4.000%														
School District Bonds	1/5/2007	\$ 9,795,000				10/01/14	30,000	4.000%	9,615,000	-	30,000	9,585,000				
			10/01/15	30,000	4.000%											
			10/01/16	30,000	4.000%											
			10/01/17	35,000	4.000%											
			10/01/18	35,000	4.000%											
			10/01/19	35,000	4.000%											
			10/01/20	35,000	4.000%											
			10/01/21	40,000	4.000%											
			10/01/22	40,000	4.000%											
			10/01/23	40,000	4.000%											
			10/01/24	1,710,000	4.000%											
			10/1/2025-2028	7,555,000	4.000%											
			School District Bonds	1/31/2012	\$ 12,840,000	10/01/14	675,000	2.000%					12,840,000	-	675,000	12,165,000
10/01/15	760,000	2.000%														
10/01/16	850,000	3.000%														
10/01/17	955,000	4.000%														
10/01/18	1,065,000	4.000%														
10/01/19	1,175,000	4.000%														
10/01/20	1,295,000	4.000%														
10/01/21	1,420,000	4.500%														
10/01/22	1,555,000	4.000%														
10/01/23	3,090,000	4.000%														
						<u>\$ 43,920,000</u>	<u>\$ -</u>	<u>\$ 2,065,000</u>	<u>\$ 41,855,000</u>							

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2015**

	Interest Rate Payables	Amount of Original Issue	Balance July 1, 2014	Additions Current Year	Retired Current Year	Balance June 30, 2015
6 - 54 Passenger Buses	1.18%	\$ 571,815	\$ 343,057	\$ -	\$ 113,018	\$ 230,039
5 - 54 Passenger Buses	2.15%	478,384	-	478,384	62,000	416,384
Roof lease purchase	1.84%	1,000,000	606,015	-	200,153	405,862
2 - 24 Passenger Buses	2.40%	98,320	77,710	-	18,739	58,971
			<u>\$ 1,026,782</u>	<u>\$ 478,384</u>	<u>\$ 393,910</u>	<u>\$ 1,111,256</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 3,451,646	\$ -	\$ 3,451,646	\$ 3,451,646	\$ -
Miscellaneous	-	-	-	-	-
Total revenues - local sources	<u>3,451,646</u>	<u>-</u>	<u>3,451,646</u>	<u>3,451,646</u>	<u>-</u>
State sources:					
Debt service aid type II	490,040	-	490,040	490,040	-
Total state sources	<u>490,040</u>	<u>-</u>	<u>490,040</u>	<u>490,040</u>	<u>-</u>
TOTAL REVENUES	<u>3,941,686</u>	<u>-</u>	<u>3,941,686</u>	<u>3,941,686</u>	<u>-</u>
EXPENDITURES					
Regular debt service:					
Interest	1,876,735	-	1,876,735	1,876,734	1
Redemption of principal	2,065,000	-	2,065,000	2,065,000	-
Total regular debt service	<u>3,941,735</u>	<u>-</u>	<u>3,941,735</u>	<u>3,941,734</u>	<u>1</u>
TOTAL EXPENDITURES	<u>3,941,735</u>	<u>-</u>	<u>3,941,735</u>	<u>3,941,734</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49)	-	(49)	(48)	1
OTHER FINANCING SOURCES (USES):					
Operating transfers in:					
Transfer from Capital Projects Fund	-	-	-	53,038	53,038
Interest Earned in Capital Projects Fund	-	-	-	4	4
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,042</u>	<u>53,042</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(49)	-	(49)	52,994	53,043
FUND BALANCES, July 1	<u>76</u>	<u>-</u>	<u>76</u>	<u>76</u>	<u>-</u>
FUND BALANCES, June 30	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 53,070</u>	<u>\$ 53,043</u>

## STATISTICAL SECTION

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

<u><b>Contents</b></u>	<u><b>Pages</b></u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>96-101</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>102-105</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue	<b>106-109</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>110-111</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>112-117</b>

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

**Manalapan-Englishtown Regional School District  
Net Assets by Component  
Last Ten Fiscal Years  
UNAUDITED**

*(accrual basis of accounting)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 21,179,284	\$ 35,315,385	\$ 41,543,203	\$ 45,563,523	\$ 47,152,557	\$ 48,214,716	\$ 49,305,234	\$ 53,704,479	\$ 43,331,202	\$ 54,812,614
Restricted	17,107,028	15,317,812	8,589,571	8,714,054	6,876,066	8,644,609	11,796,996	10,421,869	10,386,596	10,132,234
Unrestricted	2,380,951	(15,561)	2,498,313	(1,114,974)	(856,048)	(2,140,375)	(1,271,895)	(3,581,192)	8,023,356	(35,281,898)
<b>Total governmental activities net position</b>	<b>\$ 40,667,263</b>	<b>\$ 50,617,636</b>	<b>\$ 52,631,087</b>	<b>\$ 53,162,603</b>	<b>\$ 53,172,575</b>	<b>\$ 54,718,950</b>	<b>\$ 59,830,335</b>	<b>\$ 60,545,156</b>	<b>\$ 61,741,154</b>	<b>\$ 29,662,950</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 439,740	\$ 413,474	\$ 406,439	\$ 397,870	\$ 400,723	\$ 371,425	\$ 334,772	\$ 298,636	\$ 254,423	\$ 224,458
Restricted	-	-	-	-	-	10,132,234	-	-	-	-
Unrestricted	252,860	243,277	233,029	214,593	202,477	235,200	199,665	206,912	329,089	429,382
<b>Total business-type activities net position</b>	<b>\$ 692,600</b>	<b>\$ 656,751</b>	<b>\$ 639,468</b>	<b>\$ 612,463</b>	<b>\$ 603,200</b>	<b>\$ 10,738,859</b>	<b>\$ 534,437</b>	<b>\$ 505,548</b>	<b>\$ 583,512</b>	<b>\$ 653,840</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 21,619,024	\$ 35,728,859	\$ 41,949,642	\$ 45,961,393	\$ 47,553,280	\$ 48,586,141	\$ 49,640,006	\$ 54,003,115	\$ 43,585,625	\$ 55,037,072
Restricted	17,107,028	15,317,812	8,589,571	8,714,054	6,876,066	18,776,843	11,796,996	10,421,869	10,386,596	10,132,234
Unrestricted	2,633,811	227,716	2,731,342	(900,381)	(653,571)	(1,905,175)	(1,072,230)	(3,374,280)	8,352,445	(34,852,516)
<b>Total district net position</b>	<b>\$ 41,359,863</b>	<b>\$ 51,274,387</b>	<b>\$ 53,270,555</b>	<b>\$ 53,775,066</b>	<b>\$ 53,775,775</b>	<b>\$ 65,457,809</b>	<b>\$ 60,364,772</b>	<b>\$ 61,050,704</b>	<b>\$ 62,324,666</b>	<b>\$ 30,316,790</b>

Source: CAFR Schedule A-1

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 27,139,725	\$ 28,994,649	\$ 31,171,381	\$ 33,506,644	\$ 33,846,747	\$ 33,965,643	\$ 34,006,902	\$ 37,532,659	\$ 35,386,200	\$ 38,746,639
Special education	8,688,674	10,647,262	9,922,314	10,682,191	11,389,023	11,552,809	12,262,955	12,948,934	12,808,903	12,047,689
Other instruction	2,282,008	2,242,841	2,641,438	2,655,615	2,838,026	2,679,122	2,612,694	2,868,775	2,927,826	3,263,657
Nonpublic school programs	99,239	343,008	93,242	84,267	43,278	19,443	27,951	1,163	7,610	6,452
Support Services:										
Tuition	-	-	1,888,440	2,050,142	1,906,419	1,776,313	1,278,061	778,637	851,059	965,931
Student & instruction related services	7,702,456	7,193,342	7,779,382	6,845,377	7,128,059	6,291,708	7,303,248	7,114,304	7,357,737	7,590,149
General and Business administrative services	2,788,359	2,787,010	2,732,552	2,044,524	2,718,555	2,558,380	2,496,830	2,873,262	2,644,108	2,703,274
School administrative services	3,256,411	3,489,906	3,786,233	2,897,738	2,903,631	2,771,894	2,849,889	2,891,820	3,061,874	3,169,779
Plant operations and maintenance	7,918,521	8,136,749	8,902,229	7,973,821	8,451,271	7,355,550	7,975,529	7,939,864	9,433,435	8,662,640
Pupil transportation	4,817,676	5,751,596	5,921,455	5,778,039	5,442,491	5,723,635	5,754,887	6,540,131	7,133,698	7,207,730
Interest on long-term debt	3,037,345	3,033,991	2,624,909	2,608,523	2,428,292	3,054,333	1,247,365	2,289,266	1,907,067	1,498,596
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>67,730,414</u>	<u>72,620,354</u>	<u>77,463,575</u>	<u>77,126,881</u>	<u>79,095,792</u>	<u>77,748,830</u>	<u>77,816,311</u>	<u>83,778,815</u>	<u>83,519,517</u>	<u>85,862,536</u>
Business-type activities:										
Food service	1,370,233	1,545,177	1,650,433	1,709,349	1,856,888	1,851,344	1,978,515	2,012,408	1,994,809	1,945,349
Total business-type activities expense	<u>1,370,233</u>	<u>1,545,177</u>	<u>1,650,433</u>	<u>1,709,349</u>	<u>1,856,888</u>	<u>1,851,344</u>	<u>1,978,515</u>	<u>2,012,408</u>	<u>1,994,809</u>	<u>1,945,349</u>
Total district expenses	<u>\$ 69,100,647</u>	<u>\$ 74,165,531</u>	<u>\$ 79,114,008</u>	<u>\$ 78,836,230</u>	<u>\$ 80,952,680</u>	<u>\$ 79,600,174</u>	<u>\$ 79,794,826</u>	<u>\$ 85,791,223</u>	<u>\$ 85,514,326</u>	<u>\$ 87,807,885</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	7,532,450	15,045,299	10,162,308	6,402,574	6,716,398	6,796,854	7,130,823	8,444,545	7,511,687	7,699,434
Capital grants and contributions	-	7,837,956	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>7,532,450</u>	<u>22,883,255</u>	<u>10,162,308</u>	<u>6,402,574</u>	<u>6,716,398</u>	<u>6,796,854</u>	<u>7,130,823</u>	<u>8,444,545</u>	<u>7,511,687</u>	<u>7,699,434</u>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-type activities:</b>										
Charges for services										
Food service	1,163,356	1,265,852	1,362,815	1,391,715	1,492,831	1,494,172	1,519,902	1,548,527	1,624,960	1,576,958
Operating grants and contributions	184,037	243,476	270,335	290,629	354,794	360,597	386,425	434,992	447,780	438,677
Total business type activities program revenues	1,347,393	1,509,328	1,633,150	1,682,344	1,847,625	1,854,769	1,906,327	1,983,519	2,072,740	2,015,635
Total district program revenues	<u>\$ 8,879,843</u>	<u>\$ 24,392,583</u>	<u>\$ 11,795,458</u>	<u>\$ 8,084,918</u>	<u>\$ 8,564,023</u>	<u>\$ 8,651,623</u>	<u>\$ 9,037,150</u>	<u>\$ 10,428,064</u>	<u>\$ 9,584,427</u>	<u>\$ 9,715,069</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (60,197,964)	\$ (49,737,099)	\$ (67,301,267)	\$ (70,724,307)	\$ (72,379,394)	\$ (70,951,976)	\$ (70,685,488)	\$ (75,334,270)	\$ (76,007,830)	\$ (78,163,102)
Business-type activities	(22,840)	(35,849)	(17,283)	(27,005)	(9,263)	3,425	(72,188)	(28,889)	77,931	70,286
Total district-wide net expense	<u>\$ (60,220,804)</u>	<u>\$ (49,772,948)</u>	<u>\$ (67,318,550)</u>	<u>\$ (70,751,312)</u>	<u>\$ (72,388,657)</u>	<u>\$ (70,948,551)</u>	<u>\$ (70,757,676)</u>	<u>\$ (75,363,159)</u>	<u>\$ (75,929,899)</u>	<u>\$ (78,092,816)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 38,123,331	\$ 41,439,169	\$ 45,271,265	\$ 46,624,684	\$ 48,175,874	\$ 49,550,724	\$ 50,541,738	\$ 51,552,572	\$ 52,583,623	\$ 54,942,228
Taxes levied for debt service	3,804,014	4,432,464	4,654,157	3,086,701	3,416,908	3,500,861	3,504,357	3,386,723	3,454,447	3,451,646
Unrestricted grants and contributions	24,890,813	12,715,639	18,651,092	20,881,811	20,633,679	19,140,955	20,954,349	20,489,664	20,511,322	19,876,153
Tuition received	28,502	16,304	6,722	2,101	618	-	28,529	215,398	384,137	25,194
Investment earnings	1,212,736	893,960	337,246	183,020	8,984	5,380	4,769	2,419	2,310	1,973
Miscellaneous income	215,883	253,738	393,236	477,505	210,878	300,431	763,131	402,316	268,022	377,281
Total governmental activities	<u>68,275,279</u>	<u>59,751,274</u>	<u>69,313,718</u>	<u>71,255,822</u>	<u>72,446,941</u>	<u>72,498,351</u>	<u>75,796,873</u>	<u>76,049,092</u>	<u>77,203,861</u>	<u>78,674,475</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 68,275,279</u>	<u>\$ 59,751,274</u>	<u>\$ 69,313,718</u>	<u>\$ 71,255,822</u>	<u>\$ 72,446,941</u>	<u>\$ 72,498,351</u>	<u>\$ 75,796,873</u>	<u>\$ 76,049,092</u>	<u>\$ 77,203,861</u>	<u>\$ 78,674,475</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 8,077,315	\$ 10,014,175	\$ 2,012,451	\$ 531,515	\$ 67,547	\$ 1,546,375	\$ 5,111,385	\$ 714,822	\$ 1,196,031	\$ 511,373
Business-type activities	(22,840)	(35,849)	(17,283)	(27,005)	(9,263)	3,425	(72,188)	(28,889)	77,931	70,286
Total district	<u>\$ 8,054,475</u>	<u>\$ 9,978,326</u>	<u>\$ 1,995,168</u>	<u>\$ 504,510</u>	<u>\$ 58,284</u>	<u>\$ 1,549,800</u>	<u>\$ 5,039,197</u>	<u>\$ 685,933</u>	<u>\$ 1,273,962</u>	<u>\$ 581,659</u>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,678,453	\$ 1,988,901	\$ 1,741,564	\$ 5,049,103	\$ 5,074,406	\$ 6,244,982	\$ 9,914,147	\$ 10,301,335	\$ 10,266,327	\$ 10,079,164
Unreserved	1,397,859	1,391,837	1,579,787	(424,907)	(563,211)	(91,073)	(35,804)	(260,329)	(201,884)	(218,997)
Total general fund	<u>\$ 3,076,312</u>	<u>\$ 3,380,738</u>	<u>\$ 3,321,351</u>	<u>\$ 4,624,196</u>	<u>\$ 4,511,195</u>	<u>\$ 6,153,909</u>	<u>\$ 9,878,343</u>	<u>\$ 10,041,006</u>	<u>\$ 10,064,443</u>	<u>\$ 9,860,167</u>
All Other Governmental Funds										
Reserved	\$ 13,127,496	\$ 12,087,709	\$ -	\$ 5,627,141	\$ 3,820,098	\$ 2,397,817	\$ 1,844,302	\$ 120,193	\$ 120,193	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	5,103,453	-	7,429,795	-	-	-	-	-	-	-
Debt service fund	138,461	327,758	173,382	(99,842)	426	1,810	38,547	341	76	53,070
Total all other governmental funds	<u>\$ 18,369,410</u>	<u>\$ 12,415,467</u>	<u>\$ 7,603,177</u>	<u>\$ 5,527,299</u>	<u>\$ 3,820,524</u>	<u>\$ 2,399,627</u>	<u>\$ 1,882,849</u>	<u>\$ 120,534</u>	<u>\$ 120,269</u>	<u>\$ 53,070</u>

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

Fiscal Year Ended June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	\$ 41,927,345	\$ 45,871,633	\$ 49,925,422	\$ 49,711,385	\$ 51,592,782	\$ 53,051,585	\$ 54,046,095	\$ 54,939,295	\$ 56,038,070	\$ 58,393,874
Tuition charges	28,502	16,305	6,722	2,101	618	-	28,529	215,398	384,137	25,194
Interest earnings	1,212,736	893,960	337,246	183,020	8,984	5,380	4,769	2,419	2,277	1,931
Miscellaneous	215,883	265,865	393,236	497,002	241,804	296,182	527,720	487,419	372,775	367,381
State sources	30,556,663	33,926,997	26,851,458	25,479,664	22,454,877	23,711,740	25,547,795	27,211,235	26,283,087	26,102,953
Federal sources	1,789,024	1,595,967	1,997,503	1,785,224	4,864,274	2,206,537	2,317,732	1,576,166	1,585,962	1,472,634
<b>Total revenue</b>	<b>75,730,153</b>	<b>82,570,727</b>	<b>79,511,587</b>	<b>77,658,396</b>	<b>79,163,339</b>	<b>79,271,424</b>	<b>82,472,640</b>	<b>84,431,932</b>	<b>84,666,308</b>	<b>86,363,967</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	25,787,984	27,479,320	30,064,503	31,798,853	24,832,870	23,784,432	23,947,743	25,451,372	25,555,459	26,906,059
Special education instruction	8,599,184	10,521,685	9,816,932	10,558,365	8,894,859	8,951,764	9,595,241	10,100,122	9,942,662	9,014,473
Other instruction	2,282,008	2,234,484	2,641,438	2,655,615	2,200,042	2,011,394	1,926,260	2,129,293	2,187,052	2,476,876
Nonpublic school programs	99,239	341,912	93,242	84,267	43,278	19,443	27,951	1,163	7,610	6,452
<b>Support Services:</b>										
Student & instruction related services	7,579,855	7,039,216	9,508,313	8,725,739	8,834,805	7,871,127	8,383,459	7,715,145	7,999,564	8,349,238
General administrative services	3,244,157	841,606	1,046,952	760,764	1,385,295	1,193,952	1,083,987	1,238,646	1,057,947	1,128,898
School Administrative services	918,308	3,464,307	3,769,498	2,880,785	2,883,934	2,752,470	2,832,183	2,874,384	3,042,105	3,150,236
Business administrative services	1,251,726	1,803,465	1,685,600	1,283,760	1,333,260	1,362,928	1,411,343	1,633,116	1,584,661	1,572,876
Plant operations and maintenance	417,825	8,080,781	8,788,456	7,945,281	8,017,578	7,404,814	7,184,989	7,487,507	8,627,838	7,916,526
Pupil transportation	7,870,532	5,469,811	5,449,955	5,514,689	5,589,827	5,728,581	5,730,278	6,366,826	6,918,548	6,995,038
Unallocated employee benefits	4,575,302	-	-	-	10,633,068	11,128,801	11,440,563	12,324,707	12,346,233	13,047,464
Capital outlay	18,667,020	15,034,457	6,116,652	3,722,024	2,267,640	2,906,548	2,692,389	5,390,179	1,509,705	2,607,956
<b>Debt service:</b>										
Principal	3,190,000	21,755,000	3,580,000	1,630,000	1,695,000	1,750,000	15,295,000	1,915,000	2,015,000	2,065,000
Interest and other charges	3,037,345	2,880,600	2,624,909	2,439,462	2,371,662	2,300,949	2,008,653	2,032,428	1,947,072	1,876,734
<b>Total expenditures</b>	<b>87,520,485</b>	<b>106,946,644</b>	<b>85,186,450</b>	<b>79,999,603</b>	<b>80,983,118</b>	<b>79,167,203</b>	<b>93,560,039</b>	<b>86,659,888</b>	<b>84,741,456</b>	<b>87,113,826</b>
Excess (Deficiency) of revenues over (under) expenditures	(11,790,332)	(24,375,917)	(6,674,863)	(2,341,207)	(1,819,779)	104,221	(11,087,399)	(2,227,956)	(75,148)	(749,859)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	509,280	331,400	803,186	683,895	-	117,599	1,000,000	571,815	98,320	478,384
Bond proceeds	-	18,395,000	-	-	-	-	12,840,000	-	-	-
Bond premium	-	-	-	-	-	-	1,719,176	56,489	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Prepaid interest	-	-	-	-	-	-	(1,118,119)	-	-	-
Costs of issuance	-	-	-	-	-	-	(146,002)	-	-	-
Transfers in	1,314,834	818,634	29,277	945,160	100,266	1,382	244	2,046,045	27	53,042
Transfers out	(1,370,891)	(818,634)	(29,277)	(60,881)	(100,266)	(1,382)	(244)	(2,046,045)	(27)	(53,042)
<b>Total other financing sources (uses)</b>	<b>453,223</b>	<b>18,726,400</b>	<b>803,186</b>	<b>1,568,174</b>	<b>-</b>	<b>117,599</b>	<b>14,295,055</b>	<b>628,304</b>	<b>98,320</b>	<b>478,384</b>
<b>Net change in fund balances</b>	<b>\$ (11,337,109)</b>	<b>\$ (5,649,517)</b>	<b>\$ (4,871,677)</b>	<b>\$ (773,033)</b>	<b>\$ (1,819,779)</b>	<b>\$ 221,820</b>	<b>\$ 3,207,656</b>	<b>\$ (1,599,652)</b>	<b>\$ 23,172</b>	<b>\$ (271,475)</b>
Debt service as a percentage of noncapital expenditures	9.0%	26.8%	7.8%	5.3%	5.2%	5.3%	19.0%	4.9%	4.8%	4.7%

**Source: District records**

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

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Misc.	Total
2006	306,509	28,502	1,000	201,109	537,120
2007	351,326	16,305	10,578	166,689	544,898
2008	307,969	6,722	16,223	355,998	686,912
2009	116,351	2,101	16,610	477,505	612,567
2010	173	618	6,560	204,318	211,669
2011	2,350	-	28,095	248,555	279,000
2012	3,808	28,529	29,918	278,157	340,412
2013	1,238	215,398	25,145	371,955	613,736
2014	1,360	384,137	25,145	193,670	604,312
2015	1,375	25,194	25,145	271,236	322,950

Source: District records

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

**MANALAPAN TOWNSHIP**

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Req.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2006	85,683,900	2,214,784,300	17,355,100	2,183,400	182,740,300	11,519,100	-	2,514,266,100	-	2,632,821	2,516,898,921	1.674	5,056,910,192
2007	200,229,100	5,485,094,000	36,588,500	2,296,200	402,831,900	24,603,500	-	6,151,643,200	-	5,707,918	6,157,351,118	1.674	5,837,550,667
2008	200,478,700	5,658,484,200	36,779,500	2,315,700	403,109,300	24,603,500	-	6,325,770,900	-	6,259,661	6,332,030,561	0.747	6,267,559,710
2009	160,219,400	5,732,755,580	36,725,860	2,314,400	425,667,160	24,603,500	-	6,382,285,900	-	7,636,903	6,389,922,803	0.776	6,480,948,402
2010	102,803,800	5,111,385,600	32,933,960	2,336,000	377,965,540	24,667,000	-	5,652,093,900	-	9,382,496	5,661,476,396	1.888	6,542,677,046
2011	102,803,800	5,111,395,600	32,933,900	2,253,000	380,040,400	22,667,200	-	5,652,093,900	-	9,382,496	5,661,476,396	1.961	6,281,820,516
2012	84,044,500	5,183,906,700	32,780,800	2,354,500	393,960,900	22,667,200	-	5,719,714,600	-	9,382,496	5,729,097,096	1.970	5,746,321,400
2013	58,673,900	5,299,331,500	31,538,900	2,316,400	378,911,200	20,269,600	-	5,791,041,500	-	9,382,496	5,800,423,996	1.995	6,109,982,591
2014	47,846,600	5,359,086,600	32,130,400	2,269,200	380,616,076	20,269,600	-	5,842,218,476	-	-	5,842,218,476	2.044	6,109,982,591
2015	47,846,600	5,393,486,200	32,130,400	2,269,200	380,616,076	20,269,600	-	5,876,618,076	-	-	5,876,618,076	1.990	6,109,982,591

**ENGLISHTOWN TOWNSHIP**

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Req.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2006	2,781,400	75,336,000	-	-	13,585,100	3,275,900	743,200	85,721,600	-	1,551,774	87,273,374	1.806	189,388,163
2007	1,454,000	80,771,800	-	-	14,729,700	2,975,900	743,200	100,674,600	-	1,170,831	101,845,431	1.789	218,018,531
2008	3,353,400	198,838,400	-	-	42,425,500	10,229,600	1,262,100	256,109,400	-	3,772,717	259,882,117	1.927	238,835,137
2009	3,978,000	198,110,000	-	-	42,080,100	9,879,300	1,262,100	256,309,500	-	5,904,759	261,214,259	0.758	246,645,548
2010	3,892,300	198,206,200	-	-	42,019,600	9,879,300	1,262,100	256,259,500	-	4,454,063	259,713,563	1.775	250,643,293
2011	3,788,700	198,279,700	-	-	39,134,100	9,879,300	1,262,100	252,343,900	-	4,454,063	256,797,963	1.788	242,547,058
2012	2,384,300	201,896,300	-	-	35,742,000	8,583,900	1,262,100	249,869,200	-	4,454,063	249,869,200	1.909	233,987,214
2013	3,274,100	206,535,000	-	-	35,332,500	7,617,200	1,262,100	254,020,900	-	4,454,063	258,474,963	1.955	221,639,386
2014	3,274,100	206,535,000	-	-	35,332,500	7,617,200	1,262,100	254,020,900	-	-	254,020,900	1.969	221,639,386
2015	1,654,800	183,619,000	-	-	34,989,900	6,358,900	13,228,100	239,850,700	-	-	239,850,700	2.114	221,639,386

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation  
**a** Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies  
**b** Tax rates are per \$100

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

Fiscal Year Ended June 30,	Manalapan-Englishtown Board of Education			Manalapan Township				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Overlapping Rates				
				Freehold Regional School District	Manalapan Township	Library/Other	Monmouth County	
2006	1.606	0.068	1.674	0.812	0.494	0.031	0.582	3.593
2007	0.675	0.072	0.747	0.363	0.268	0.014	0.252	1.644
2008	0.700	0.076	0.776	0.360	0.284	0.014	0.230	1.664
2009	0.700	0.076	0.776	0.364	0.295	0.014	0.235	1.684
2010	0.753	0.076	0.829	0.432	0.332	0.016	0.279	1.888
2011	0.849	0.060	0.909	0.421	0.332	0.020	0.279	1.961
2012	0.849	0.063	0.912	0.420	0.339	0.017	0.282	1.970
2013	0.862	0.063	0.925	0.425	0.345	0.018	0.282	1.995
2014	0.882	0.063	0.945	0.436	0.352	0.019	0.292	2.044
2015	0.869	0.063	0.932	0.420	0.341	0.018	0.279	1.990

Fiscal Year Ended June 30,	Manalapan-Englishtown Board of Education			Englishtown Borough				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Overlapping Rates				
				Freehold Regional School District	Englishtown Borough	Library/Other	Monmouth County	
2006	1.625	0.164	1.789	0.683	0.785	0.030	0.574	3.861
2007	1.741	0.186	1.927	0.646	0.785	0.031	0.586	3.975
2008	0.687	0.071	0.758	0.268	0.328	0.012	0.225	1.591
2009	0.707	0.045	0.752	0.303	0.365	0.013	0.236	1.669
2010	0.784	0.024	0.808	0.318	0.385	0.013	0.251	1.775
2011	0.785	0.054	0.839	0.299	0.405	0.013	0.232	1.788
2012	0.729	0.049	0.778	0.393	0.462	0.014	0.262	1.909
2013	0.729	0.057	0.786	0.404	0.498	0.002	0.265	1.955
2014	0.755	0.057	0.812	0.372	0.558	0.002	0.253	1.997
2015	0.816	0.057	0.873	0.373	0.591	0.001	0.276	2.114

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

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

MANALAPAN TOWNSHIP

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Manalapan Realty	\$ 42,593,600	1	0.73%	\$ 26,921,600	1	1.07%
Manalapan VF	29,989,700	2	0.51%	11,793,000	2	0.47%
Towne Point Associates	13,573,200	3	0.23%	8,082,300	3	0.32%
Trans Equity Realty, LLC	9,694,600	4	0.17%	4,450,000	7	0.18%
Taylor 9 South Associates, LLC	7,593,400	5	0.13%			
Monmouth Investors, LLC	7,500,000	8	0.00%			
Lenine, LLC	7,356,000	6	0.13%	3,850,000	9	0.15%
Pension Road Realty	6,400,000	7	0.11%			
Englishtown Auction Sales, Inc.	6,245,200	9	0.11%			
Bleach Assoc. C/O JL Krinsky & Co. 198 & 200 Manalapan, LLC	6,218,700	10	0.11%	6,600,000	4	0.26%
Battleground d/b/a Fairways				5,525,200	5	0.22%
Westmon Corp.				4,737,500	6	0.19%
Knob Hill Golf Course, Inc.				3,947,400	8	0.16%
Reiss Manufacturing, Inc.				3,779,800	10	0.15%
Total	<u>\$ 137,164,400</u>		<u>2.23%</u>	<u>\$ 79,686,800</u>		<u>3.17%</u>

ENGLISHTOWN BOROUGH

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
BTR Englishtown LLC	\$ 7,229,300	1	0.12%	\$ 2,796,100	2	2.87%
BAL Governor's Crossing LLC	4,200,000	2	0.07%			
Stamford Square LLC	3,750,700	3	0.06%			
Wemacs, LLC	3,366,700	4	0.06%	628,000	6	0.65%
Village Center Associates LLC	3,165,700	5	0.05%			
Dorothy Leo Inc.	2,200,000	6	0.04%			
DCD LLC	2,150,300	7	0.04%			
Brooklawn Gardens, Inc.	2,021,800	8	0.03%	955,100	5	0.98%
K & K Englishtown, Inc.	1,782,800	9	0.03%	550,000	7	0.57%
Moskowitz, K Trust & Berger V	1,374,700	10	0.02%	524,400	9	0.54%
Ruck, DiRubbio & MacCauley				5,000,000	1	5.14%
Individual Taxpayer #1				1,219,200	4	1.25%
Verizon New Jersey				2,151,774	3	2.21%
Degiacomo Realty LLC				533,000	8	0.55%
Individual Taxpayer #2				457,000	10	0.47%
Total	<u>\$ 31,242,000</u>		<u>0.51%</u>	<u>\$ 14,814,574</u>		<u>15.23%</u>

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

MANALAPAN TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	89,914,296	88,520,335	98.45%	-
2006	95,442,237	94,037,409	98.53%	-
2007	105,569,145	103,781,032	98.31%	-
2008	111,238,139	109,196,505	98.16%	-
2009	111,863,760	110,272,757	98.58%	-
2010	115,530,685	113,968,838	98.65%	-
2011	116,561,281	115,264,663	98.89%	-
2012	118,422,656	117,170,981	98.94%	-
2013	121,065,199	118,960,751	98.26%	-
2014	124,737,609	123,464,749	98.98%	-

ENGLISHTOWN BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	1,635,126	1,635,126	100.00%	-
2006	1,691,301	1,691,301	100.00%	-
2007	1,757,710	1,757,710	100.00%	-
2008	1,780,484	1,780,484	100.00%	-
2009	1,983,899	1,983,899	100.00%	-
2010	1,976,369	1,976,369	100.00%	-
2011	2,106,903	2,106,903	100.00%	-
2012	2,179,739	2,179,739	100.00%	-
2013	1,952,186	1,952,186	100.00%	-
2014	2,005,425	2,005,425	100.00%	-
2015	2,035,309	2,035,309	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2006	61,225,000	-	429,286	-	-	61,654,286	0.07%	44,599	
2007	58,960,000	-	487,106	-	-	59,447,106	0.08%	45,201	
2008	55,380,000	-	809,476	-	-	56,189,476	0.09%	51,455	
2009	53,750,000	-	1,087,289	-	-	54,837,289	0.10%	54,801	
2010	52,055,000	-	691,982	-	-	52,746,982	0.11%	56,755	
2011	50,305,000	-	478,959	-	-	50,783,959	0.11%	54,771	
2012	47,850,000	-	1,181,435	-	-	49,031,435	0.12%	56,955	
2013	45,935,000	-	1,258,930	-	-	47,193,930	0.12%	58,355	
2014	43,920,000	-	1,026,782	-	-	44,946,782	0.14%	61,426	
2015	41,855,000	-	1,111,256	-	-	42,966,256	0.15%	62,901	

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

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

- a** See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2006	61,225,000	-	61,225,000	2.34%	44,599
2007	58,960,000	-	58,960,000	0.94%	45,201
2008	55,380,000	-	55,380,000	0.84%	51,455
2009	53,750,000	-	53,750,000	0.81%	54,801
2010	52,055,000	-	52,055,000	0.88%	56,755
2011	50,305,000	-	50,305,000	0.85%	54,771
2012	47,850,000	-	47,850,000	0.80%	56,955
2013	45,935,000	-	45,935,000	0.76%	58,355
2014	43,920,000	-	43,920,000	0.72%	61,426
2015	41,855,000	-	41,855,000	0.68%	62,901

**Note:**

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

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

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

**Manalapan-Englishtown Regional School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Manalapan Township	\$ 16,626,767	100.0000%	\$ 16,626,767
Englishtown Borough	1,115,000	100.0000%	1,115,000
<b>Other debt</b>			
Western Monmouth Utility Authority	10,386,254	50.4705%	5,241,994
Freehold Regional High School:			-
Manalapan Township	23,540,000	19.86765%	4,676,844
Englishtown Borough	23,540,000	0.6924%	162,999
Monmouth County:			
Manalapan Township	454,126,255	5.0640%	22,996,827
Englishtown Borough	454,126,255	0.1916%	869,906
Subtotal, overlapping debt			51,690,338
<b>Manalapan-Englishtown School District Direct Debt</b>			41,855,000
<b>Total direct and overlapping debt</b>			<u>\$ 93,545,338</u>

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

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

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

**Manalapan-Englishtown Regional School District  
Legal Debt Margin Information,  
Last Ten Fiscal Years  
UNAUDITED**

Exhibit J-13

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized valuation basis	
2015	\$ 6,107,540,301
2014	6,234,359,701
2013	6,109,982,591
<b>[A]</b>	<b>\$ 18,451,882,593</b>
Average equalized valuation of taxable property	
<b>[A/3]</b>	<b>\$ 6,150,627,531</b>
Debt limit (3% of average equalization value)	
<b>[B]</b>	<b>184,518,826</b> <sup>a</sup>
Net bonded school debt	
<b>[C]</b>	<b>40,042,679</b>
Legal debt margin	
<b>[B-C]</b>	<b>\$ 144,476,147</b>

**Fiscal Year for Manalapan Township**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 135,049,016	\$ 146,527,033	\$ 171,620,206	\$ 185,860,588	\$ 192,081,122	\$ 193,054,460	\$ 185,708,190	\$ 181,381,245	\$ 179,662,866	\$ 184,518,826
Total net debt applicable to limit	61,225,000	87,958,491	52,982,046	51,422,625	49,801,019	48,126,794	45,778,095	43,946,015	42,018,264	40,042,679
Legal debt margin	<u>\$ 73,824,016</u>	<u>\$ 58,568,542</u>	<u>\$ 118,638,160</u>	<u>\$ 134,437,963</u>	<u>\$ 142,280,103</u>	<u>\$ 144,927,666</u>	<u>\$ 139,930,095</u>	<u>\$ 137,435,230</u>	<u>\$ 137,644,602</u>	<u>\$ 144,476,147</u>
Total net debt applicable to the limit as a percentage of debt limit	45.34%	60.03%	30.87%	27.67%	25.93%	24.93%	24.65%	24.23%	23.39%	21.70%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized valuation basis	
2015	\$ 225,326,647
2014	223,236,967
2013	221,639,386
<b>[A]</b>	<b>\$ 670,203,000</b>
Average equalized valuation of taxable property	
<b>[A/3]</b>	<b>\$ 223,401,000</b>
Debt limit (3% of average equalization value)	
<b>[B]</b>	<b>6,702,030</b> <sup>a</sup>
Net bonded school debt	
<b>[C]</b>	<b>1,812,322</b>
Legal debt margin	
<b>[B-C]</b>	<b>\$ 4,889,709</b>

**Fiscal Year for Englishtown Borough**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 5,049,243	\$ 5,078,616	\$ 6,462,418	\$ 7,034,992	\$ 7,364,512	\$ 7,398,359	\$ 7,271,776	\$ 6,981,737	\$ 6,772,660	\$ 6,702,030
Total net debt applicable to limit	2,579,498	2,608,871	2,397,954	2,327,375	2,253,982	2,178,207	2,071,905	1,988,986	1,901,736	1,812,322
Legal debt margin	<u>\$ 2,469,745</u>	<u>\$ 2,469,745</u>	<u>\$ 4,064,464</u>	<u>\$ 4,707,617</u>	<u>\$ 5,110,530</u>	<u>\$ 5,220,152</u>	<u>\$ 5,199,871</u>	<u>\$ 4,992,751</u>	<u>\$ 4,870,924</u>	<u>\$ 4,889,709</u>
Total net debt applicable to the limit as a percentage of debt limit	51.09%	51.37%	37.11%	33.08%	30.61%	29.44%	28.49%	28.49%	28.08%	27.04%

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

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

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

MANALAPAN TOWNSHIP

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	37,628	1,868,675,299	51,455	3.3%
2007	38,591	1,975,131,600	54,286	3.5%
2008	39,063	2,071,718,441	57,028	3.2%
2009	38,956	2,134,827,756	54,801	4.2%
2010	39,390	2,235,579,450	56,755	7.8%
2011	38,872	2,129,058,312	54,771	7.8%
2012	38,872	2,213,954,760	56,955	7.8%
2013	39,229	2,289,208,295	58,355	8.3%
2014	39,851	2,447,887,526	61,426	7.0%
2015	39,987	2,515,222,287	62,901	7.0%

ENGLISHTOWN BOROUGH

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	1,862	89,954,852	51,455	3.5%
2007	1,893	93,813,970	54,286	3.4%
2008	1,914	96,970,411	57,028	3.1%
2009	1,917	105,053,517	54,801	4.0%
2010	1,916	108,742,580	56,755	6.7%
2011	1,916	104,941,236	54,771	6.8%
2012	1,916	109,125,780	56,955	6.8%
2013	1,909	111,399,695	58,355	7.1%
2014	1,948	119,657,848	61,426	6.4%
2015	1,962	123,411,762	62,901	6.4%

**Source:**<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development<sup>b</sup> Personal income not available by municipality<sup>c</sup> Per Capita Income not available by municipality<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2015			2006		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Manalapan-Englishtown Regional School District	847	1	0.00%	784	1	4.24%
Wegman's Super Market	570	2	0.00%	510	2	2.76%
Target	205	3	0.00%			
Manalapan Township	159	4	0.00%	165	6	0.89%
Stop-N-Shop	83	5	0.00%			
Applebee's	55	6	0.00%			
Western Monmouth Utilities	53	7	0.00%			
Rex Lumber	47	8	0.00%	80	9	0.43%
Babies R Us	41	9	0.00%			
Turning Point	30	10	0.00%			
Schoor DePalma				416	3	2.25%
Best Buy, Inc.				200	4	1.08%
Reiss Manufacturing, Inc.				175	5	0.95%
Hair Systems, Inc.				105	7	0.57%
Pinebrook Care Center				100	8	0.54%
Liberty Manor				60	10	0.32%

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

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Instruction										
Regular	411	339	339	349	256	270	271	273	296	289
Special education	135	105	118	128	163	160	156	166	180	172
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	78	163	154	154	131	133	135	133	84	120
General administrative services	1	21	21	4	3	2	2	2	2	2
School administrative services	26	40	40	40	40	35	42	37	38	39
Business administrative services	11	6	6	6	6	14	16	16	16	17
Plant operations and maintenance	51	66	63	63	62	65	62	96	96	98
Pupil transportation	72	79	75	75	85	86	85	89	91	89
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>785</b>	<b>819</b>	<b>816</b>	<b>819</b>	<b>746</b>	<b>765</b>	<b>769</b>	<b>812</b>	<b>803</b>	<b>826</b>

**Source:** District Personnel Records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2006	5,446	61,614,260	11,314	#DIV/0!	464	15:01	17:01	5,518	5,278	#DIV/0!	95.80%
2007	5,552	66,001,695	11,888	5.08%	467	13:01	17:01	5,493	5,253	-0.45%	96.30%
2008	5,521	64,169,311	11,623	-2.23%	457	13:01	14:01	5,499	5,266	0.11%	95.80%
2009	5,464	72,208,117	13,215	13.70%	819	13:01	14:01	5,464	5,204	-0.64%	95.20%
2010	5,364	74,648,816	13,917	5.31%	746	13:01	14:01	5,400	5,176	-1.17%	95.90%
2011	5,275	72,209,706	13,689	-1.64%	765	13:01	14:01	5,292	5,047	-2.00%	95.90%
2012	5,161	73,563,998	14,254	4.13%	769	11:01	12:01	5,195	4,980	-1.83%	95.90%
2013	5,136	77,322,281	15,055	5.62%	812	11:01	12:01	5,118	4,906	-1.49%	95.87%
2014	5,090	79,269,679	15,574	3.45%	803	13:01	13:01	5,057	4,849	-1.19%	95.89%
2015	5,116	80,564,136	15,747	1.12%	826	12:01	12:01	5,097	4,889	0.79%	95.92%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<b>Early Learning Center</b>										
John I. Dawes Early Learning Center (2008)										
Square Feet	-	-	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Capacity (students)	-	-	550	550	550	550	550	550	550	550
Enrollment	-	-	530	530	530	530	530	530	530	530
<b>Elementary</b>										
Clark Mills Elementary (1957)										
Square Feet	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551
Capacity (students)	851	851	851	851	851	851	851	851	851	851
Enrollment	766	813	605	605	605	605	605	605	605	605
Taylor Mills Elementary (1965)										
Square Feet	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454
Capacity (students)	521	521	521	521	521	521	521	521	521	521
Enrollment	676	676	519	519	519	519	519	519	519	519
Pine Brook Elementary (1966)										
Square Feet	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260
Capacity (students)	816	816	816	816	816	816	816	816	816	816
Enrollment	844	814	778	778	778	778	778	778	778	778
Lafayette Mills Elementary (1968)										
Square Feet	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230
Capacity (students)	517	517	517	517	517	517	517	517	517	517
Enrollment	524	495	508	508	508	508	508	508	508	508
Milford Brook Elementary (1971)										
Square Feet	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	745	773	604	604	604	604	604	604	604	604
Wemrock Brook Elementary (2002)										
Square Feet	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252
Capacity (students)	642	642	642	642	642	642	642	642	642	642
Enrollment	565	609	631	631	631	631	631	631	631	631
<b>Middle School</b>										
Manalapan Englishtown Middle (1992)										
Square Feet	278,977	278,977	278,977	278,977	278,977	278,977	278,977	278,977	278,977	278,977
Capacity (students)	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
Enrollment	1,417	1,372	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346
<b>Other</b>										
Administration Building (1909)										
Square Feet	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109
Transportation (2002)										
Square Feet	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760
Bus Repair Facility (2003)										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Bus Wash Facility (2002)										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Fuel Facility (2002)										
Square Feet	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2014

Early Learning Center = 1  
Elementary = 6

**Source:** District records, ASSA

Middle School = 1  
Other = 5

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

**Manalapan-Englishtown Regional School District  
Schedule of Required Maintenance  
Last Nine Fiscal Years  
UNAUDITED**

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

* School Facilities Project # (s)	Clark Mills Elementary N/A	Lafayette Mills Elementary N/A	Manalapan- Englishtown Middle N/A	Milford Brook Elementary N/A	Pine Brook Elementary N/A	Taylor Mills Elementary N/A	Wemrock Brook Elementary N/A	John I. Dawes Early Learning Center N/A	Other Facilities	Total
2006	135,176	163,357	225,016	153,538	158,129	132,413	157,619	-	18,066	1,143,314
2007	123,041	156,191	211,823	144,642	150,042	119,792	149,442	-	-	1,054,973
2008	154,123	181,766	244,945	169,653	176,589	141,702	159,259	11,799	-	1,239,836
2009	144,111	123,889	546,608	134,998	163,134	143,921	192,508	82,292	49,706	1,581,167
2010	84,031	72,239	318,727	78,717	95,123	83,920	112,251	47,984	28,984	1,507,756
2011	94,956	81,632	360,167	88,952	107,491	94,831	126,846	54,223	32,752	1,041,851
2012	84,031	72,239	318,727	78,717	95,123	83,920	112,251	47,984	28,984	921,976
2013	110,392	94,901	418,714	103,411	124,964	110,246	147,465	63,037	38,076	1,211,208
2014	117,546	101,052	445,850	110,113	133,063	117,391	157,022	67,123	40,544	1,289,704
2015	82,763	71,149	313,918	77,530	93,688	82,654	110,558	47,260	28,546	908,067
<b>Total School Facilities</b>	<b>\$ 1,130,170</b>	<b>\$ 1,118,416</b>	<b>\$ 3,404,495</b>	<b>\$ 1,140,271</b>	<b>\$ 1,297,346</b>	<b>\$ 1,110,790</b>	<b>\$ 1,425,221</b>	<b>\$ 421,703</b>	<b>\$ 265,658</b>	<b>\$ 11,899,852</b>

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

Source: District records

**Manalapan-Englishtown Regional School District  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2015  
Unaudited**

Company	Type of Coverage	Coverage	Deductible
<b>COMMERCIAL PACKAGE POLICY</b>			
Utica Mutual Insurance	Property Blanket Building & Contents (Replacement Cost Values)	\$ 242,456,208	\$ 5,000
	Flood	2,515,000	25,000
	Earthquake	3,000,000	25,000
	Limited Water Damage	500,000	-
	Sewer Back Up	1,000,000	-
	Personal Property Limit	Included	-
	Business Income/Extra Expense	Actual loss sustained	-
	Property in Transit	10,000	
	Property off Premises	100,000	
	Data Processing Equipment	75,000	
	Data Media & Computer Programs	10,000	
	Extra Expense	10,000	-
	Boiler & Machinery	Included	-
	Ordinance or Law Coverage		
	Coverage A - Loss to undamaged portion of insured bldg	Value per SOV	-
	Coverage B - Demolition Cost	1,000,000	-
	Coverage C - Inc Cost of Insurance	1,000,000	1,000
	Pollutant Clean-up & Removal	100,000	-
	Utility Services Per Building	500,000	-
	Miscellaneous Equipment	500,000	500
Utica Mutual Insurance	<b>Inland Marine: Additional Limits</b>		
	Data/Media Computer Programs - Blanket All Locations	7,653,300	1,000
	Extra Expense - Blanket All Locations	240,000	-
	Musical Instruments	500,000	500
	Outside Equipment	25,000	-
	Valuable Papers & Records	100,000	-
Utica Mutual Insurance	<b>Crime Coverage</b>		
	Employee Dishonesty	100,000	500
	Forgery or Alteration	100,000	None
	Money & Securities		
	Inside Premises	25,000	-
	Outside Premises	25,000	-
Utica Mutual Insurance	<b>Comprehensive General Liability</b>		
	Per Occurrence	1,000,000	None
	General Aggregate	3,000,000	None
	Products/Completed Operations	3,000,000	None
	Personal/Advertising Injury	1,000,000	None
	Fire/Legal Damage	1,000,000	None
	Medical Expense	10,000	None
	Employee Benefit Liability(excludes students)	1,000,000	1,000
	Aggregate	3,000,000	1,000
	School District/Educational Legal		
	Occurrence	1,000,000	-
	Aggregate	3,000,000	-
	Retention	10,000	-
	Maximum Additional Defense	100,000/50,000	-
	Abuse/Molestation Liability	-	
	Each Claim	1,000,000	-
	Aggregate	3,000,000	-

(Continued)

Source: District Records

**Manalapan-Englishtown Regional School District**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2015**  
**Unaudited**

Company	Type of Coverage	Coverage	Deductible
Utica Mutual Insurance	<b>Automobile Policy</b>		
	Automobile Liability	\$ 1,000,000	\$ -
	Uninsured/Underinsured Motorist	1,000,000	-
	Medical Payments	10,000	
	Comprehensive General Liability	Included	500
	Collision Coverage	Included	1,000
Utica Mutual Insurance	<b>Umbrella Liability</b>		
	Each Occurrence	10,000,000	-
	General Aggregate	10,000,000	-
	Self Insured Retention	10,000	-
Fireman's Fund	<b>Excess Umbrella - NJ CAP Program</b>		
	Limit of Insurance	50,000,000	None
	Aggregate	50,000,000	None
	Employment Practices Liability	10,000,000	
Midwest Employers Casualty Company	<b>Excess Worker's Compensation</b>		
	Coverage A - Worker's Compensation	25,000,000	-
	Coverage B - Employers Liability	1,000,000	-
	Self Insured Retention	400,000	-
	Cash Flow Protection	175,000	-
Peoples Benefit Life Insurance Company	<b>Student Accident - Voluntary Program</b>		
	Benefit Period - 5 years	1,000,000	-
Western Surety	<b>Fidelity Bonds</b>		
	School Business Administrator/Board Secy.	400,000	None
	Asst. School Bus. Admin./Asst. Bd. Secy.	200,000	None
Commerce & Industry	<b>Underground Storage Tank</b>		
	Each Occurrence	2,000,000	5,000
	Annual Aggregate	2,000,000	5,000

## SINGLE AUDIT SECTION

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Manalapan-Englishtown Regional School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2015.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

*Jump, Perry and Company, L.L.P.*

JUMP, PERRY and COMPANY, L.L.P.  
Toms River, New Jersey

*Kathryn Perry, CPA*

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

November 20, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR LETTER 04-04 AND/OR 15-08**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Manalapan-Englishtown Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the New Jersey State OMB Circular 04-04 and/or 15-08 that could have a direct and material effect on each of the Manalapan-Englishtown Regional School District's major federal and state programs for the year ended June 30, 2015. The Board of Education of the Manalapan-Englishtown Regional School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Manalapan-Englishtown Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 and the New Jersey State OMB Circular 04-04 and/or 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Manalapan-Englishtown Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal and State Program**

In our opinion, the Board of Education of the Manalapan-Englishtown Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Manalapan-Englishtown Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Manalapan-Englishtown Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Manalapan-Englishtown Regional School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey State OMB Circular 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*Jump, Perry and Company, L.L.P.*

JUMP, PERRY and COMPANY, L.L.P.

Toms River, NJ

*Kathryn Perry, CPA*

Kathryn Perry, Partner

Licensed Public School Accountant

No. CS 20CS00226400

November 20, 2015

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 for the Fiscal Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2015	(Accounts Receivable) at June 30, 2015	Due to Grantor at June 30, 2015
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
Food Distribution Program	10.550	7/1/14-6/30/15	86,477	-	-	86,477	(86,477)	-	-	-	-	-
National School Lunch Program	10.555	7/1/13-6/30/14	319,019	(70,473)	-	70,473	-	-	-	-	-	-
National School Lunch Program	10.555	7/1/14-6/30/15	331,539	-	-	303,516	(331,539)	-	-	-	(28,023)	-
Special Milk Program	10.556	7/1/13-6/30/14	2,548	(597)	-	597	-	-	-	-	-	-
Special Milk Program	10.556	7/1/14-6/30/15	357	-	-	325	(357)	-	-	-	(32)	-
Total Enterprise Fund				(71,070)	-	461,388	(418,373)	-	-	-	(28,055)	-
U.S. Department of Education												
Passed-through State Department of Education:												
Title I	84.010A	7/1/13-6/30/14	154,191	(36,462)	-	36,462	-	-	-	-	-	-
Title I	84.010A	7/1/14-6/30/15	160,333	-	-	129,845	(157,890)	-	-	-	(28,045)	-
Title II Part A	84.367A	7/1/13-6/30/14	78,424	(4,851)	-	4,851	-	-	-	-	-	-
Title II Part A	84.367A	7/1/14-6/30/15	115,569	-	-	59,188	(80,953)	-	-	-	(21,765)	-
Title III	84.365A	7/1/13-6/30/14	16,224	(8,221)	-	8,221	-	-	-	-	-	-
Title III	84.365A	7/1/14-6/30/15	20,094	-	-	7,921	(14,866)	-	-	-	(6,945)	-
Title III Immigrant	84.365A	7/1/13-6/30/14	6,790	(6,784)	-	6,784	-	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/13-6/30/14	1,134,471	(240,522)	-	240,522	-	-	-	-	-	6,069
I.D.E.A. Part B Basic Regular	84.027	7/1/14-6/30/15	1,285,801	-	-	1,043,400	(1,163,410)	-	-	-	(120,010)	-
I.D.E.A. Part B Preschool	84.173	7/1/13-6/30/14	52,631	(51,121)	-	51,121	-	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/14-6/30/15	55,902	-	-	22,164	(46,583)	-	-	-	(24,419)	-
Total Special Revenue Fund				(347,961)	-	1,610,479	(1,463,702)	-	-	-	(201,184)	6,069
Total Expenditures of Federal Awards				\$ (419,031)	\$ -	\$ 2,071,867	\$ (1,882,075)	\$ -	\$ -	\$ -	\$ (229,239)	\$ 6,069

See accompanying notes to schedules of expenditures.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Schedule of Expenditures of State Awards**  
**for the Fiscal Year ended June 30, 2015**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Final Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2015	(Accounts Receivable) at June 30, 2015	Due to Grantor at June 30, 2015	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	2,122,959	-	-	1,910,663	(2,122,959)	-	-	-	-	212,296	2,122,959
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	3,077,364	-	-	2,769,628	(3,077,364)	-	-	-	-	307,736	3,077,364
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	12,610,419	-	-	11,373,693	(12,610,419)	-	-	-	-	1,236,726	12,610,419
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	403,710	-	-	363,339	(403,710)	-	-	-	-	40,371	403,710
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1,407,425	-	-	1,266,683	(1,407,425)	-	-	-	-	140,743	1,407,425
Adj Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	69,343	-	-	62,409	(69,343)	-	-	-	-	6,934	69,343
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	48,185	-	-	43,367	(48,185)	-	-	-	-	4,819	48,185
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	48,185	-	-	43,367	(48,185)	-	-	-	-	4,819	48,185
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	252,967	(252,967)	-	252,967	-	-	-	-	-	-	-
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	204,851	-	-	-	(204,851)	-	-	(204,851)	-	-	204,851
Non-public transportation aid	14-495-034-5120-014	7/1/13-6/30/14	28,843	(28,843)	-	28,843	-	-	-	-	-	-	-
Non-public transportation aid	15-495-034-5120-014	7/1/14-6/30/15	21,072	-	-	-	(21,072)	-	-	(21,072)	-	-	21,072
Reimbursed TPAF Social Security Contribution	15-495-034-5094-003	7/1/14-6/30/15	2,391,244	-	-	2,274,019	(2,391,244)	-	-	(117,225)	-	-	2,391,244
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	7/1/13-6/30/14	2,335,145	(114,604)	-	114,604	-	-	-	-	-	-	-
<b>Total General Fund</b>			<b>25,021,712</b>	<b>(396,414)</b>	<b>-</b>	<b>20,503,580</b>	<b>(22,404,757)</b>	<b>-</b>	<b>-</b>	<b>(343,148)</b>	<b>-</b>	<b>1,954,443</b>	<b>22,404,757</b>
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Technology	15-100-034-5120-373	7/1/14-6/30/15	3,200	-	-	3,200	(1,197)	-	-	-	2,003	-	-
Technology	14-100-034-5120-373	7/1/13-6/30/14	1,980	1,250	-	-	-	(1,250)	-	-	-	-	-
Textbook	14-100-034-5120-064	7/1/13-6/30/14	6,911	2,804	-	-	-	(2,804)	-	-	-	-	-
Textbook	15-100-034-5120-064	7/1/14-6/30/15	5,065	-	-	5,065	(3,371)	-	-	-	1,694	-	-
Nursing	14-100-034-5120-070	7/1/13-6/30/14	9,726	2,846	-	-	-	(2,846)	-	-	-	-	-
Nursing	15-100-034-5120-070	7/1/14-6/30/15	9,485	-	-	9,485	(5,255)	-	-	-	4,230	-	-
Exam and Classification	15-100-034-5120-066	7/1/14-6/30/15	3,780	-	-	3,780	(1,260)	-	-	-	2,520	-	-
Exam and Classification	14-100-034-5120-066	7/1/13-6/30/14	7,003	2,547	-	-	-	(2,547)	-	-	-	-	-
Supplemental Instruction	14-100-034-5120-066	7/1/14-6/30/15	785	-	-	785	-	-	-	-	785	-	-
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	10,602	-	-	10,602	(1,767)	-	-	-	8,835	-	-
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	21,874	17,187	-	-	-	(17,187)	-	-	-	-	-
<b>Total Special Revenue Fund</b>			<b>80,411</b>	<b>26,634</b>	<b>-</b>	<b>32,917</b>	<b>(12,850)</b>	<b>(26,634)</b>	<b>-</b>	<b>-</b>	<b>20,067</b>	<b>-</b>	<b>-</b>
Debt Service Fund:													
Debt service aid													
	15-495-034-5120-075	7/1/14-6/30/15	490,040	-	-	490,040	(490,040)	-	-	-	-	-	-
			490,040	-	-	490,040	(490,040)	-	-	-	-	-	-
Enterprise Fund:													
State School Lunch Program													
	14-100-010-3360-067	7/1/13-6/30/14	21,068	(5,551)	-	5,551	-	-	-	-	-	-	-
	15-100-010-3350-023	7/1/14-6/30/15	20,304	-	-	18,019	(20,304)	-	-	(2,285)	-	-	-
			41,372	(5,551)	-	23,570	(20,304)	-	-	(2,285)	-	-	-
<b>Total Expenditures of State Awards</b>			<b>\$ 25,633,535</b>	<b>\$ (375,331)</b>	<b>\$ -</b>	<b>\$ 21,050,107</b>	<b>\$ (22,927,951)</b>	<b>\$ (26,634)</b>	<b>\$ -</b>	<b>\$ (345,433)</b>	<b>\$ 20,067</b>	<b>\$ 1,954,443</b>	<b>\$ 22,404,757</b>

See accompanying notes to schedules of expenditures.

(1) Not subject to Single Audit

# Manalapan-Englishtown Regional School District

## Notes to Schedules of Expenditures of Federal and State Awards

Year ended June 30, 2015

### **1. General**

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

### **2. Basis of Accounting**

The accompanying schedules of expenditures of federal and state awards are presented using the modified accrual basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting, and those recorded in the Special Revenue Fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 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, or used in the preparation of, the basic financial statements.

### **3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with or reconcile to amounts reported in the basic financial statements which present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements and schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year.

Manalapan-Englishtown Regional School District

Notes to Schedules of Expenditures of  
Federal and State Awards

Year ended June 30, 2015

**3. Relationship to Basic Financial Statements (continued)**

The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,361) for the General Fund and \$2,250 for the Special Revenue Fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General Fund and Special Revenue Fund. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	TPAF	Total
General Fund	\$ -	\$ 26,969,232	\$ (4,571,856)	\$ 22,397,376
Special Revenue Fund	1,472,634	12,850	-	1,485,484
Debt Service Fund	-	490,040	-	490,040
Food Service Fund	418,373	19,722	-	438,095
Total awards and financial assistance	\$ 1,891,007	\$ 27,491,844	\$ (4,571,856)	\$ 24,810,995

**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.

Manalapan-Englishtown Regional School District

Notes to Schedules of Expenditures of  
Federal and State Awards

Year ended June 30, 2015

**5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions respectively. TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2015.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 04-04 and/or 15-08.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Section I --Summary of Auditor's Results*

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- 2) Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes        X   none reported

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 84.173	IDEA Part B and Preschool - Cluster

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

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

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Section I --Summary of Auditor's Results (cont'd.)*

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$687,839

Auditee qualified as low-risk auditee?                      X   yes                           no

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

Internal Control over major programs:

1) Material weakness(es) identified?                           yes                      X   no

2) Reportable condition(s) identified that are not considered to be material weaknesses?                           yes                      X   none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08?                           yes                      X   no

Identification of major programs:

GMIS Number(s)

Name of State Program

**State Aid-Public (Cluster)**

495-034-5120-078  
495-034-5120-089  
495-034-5120-084  
495-034-5120-085  
495-034-5120-097  
495-034-5120-098

Equalization Aid  
Special Education Categorical Aid  
Security Aid  
Adjustment Aid  
Per Pupil Growth Aid  
PARCC Readiness

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Section II – Financial Statement Findings

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No matters were reported for the period ended June 30, 2015.

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Section III – Federal Awards and State Financial Assistance  
Findings and Questioned Costs

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No matters were reported for the period ended June 30, 2015.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Summary Schedule of Prior-Year Audit Findings  
and Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2015

STATUS OF PRIOR YEAR FINDINGS

No matters were reported.