

**Comprehensive Annual
Financial Report**

of the

Borough of Manville Board of Education

County of Somerset

Manville, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Borough of Manville, Board of Education
Finance Department**

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INTRODUCTORY SECTION



MANVILLE PUBLIC SCHOOLS

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Manville, New Jersey 08835

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Superintendent of Schools
Phone (908) 231-8500 x8545
Fax (908) 707-3963

Kimberly A. Clelland
Business Administrator /Board Secretary
Phone (908) 231-8500 X 8504
Fax (908) 704-0510

November 23, 2015

Honorable President and
Members of the Board of Education
Manville School District
Somerset County, New Jersey

Dear Board Members and Constituents:

The comprehensive annual financial report of the Manville School District for the fiscal year ended **June 30, 2015**, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2015 and the government-wide financial statements of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and the State 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 auditor's report on internal control and compliance laws and regulations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Manville School District is an independent reporting entity within the criteria adopted by the GASB. All funds and the government-wide statements of the District are included in this report. The Manville Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the **2014-2015** fiscal year with an enrollment of approximately 1,415 students. The following details the changes in the student enrollment of the District over the last 5 years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	1,318	.001 %
2011-2012	1,316	.001 %
2012-2013	1,307	.011%
2013-2014	1,412	.008%
2014-2015	1,415	.009%

2. **ECONOMIC CONDITIONS AND OUTLOOK:** Manville is a community of moderately priced single-family homes. The Manville School District is currently examining options related to continuing with a "Shared Services" agreement with the Borough of Manville, examining additional options beyond shared services due to recent cutbacks in funds and staffing by the Borough of Manville. A separate agreement with local law enforcement continues to provide security at all major events. The district has realized enrollment increases in grades kindergarten to grade three with an increase of students eligible for extended services and the free and reduced lunch program. The priority of the district continues to be building security, student safety, and providing all the students with effective instructional programs within a nurturing academic environment conducive to the individual growth of the student.

3. **MAJOR INITIATIVES:** The Manville School District has planned the following projects for the future school years:

- 1) To continue to assess and maintain a safe environment for all employees;
- 2) To continue to review and upgrade all technological instruments for security, instruction, and management;
- 3) To continue to review and revise instructional programs and related professional development to maintain standards of accountability within the guidelines and mandates from the NJDOE focused upon ACHIEVENJ and solid, nationally researched instructional pedagogy;
- 4) To allow for continuous school improvement as evidenced by the mandated assessments;

- 5) To prepare the district to deliver all instructional programs in alignment with the New Jersey Core Curriculum Standards/Common Core State Standards and PARCC, mandated professional learning, and the anticipated PARCC Assessments for the 2015-2016 school year; and
- 6) To continue to maintain and complete repairs/replacements of all facilities.
- 7) To seek options for expansion of facilities due to burgeoning student enrollment within the district anticipated over the next few years.

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal control 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 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 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's, the District also is responsible for ensuring that adequate internal control 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at **June 30, 2015**.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and the government-wide statements. These funds and the government-wide statements are explained in "Notes to the Financial Statement", Note 1.

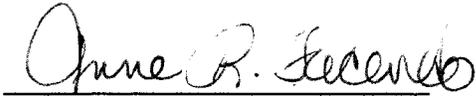
7. **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. You should review in detail the management's discussion and analysis for the fiscal year ended **June 30, 2015**, for Financial Summaries.
8. **DEBT ADMINISTRATION:** At **June 30, 2015**, the District's outstanding debt included **\$456,000** of general obligation bonds.
9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statement" Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and the insurance on property and contents, and fidelity bonds.
11. **OTHER INFORMATION:**

- A) Independent Audit – State statutes require an annual audit by independent certified public accountants or certified municipal accountants. The accounting firm of Suplee, Clooney and Company, CPAs was selected by the Board of Education at the annual Reorganization Meeting. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.
- B) Awards: The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its comprehensive annual financial report for the fiscal year ended June 30, 2014, and was granted the award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report and satisfied both generally accepted accounting principles and applicable legal requirements. This is the second year the District has applied and received this award.

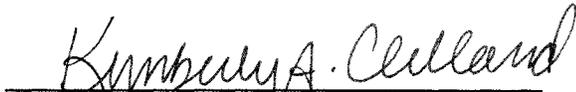
We believe that our current comprehensive annual financial report continues to meet the Program's rigorous requirements, and we are submitting it to ASBO to determine its eligibility for the fiscal year ending 2014-2015 award

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the Members of the Manville School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted:



Anne R. Facendo.
Superintendent



Kimberly A. Clelland
Business Administrator/Board Secretary

**BOROUGH OF MANVILLE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

Members of the Board of Education

Term Expires

Heidi Alles – President

2018

Cathy Wiedwald – Vice President

2015

Thomas Cornelson

2017

Branden Agans

2018

Kelly Harabin

2017

Jeanne Lombardino

2018

Sharon Liszczak

2015

Sharon Lukac

2017

Ned Panfile

2015

Other Officials

Anne R. Facendo, Superintendent of Schools

Kimberly A. Clelland , Business Administrator

Lori Majeski , Treasurer of School Moneys

**BOROUGH OF MANVILLE SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2015**

Audit Firm

Suplee, Clooney & Company

Attorney

David Rubin

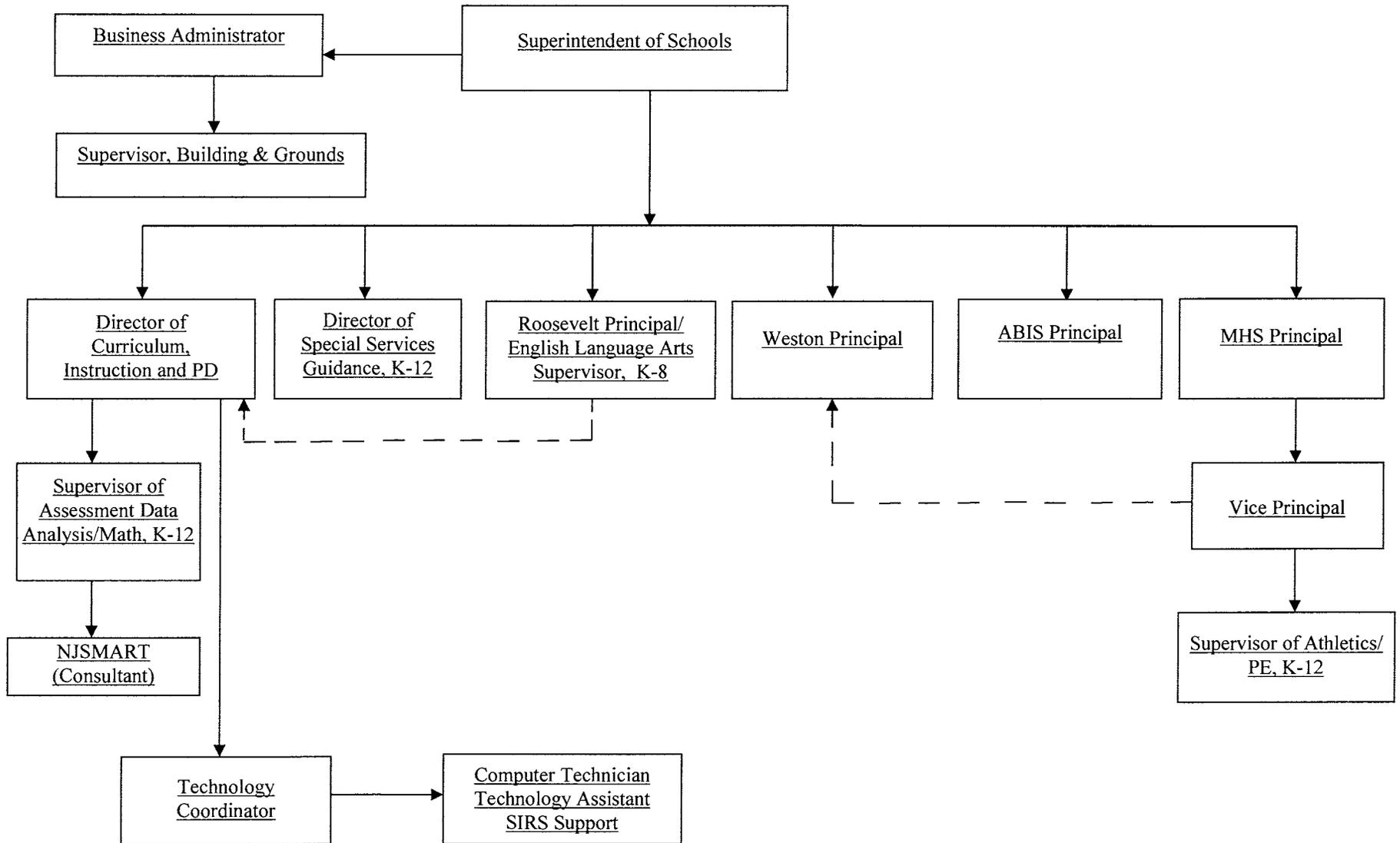
Official Depository

TD Bank, NA

MANVILLE PUBLIC SCHOOLS 2014 – 2015

Addendum I
June 17, 2014
BOE Agenda

∞



Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Manville Public Schools

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'M. Pepera'.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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E-mail info@senco.com

INDEPENDENT AUDITOR REPORT

Honorable President and Members
of the Board of Education
Borough of Manville School District
County of Somerset
Manville, New Jersey 08835

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 the Borough of Manville School District, County of Somerset, New Jersey (the "District") 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 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education. Those standards and provisions 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Borough of Manville School District, County of Somerset, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 6 to the basic financial statements, in 2015, the District adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3 and the pension schedules in Exhibit L-1 through L-4 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.

SUPLEE, CLOONEY & COMPANY

Supplementary and Other Information

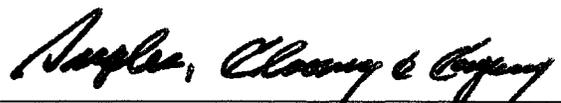
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Manville School District's basic financial statements. The accompanying supplementary schedules such as the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates 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 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 2015 on our consideration of the Borough of Manville School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Manville School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 23, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

This section of The Borough of Manville School District's ("The District") annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year and the prior year is presented in the MD&A. In fiscal year 2015 the District implemented GASB 68 "Accounting and Financial Reporting for Pensions". Information necessary to restate the financial information provided for fiscal year 2014 was not available; therefore, the information has not been restated.

Financial Highlights

- At the government-wide financial statements, revenue from governmental activities accounted for \$24,253,591 or 98 percent of total school district revenue. The other 2 percent of revenue was generated by the business type activities.
- Governmental fund expenditures exceeded revenues by only \$8,570.
- Total net position of the District increased by \$339,811 mainly due to an SDA grant.
- The Board of Education reduced its long-term outstanding liabilities by 5%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information and other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

The statement of net position presents information on all of the assets, deferred inflows and outflows and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The Government-wide financial statements can be found on pages 28-29 of this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The District maintains three funds types:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 31-34 of this report.

Proprietary funds. The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program. The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District utilizes trust funds to account for its unemployment compensation insurance fund and private purpose scholarship fund. The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The fiduciary fund financial statements can be found on pages 39-40 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41-79 of this report.

Other information. The combining statements referred to earlier in connection with governmental funds and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 97-115 of this report.

Financial Highlights
Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$10,018,199 at the close of fiscal year 2015. The following table provides a summary of net position at June 30, 2015 and 2014 relating to the District's governmental and business-type activities:

Key financial Highlights for the 2014-2015 fiscal year include the following:

- The State withheld both of the June fiscal year state aid payments until July 2015.
- The State increased the approved state aid to the District for 2014-2015 by approximately \$27,940 from the final amount awarded to the District in the 2014 fiscal year. The additional aids provided were PARCC readiness aid and per pupil growth aid.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Financial Analysis of the District as a Whole

The District's statement of net position includes a pension liability beginning in the 2014-2015 fiscal year due to the implementation of GASB 68. The statement now shows the deferred outflows and inflows as related to the public employees' retirement system pension. Table 1 below reflects the District's net position as a whole. Table 2 reflects the changes in net position from operating results.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	Percentage Change
Current and							
Other Assets	\$2,604,955	\$2,687,596	\$60,538	\$104,612	\$2,665,493	\$2,792,207	-5%
Capital Assets	8,764,588	8,470,824	5,909	8,735	8,770,497	8,479,558	3%
Total Assets	11,369,543	11,158,419	66,447	113,346	11,435,990	11,271,766	1%
Deferred Outflows Related to pensions	435,732				435,732		
Long-Term Liabilities	5,947,249	782,706			5,947,249	782,706	660%
Short-Term Liabilities	955,401	756,189	49,179	80,722	1,004,580	836,911	20%
Total Liabilities	6,902,650	1,538,895	49,179	80,722	6,951,829	1,619,617	329%
Deferred Inflows Related to pensions	381,681				381,681		
Net Position:							
Net Investment In Capital Assets	8,308,588	7,909,824	5,909	8,735	8,314,497	7,918,558	5%
Restricted	1,526,474	1,824,512			1,526,474	1,824,512	-16%
Unrestricted	(5,314,118)	(114,810)	11,359	23,889	(5,302,759)	(90,921)	5732%
Total Net Position	\$4,520,944	\$9,619,525	\$17,268	\$32,624	\$4,538,212	\$9,652,149	-53%

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The largest portion of the District's net position is its net investment in capital assets. Restricted net position includes those items that are subject to external restrictions (e.g. for capital projects, capital reserve and excess fund balance in the general fund).

Current and other assets remained relatively the same from fiscal year 2014 to fiscal year 2015. Net investment in capital assets increased mainly due to building and building improvement expenditures that were capitalized that exceeded current year depreciation expenses.

Restricted net position decreased due to funds expended from the capital projects fund that were restricted in the prior year offset by an increase in capital reserve from interest earnings and closed capital projects. Unrestricted net position decreased due to the implementation of GASB 68 in fiscal year 2015.

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total School District	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Revenue:						
Program Revenue:						
Charges for Services			\$220,574	\$216,418	\$220,574	\$216,418
Operating Grants and Contributions	\$4,435,829	\$2,447,716	336,927	315,012	4,772,756	2,762,728
General Revenue:						
Property Taxes	13,985,795	13,641,895			13,985,795	13,641,895
Federal and State Aid not restricted	5,343,451	5,255,651			5,343,451	5,255,651
State Aid restricted	265,017				265,017	
Other	223,499	192,273	61	57	223,560	192,330
Total Revenue	24,253,591	21,537,535	557,562	531,487	24,811,153	22,069,022
Expenses:						
Instruction	13,980,375	14,113,860			13,980,375	14,113,860
Student & Instructional Support Services	3,896,269	2,638,242			3,896,269	2,638,242
Administrative and Business	2,633,687	1,806,704			2,633,687	1,806,704
Maintenance & Operations	2,620,204	2,259,560			2,620,204	2,259,560
Transportation	511,404	418,257			511,404	418,257
Other	256,485	231,360	572,918	514,889	829,403	746,249
Total Expenses	23,898,424	21,467,984	572,918	514,889	24,471,342	21,982,872
Change in net position	\$355,167	\$69,551	(\$15,356)	\$16,599	\$339,811	\$86,150

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Sources of Revenue

The District's total government-wide revenue for the 2014-2015 school year was \$24,811,153 as reflected in Table 3. Property taxes and state formula aid accounted for 84 percent of the total revenue with the other 16 percent consisting of other state and federal aid, federal and state grants, charges for services, and miscellaneous sources.

**Table 3
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2015</u>		<u>FY 2014</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$13,985,795	56%	\$13,641,895	62%
State Formula Aid	5,257,866	21%	5,229,926	24%
Other State and Federal Aid	4,095,889	17%	1,871,924	8%
Federal and State Grants	1,027,469	4%	901,672	4%
Charges for Services	220,574	1%	216,418	1%
Other	223,560	1%	207,187	1%
	<u>\$24,811,153</u>	<u>100%</u>	<u>\$22,069,022</u>	<u>100%</u>

The increase in property taxes of \$343,900 is mainly attributable to an increase in the tax levy within the 2% allowed increase under current state regulations.

The increase of approximately \$2,224,000 in other state and federal aid is mainly due to an increase in the State on behalf pension and post-retirement benefits paid by the State on behalf of the District and the inclusion of the actuarial pension as per the implementation of GASB 68 in 2014-2015.

The increase in federal and state grants of approximately \$126,000.00 is mainly due to the addition of a capital sda grant in 2014-2015 and a decrease in no child left behind funding.

The increase of \$27,940 in state formula aid is the result of two new state aids, PARCC readiness and per pupil growth aid, in 2014-2015.

Charges for services increased due to higher participation in the food service program.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Expenses for the Fiscal Year 2015 and 2014

The total expenses for the 2014-2015 fiscal year for all programs and services were \$24,471,341. Table 4 below summarizes these costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 75 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all four school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, depreciation expense and the costs of the business-type activities of the proprietary fund. It is important to note that depreciation expense on capital assets is included in expenses for the year; expenses therefore include \$295,382 for depreciation.

**Table 4
Expenses for Fiscal Year 2015 and 2014**

<u>Expense Category</u>	<u>FY 2015</u>		<u>FY 2014</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$13,980,375	57%	\$12,218,899	56%
Student & Instruction Services	3,896,269	16%	3,455,683	16%
Administrative and Business	2,633,687	11%	2,359,029	11%
Maintenance & Operations	2,620,204	11%	2,784,755	13%
Transportation	511,404	2%	418,257	2%
Food service operations	572,918	2%	514,889	2%
Other	256,485	1%	231,360	0%
	<u>\$24,471,341</u>	<u>100%</u>	<u>\$21,982,872</u>	<u>100%</u>

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Governmental Activities

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of seven major District activities: instruction, tuition, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table 5
Net Cost of Governmental Activities**

<u>Expenditure Category</u>	<u>FY 2015</u>		<u>FY 2014</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$10,955,258	56%	\$10,810,980	57%
Student & Instruction Services	2,783,075	14%	2,762,812	15%
Administrative and Business	2,348,573	12%	2,187,557	12%
Maintenance & Operations	2,620,204	13%	2,621,706	13%
Transportation	499,000	3%	405,853	2%
Other	271,902	2%	214,819	1%
	<u>\$19,478,012</u>	<u>100%</u>	<u>\$19,003,726</u>	<u>100%</u>

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

General Fund. The general fund is the main operating fund of the District. At the end of the current fiscal year, restricted fund balance was \$711,008, assigned fund balance was \$512,180 and unassigned fund balance was \$283,653. The net change in total fund balance for the General Fund was a decrease of \$174,425, which was mainly attributable to building improvements taken in by the District.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Special Revenue Fund. The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue and expenditures for the current fiscal year were comparable to the prior fiscal year, with a decrease of \$145,106 attributable mostly to a decrease in federal grants. IDEA Basic and Title I continue to be the largest grants in the special revenue fund. With expenditures in the current fiscal year of \$358,595 and \$291,800 respectively.

Capital Projects Fund. The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other assets (other than those financed by the proprietary funds). There was a decrease in expenditures of \$333,572 in the current fiscal year compared to the prior year. There was a capital grant awarded in the 2014-2015 year in the amount of \$571,686.

Debt Service Fund. The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$1,715, which is attributable to interest earned in the capital projects fund during the current fiscal year and prior fiscal years.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes 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 fiscal year there were differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Expenditures

The modified budget for instruction - tuition increased from the original budget by approximately \$139,450 as a result of an increase of special education student tuition and the new vocational education tuition being charged to the district starting in 2014-2015.

The actual amounts expended for regular programs remained relatively the same as in the prior year for all grade levels.

While undistributed expenditures remained about the same from the prior, there was an increase in general administration due to a judgement and health benefit costs decreased due to retirements and increased employee contributions.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Revenues

Extraordinary aid was in excess of the modified budget by \$58,410 or 100% as a result of the fact that the final award amount is calculated by the State of New Jersey and is not required to be budgeted for.

Unrestricted miscellaneous revenue was in excess of the modified budget by \$121,043 mainly due to an insurance reimbursement.

Capital Assets

During the fiscal year 2014-2015, the District's capital acquisitions exceeded the depreciation expense and retired assets, therefore capital assets net of depreciation increased. Table 6 reflects the comparative balances of capital assets net of depreciation as of June 30, 2015 and 2014, respectively. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Table 6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	
Land and Site Improvements	\$5,360,200	\$5,360,200			\$5,360,200	\$5,360,200	0%
Building and Building Improvements	3,310,294	2,996,311			3,310,294	2,996,311	10%
Machinery and Equipment	94,095	114,313	\$5,909	\$8,735	100,003	123,047	-19%
Total Assets	\$8,764,588	\$8,470,824	\$5,909	\$8,735	\$8,770,497	\$8,479,558	-3%

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Debt Administration

At June 30, 2015 the District had \$793,420 of outstanding long-term liabilities, consisting of bonds payable and compensated absences. The District will continue to pay down its debt and liabilities, as the obligations are due. Table 7 reflects the comparison of outstanding long-term liabilities for the past two fiscal years. More information of the District's long-term liabilities is presented in Note 4 to the financial statements.

**Table 7
Outstanding Long-term Liabilities**

	Total School Debt		Total Percentage Change
	FY 2015	FY 2014	
Compensated Absences Payable	\$337,420	\$326,706	3%
Net Pension Liability Payable	5,263,829.00	5,453,748.00	-3%
Bonds Payable	456,000	561,000	-19%
	<u>\$6,057,249</u>	<u>\$6,341,454</u>	<u>-5%</u>

The District's Future

The District is presently in stable financial position. Prior to the new state senate bill requiring New Jersey School Districts to reduce fund balance to 2% of their operating expenditures the District had planned to maintain a fund balance of at least 3% of budgeted expenditures. This state requirement has forced the District to reconsider future planning, as more stringent state approvals have been forced on the District.

A major concern for the community is that state aid is being held at the same level or minimally increased; therefore, the burden of the rising cost of education is focused on taxpayers to support their local schools. The District has settled with the teachers union and is working on a resolution to pay retro for fiscal years 2013 through 2015.

Despite these concerns, the Manville Borough Board of Education is committed to maintaining fiscal responsibility as well as achieving educational excellence for all of the students of the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Kimberly A. Clelland, School Business Administrator/Board Secretary at the Manville Board of Education, 410 Brooks Blvd., Manville, New Jersey 08835. Please visit our website at www.manvilleschools.org.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2015.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$1,076,943	\$17,636	\$1,094,579
Internal balances	(15,766)	15,766	-
Receivables, net	832,770	22,962	855,732
Inventory		4,173	4,173
Restricted assets:			
Restricted cash and cash equivalents	711,008		711,008
Capital assets:			
Non-depreciable	5,360,200		5,360,200
Depreciable	3,404,388	5,909	3,410,297
Total assets	<u>11,369,543</u>	<u>66,447</u>	<u>11,435,990</u>
DEFERRED OUTFLOWS:			
Related to pensions	435,732		435,732
Total Deferred Outflows of resources	<u>435,732</u>		<u>435,732</u>
LIABILITIES:			
Accounts payable	490,202	49,179	539,381
Payable to federal government	11,983		11,983
Payable to state government	16,114		16,114
Unearned revenue	318,210		318,210
Accrued interest payable	8,891		8,891
Noncurrent liabilities:			
Due within one year	110,000		110,000
Due beyond one year:			
Net Pension Liability	5,263,829		5,263,829
Compensated absences payable	337,420		337,420
Bonds and capital leases payable	346,000		346,000
Total liabilities	<u>6,902,650</u>	<u>49,179</u>	<u>6,951,829</u>
DEFERRED INFLOWS:			
Related to pensions	381,681		381,681
Total Deferred Inflows of Resources	<u>381,681</u>		<u>381,681</u>
NET POSITION:			
Net investment in capital assets	8,308,588	5,909	8,314,497
Restricted for:			
Capital projects fund	530,098		530,098
Debt service fund	1,715		1,715
Other purposes	994,661		994,661
Unrestricted (Deficit)	<u>(5,314,118)</u>	<u>11,359</u>	<u>(5,302,759)</u>
	<u>\$4,520,944</u>	<u>\$17,268</u>	<u>\$4,538,212</u>

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$6,637,509	\$2,151,072		\$2,154,264	(\$6,634,317)		(\$6,634,317)
Special education	3,464,923	673,874		678,098	(3,460,699)		(3,460,699)
Other	829,529	223,468		192,756	(860,242)		(860,242)
Support services:							
Student and instruction related services	3,044,100	852,169		1,113,193	(2,783,075)		(2,783,075)
General administrative services	620,567	64,093			(684,660)		(684,660)
School administrative services	1,006,442	334,885		285,114	(1,056,213)		(1,056,213)
Central services	375,790	89,522			(465,313)		(465,313)
Administration information technology	130,244	12,144			(142,387)		(142,387)
Plant operations and maintenance	2,250,020	370,184			(2,620,204)		(2,620,204)
Student transportation services	511,404			12,404	(499,000)		(499,000)
Unallocated benefits	4,715,767	(4,715,767)					
Unallocated Depreciation	292,556	(55,645)			(236,911)		(236,911)
Interest on long term debt	19,574				(19,574)		(19,574)
Total governmental activities	<u>23,898,424</u>			<u>4,435,829</u>	<u>(19,462,595)</u>		<u>(19,462,595)</u>
Business-type activities:							
Food service	572,918		\$220,574	336,927		(\$15,417)	(15,417)
Total business-type activities	<u>572,918</u>		<u>220,574</u>	<u>336,927</u>		<u>(15,417)</u>	<u>(15,417)</u>
Total primary government	<u>\$24,471,341</u>		<u>\$220,574</u>	<u>\$4,772,756</u>	<u>(\$19,462,595)</u>	<u>(\$15,417)</u>	<u>(\$19,478,012)</u>
General Revenues:							
Taxes:							
Property taxes - general					\$13,859,295		\$13,859,295
Property taxes - debt service					126,500		126,500
Federal and state aid not restricted					5,343,451		5,343,451
Federal and state aid restricted					265,017		265,017
Miscellaneous income					223,499	\$61	223,560
Total general revenues					<u>19,817,762</u>	<u>61</u>	<u>19,817,823</u>
Change in net position					355,167	(15,356)	339,811
Net Position - beginning (As Restated)					4,165,777	32,624	4,198,401
Net Position ending					<u>\$4,520,944</u>	<u>\$17,268</u>	<u>\$4,538,212</u>

The accompanying notes to the financial statements are an integral part of this statement.

MAJOR FUND FINANCIAL STATEMENTS

The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BOROUGH OF MANVILLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Assets:					
Cash and cash equivalents	\$810,147		\$265,081	\$1,715	\$1,076,943
Capital reserve account	711,008				711,008
Accounts receivable:					
Federal		173,382			173,382
State	87,702		571,686		659,388
Interfund	35,520				35,520
Total assets	\$1,644,377	\$173,382	\$836,767	\$1,715	\$2,656,241
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$121,769	\$98,224			\$219,993
Intergovernmental payable:					
State		16,114			16,114
Federal		11,983			11,983
Interfunds payable	15,766	35,520			51,286
Unearned revenue		11,540	306,669		318,210
Total liabilities	137,535	173,382	306,669		617,586
Fund balances:					
Restricted for:					
Capital reserve account	711,008				711,008
Capital projects fund			521,298		521,298
Debt service fund				1,715	1,715
Assigned for year end encumbrances	512,180				512,180
Committed for:					
Year-end encumbrances			8,800		8,800
ARRA semi designated for subsequent year exp.	21,037				21,037
Designated for subsequent years expenditures	262,616				262,616
Total fund balances	1,506,842		530,098	1,715	2,038,655
Total liabilities and fund balances	\$1,644,377	\$173,382	\$836,767	\$1,715	

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF MANVILLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Total Fund Balances (Brought Forward)		\$2,038,655
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$37,575,449	
Accumulated Depreciation	<u>(28,810,861)</u>	
		8,764,588
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net pension liability	(5,263,829)	
Serial bonds payable	(456,000)	
Compensated absences payable	<u>(337,420)</u>	
		(6,057,249)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related	165,523	
Employers contributions related to pensions	<u>270,209</u>	
		435,732
Deferred Inflows:		
Pension related		(381,681)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(270,209)	
Accrued Interest Payable	<u>(8,892)</u>	
		<u>(279,101)</u>
Net Position of Governmental Activities		<u><u>\$4,520,944</u></u>

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

BOROUGH OF MANVILLE 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
REVENUES:					
Local sources:					
Local tax levy	\$13,859,295			\$126,500	\$13,985,795
Interest earned on capital reserve funds	1,182				1,182
Miscellaneous	221,044	\$8,972	\$1,273		231,290
Total revenues-local sources	14,081,521	8,972	1,273	126,500	14,218,267
State sources	7,094,002	64,974	265,017		7,423,993
Federal sources	45,156	697,477			742,633
Total revenues	21,220,679	771,424	266,290	126,500	22,384,893
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	5,147,379	265,180			5,412,559
Special education	2,039,616	132,199			2,171,815
Other instruction	699,448				699,448
Support services:					
Tuition	973,652				973,652
Student and instruction related services	2,199,044	374,044			2,573,089
General administrative services	617,468				617,468
School administrative services	824,757				824,757
Central services	371,390				371,390
Administrative technology	129,664				129,664
Plant operations and maintenance	2,207,446				2,207,446
Student transportation services	511,404				511,404
Employee benefits	5,163,536				5,163,536
Capital outlay			599,164		599,164
Capital outlay - debt assessment	11,571				11,571
Debt service:					
Principal				105,000	105,000
Interest				21,499	21,499
Total expenditures	20,896,376	771,424	599,164	126,499	22,393,462
Excess (deficiency) of revenues over (under) expenditures	324,303		(332,873)	1	(8,570)
Other financing sources (uses):					
Transfers in	1,271		500,000	2	501,273
Transfers out	(500,000)		(1,273)		(501,273)
Total financing sources (uses):	(498,729)		498,727	2	-
Net change in fund balances	(174,426)		165,853	3	(8,570)
Fund balances, July 1, 2014	1,681,268		364,245	1,712	2,047,224
Fund balances, June 30, 2015	\$1,506,842	-	\$530,098	\$1,715	\$2,038,655

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF MANVILLE 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

Total net change in fund balances - governmental funds (from B-2)		(\$8,570)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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 depreciation exceeded capital outlays in the period.</p>		
Depreciation expense	(\$292,556)	
Capital outlays	610,735	
Capital outlays not capitalized	<u>(24,414)</u>	
		293,765
<p>Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position and is not reported in the statements of activities.</p>		
Payment of bonds		105,000
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		1,925
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	231,773	
Less: Pension expense	<u>(258,012)</u>	
		(26,239)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(10,714)</u>
Change in net position of governmental activities		<u><u>\$355,167</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

OTHER FUNDS

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUND
FOOD SERVICE
FUND

ASSETS:

Current assets:

Cash and cash equivalents	\$17,636
Accounts receivable:	
State	487
Federal	22,475
Interfund	15,766
Inventory	4,173

Total current assets	60,538
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Noncurrent assets:

Furniture, machinery & equipment	107,727
Less accumulated depreciation	(101,818)

Total noncurrent assets	5,909
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Total assets	66,447
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LIABILITIES:

Current liabilities:

Accounts payable	49,179
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Total current liabilities	49,179
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NET POSITION:

Net investment in capital assets	5,909
Unrestricted	11,359
Total net position	\$17,268

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES <u>ENTERPRISE FUND</u> FOOD SERVICE <u>FUND</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$169,047
Daily sales non-reimbursable programs	51,527
	220,574
Total operating revenue	220,574
OPERATING EXPENSES:	
Salaries	204,569
Employee benefits	41,834
Management fee	33,195
Repairs and other	93,819
Depreciation	2,826
Cost of sales	196,674
	572,918
Total operating expenses	572,918
Operating (loss)	(352,344)
Nonoperating revenues:	
State sources:	
State school lunch program	6,745
Federal sources:	
National school lunch program	268,916
National school breakfast program	38,645
Food distribution program	22,621
Interest revenue	61
	336,988
Total nonoperating revenues	336,988
Change in net position	(15,356)
Total net position - beginning	32,624
Total net position - ending	\$17,268

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE</u> <u>FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$220,574
Payments to employees	(204,569)
Payments to employee benefits	(41,834)
Payment to suppliers	(392,657)
	(418,487)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State sources	7,958
Federal sources	367,834
	375,792
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	61
	61
Net decrease in cash and cash equivalents	(42,634)
Cash and cash equivalents- July 1	60,270
Cash and cash equivalents- June 30	17,636
Operating (loss)	(352,344)
Adjustments to reconcile operating (loss)	
to cash provided (used for) by operating activities:	
Depreciation	2,826
Change in assets and liabilities:	
Increase in inventory	(2,811)
Increase in receivable	(15,766)
Decrease in accounts payable	(50,391)
	(50,391)
Net cash (used for) operating activities	(\$418,487)

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>TRUST FUNDS</u>		<u>AGENCY FUNDS</u>	
	<u>STATE UNEMPLOYMENT INSURANCE</u>	<u>PRIVATE PURPOSE SCHOLARSHIP</u>	<u>STUDENT ACTIVITIES</u>	<u>PAYROLL</u>
ASSETS:				
Cash and cash equivalents	\$19,295	\$54,572	\$81,028	\$446,790
Total assets	<u>19,295</u>	<u>54,572</u>	<u>81,028</u>	<u>446,790</u>
LIABILITIES:				
Payroll deductions and withholdings				446,790
Due to student groups			81,028	
Intrafunds payable				
Total liabilities			<u>\$81,028</u>	<u>\$446,790</u>
NET POSITION:				
Held in trust for unemployment claims	19,295			
Held in trust for scholarships		54,572		
Total net position	<u>\$19,295</u>	<u>\$54,572</u>		

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	STATE UNEMPLOYMENT INSURANCE FUND	PRIVATE PURPOSE SCHOLARSHIP FUND	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Donations		\$13,339	\$13,339
Payroll deductions	\$36,667		36,667
Interest earned	22	75	97
	<u>36,688</u>	<u>13,414</u>	<u>50,102</u>
Total additions			
DEDUCTIONS:			
Unemployment claims	53,380		53,380
Scholarships awarded		15,219	15,219
	<u>53,380</u>	<u>15,219</u>	<u>68,599</u>
Total deductions			
Change in net position	(16,692)	(1,804)	(18,496)
Net position - July 1	<u>35,987</u>	<u>56,376</u>	<u>92,363</u>
Net position - June 30	<u>\$19,295</u>	<u>\$54,572</u>	<u>\$73,867</u>

The accompanying notes to the financial statements are an integral part of this statement.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Manville School District have been prepared in conformity with U.S. 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.

Reporting Entity

The Manville School District is a Type II District located in Somerset County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a 9 member board elected to three-year terms 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 primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary, middle and high schools located in the Borough of Manville. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of Government-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.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the 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 requirement 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 District.

Fund Financial Statements: The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its 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 the option noted in GASB No. 34, paragraph 76. 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.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital outlay in this fund. 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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Governments (other than major capital projects or the enterprise funds) and local appropriations that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report all financial resources that are restricted, committed, or assigned to an expenditure for capital outlay, including 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 and state grants 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 accounts 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.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Food Service Enterprise Fund - The food service enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

Payroll and Student Activities Funds (Agency) - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Private Purpose Scholarship Funds - A trust fund used to account for assets donated by individuals that will provide for the payment of awards to district students.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements: The Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The 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 monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility 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. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

The County Board of Taxation is responsible for the assessment of properties, and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. All budget amendments and transfers must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 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 records.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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 assigned 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 unearned 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.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The Interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Donation Commodities, at stated value which approximates market.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established 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 that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date of donation.

Capital assets are depreciated in the government-wide statements using the straight-line method over the following estimated useful lives:

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

Compensated Absences

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

Under the existing policy of the District, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date. Employees who retire after fifteen (15) or more years of service in the district and who immediately qualify for TPAF/PERS benefits shall be able to convert unused sick leave to severance pay. The conversion rate shall be one day's pay at the employee's current rate (1/200th or 1/240th of the annual salary) for each of the three (3) days of accumulated sick leave. The maximum payout will be thirty-five (35) days per employee.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

For the Government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and Government-wide presentations.

Fund Balance and Net Position

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unrestricted net position represents the remains of the District's equity in the cumulative earnings of the proprietary fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the Government-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.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations (continued)

In the government-wide financial statements, and enterprise fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and unamortized loss on a refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as either capital projects fund or debt service fund expenditures in the year of issuance.

Net Position

GASB 63 provides guidance for reporting net position in the statement of net position and related disclosures. In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities and deferred inflows and outflows. Net investment in capital assets 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 when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

The District has implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modified fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

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 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 property taxes is recognized in the period in which the revenue is earned. 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 District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the 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 both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the 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.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government 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. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (continued)

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents 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. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000. Under (GUDPA), 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 the deposits to the governmental unit.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The Borough of Manville School District had the following cash and cash equivalents at June 30, 2015.

	<u>Cash in Bank</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Governmental Funds	\$2,007,335	\$219,383	\$1,787,951
Proprietary Fund	66,103	48,467	17,636
Fiduciary Fund	651,342	49,657	601,685
	<u>\$2,724,780</u>	<u>\$317,507</u>	<u>\$2,407,272</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2015, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000 was covered by Federal Depository Insurance and \$2,462,394 was covered by NJGUDPA. The New Jersey Asset and Rebate Management (NJARM) Fund is an investment pool and is not insured by either FDIC or GUDPA. The amount in NJARM is \$12,386.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, the Board had \$12,386 on deposit with the NJARM. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Governmental activities:			
Capital assets that are not depreciated:			
Land and Improvements	\$5,360,200		\$5,360,200
Total capital assets that are not depreciated	5,360,200		5,360,200
Capital assets being depreciated:			
Building and building improvements	29,846,036	\$586,321	30,432,356
Machinery and equipment	1,782,893		1,782,893
Total capital assets being depreciated	31,628,929	586,321	32,215,249
Total capital assets	36,989,129	586,321	37,575,449
Less: accumulated depreciation for:			
Building and building improvements	(26,849,725)	(272,338)	(27,122,062)
Machinery and equipment	(1,668,581)	(20,218)	(1,688,799)
	(28,518,305)	(292,556)	(28,810,861)
Governmental activities capital assets, net	8,470,824	293,765	8,764,588
Business type activities:			
Machinery and equipment	107,727		107,727
Less: accumulated depreciation	(98,992)	(2,826)	(101,818)
Business type activities capital assets, net	\$8,735	(\$2,826)	\$5,909

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	(\$20,032)
Special	(7,790)
Other	(2,782)
Support Services:	
Student and instruction related services	(8,903)
General administration	(2,226)
School administration	(3,339)
Central services	(1,669)
Administration Info Technology	(556)
Plant operations and maintainance	(8,347)
Direct Expense of Various Functions	(236,911)
	(\$292,556)

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2015, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in governmental activities long-term liabilities that effect other long-term obligations for the year ended June 30, 2015.

	<u>Net Pension Liability</u>	<u>Bonds Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance, July 1, 2014	\$5,453,748.00	\$561,000	\$326,706	\$6,341,454
Additions/Issued			89,437	89,437
Reductions	<u>189,919.00</u>	<u>105,000</u>	<u>78,723</u>	<u>373,642</u>
Balance, June 30, 2015	<u>\$5,263,829</u>	<u>\$456,000</u>	<u>\$337,420</u>	<u>\$6,057,249</u>
Amounts Due Within One Year		<u>\$110,000</u>		<u>\$110,000</u>

Compensated absences are liquidated by expenditures charged to the general fund. Bonds payable are liquidated by expenditures charged to the debt service fund.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2015, with interest payments on issued debt, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$110,000	\$17,144	\$127,144
2017	110,000	12,579	122,579
2018	115,000	7,797	122,797
2019	121,000	2,662	123,662
	<u>\$456,000</u>	<u>\$40,182</u>	<u>\$496,182</u>

Under New Jersey Statutes, the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the calendar year ended December 31, 2014, the District's borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation</u> <u>of Real Property</u>
2014	\$871,267,467
2013	912,522,792
2012	970,858,963
	<u>2,754,649,222</u>
Average equalized valuation of property	<u>918,216,407</u>
School borrowing margin (4% of average equalized valuation of property)	36,728,656
Net bonded school debt as of December 31, 2014	<u>456,000</u>
School borrowing power available	<u>\$36,272,656</u>

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 5: PENSION PLANS

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

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions - The vesting and benefit provisions of 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 ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A 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.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.* the State of New Jersey makes the employer contribution on behalf of public school districts).

PERS Contribution Requirements

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2015	\$231,773	100%	\$231,773
6/30/2014	215,011	100%	215,011
6/30/2013	226,361	100%	226,361

During the fiscal years ended June 30, 2015, 2014 and 2013, the State of New Jersey contributed \$458,483, \$342,321 and \$515,714, respectively to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66, during the years ended June 30, 2015, 2014 and 2013, the State of New Jersey reimbursed the District \$596,978, \$615,184 and \$602,698 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$5,263,829.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.0281146355 percent, which was a decrease of 0.00044211082 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$258,012.00. 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 Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions		165,523.00
Net difference between projected and actual earnings on pension plan investments	313,696.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	67,985.00	
District contributions subsequent to the measurement date		<u>270,209.00</u>
	<u>381,681.00</u>	<u>435,732.00</u>

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

The \$270,209.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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 <u>June 30</u>	<u>Amount</u>
2016	(\$47,996.87)
2017	(\$47,996.87)
2018	(\$47,996.87)
2019	\$30,427.03
Thereafter	\$13,387.89

Additional Information

Collective balances at June 30, 2013 and 2014 are as follows

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	6.2650781000%	6.4375334900%

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation	3.01 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

Mortality Rates

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term 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 Bond	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 U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	100.00%	

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (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 the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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 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:

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	6,622,076.00	5,263,829.00	4,123,247.00

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	\$43,248,605
	\$43,248,605

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .0809190624%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$2,327,181.00 for contributions provided by the State.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Actuarial Assumptions

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	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. 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, 2009 to June 30, 2012.

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 TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate- Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% 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 the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 7: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 7: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for 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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2015, 2014, and 2013 were \$727,842, \$561,277, and \$583,142, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 10: 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. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

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

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

<u>Fiscal Year</u>	<u>Interest and Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$36,688	\$53,380	\$19,295
2013-2014	77,706	62,760	35,987
2012-2013	52,553	48,962	21,041

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$35,520	\$17,766
Special Revenue Fund		35,520
Enterprise Fund	17,766	
	<u>\$53,286</u>	<u>\$53,286</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

All interfunds are expected to be repaid within one year.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 12: FUND BALANCE APPROPRIATED

General Fund – Of the \$1,506,842 General Fund fund balance at June 30, 2015, \$696,285 is assigned for year-end encumbrances however only \$512,180 is reflected on the balance sheet as assigned since the unassigned balance would be negative; \$711,008 has been restricted in the Capital Reserve Account of which \$515,000 has been designated for subsequent years expenditures. There also was an additional \$262,616 unassigned fund balance designated for subsequent year's expenditures and \$21,037 unassigned arra/semi funds designated for subsequent year's expenditures.

NOTE 13: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based on this calculation, the Manville School District has \$-0- excess fund balance resulting from the year ended June 30, 2015.

General Fund Expenditures	
Fiscal Year Ended June 30, 2015	\$20,896,376
Add:	
Transfer from Capital Reserve to Capital Projects Fund	500,000
Less:	
On-Behalf TPAF Pension and Social Security Reimbursement	1,783,303
Adjusted General Fund Expenditures	19,613,073
Excess Surplus Percentage	2%
2% of Adjusted 2013-14 General Fund Expenditures	392,261
Greater of Line Above of \$250,000.00	392,261
Add: Allowable Adjustments	58,410
Maximum Unreserved/Undesignated Fund Balance	450,671
Actual Unreserved/Undesignated Fund Balance	340,521
Excess Surplus	-

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Manville Board of Education by the inclusion of \$540,510 in the 2000-2001 school year 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 approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2015 year is as follows:

The activity of the capital reserve for the year ending June 30, 2015 year is as follows:

Beginning balance, July 1, 2014	\$1,208,555
Add: Interest earnings	1,182
Add: Return of completed projects	1,271
Less: Withdrawals per Budget	(500,000)
Ending balance, June 30, 2015	\$711,008

The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 15: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2015.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2015

NOTE 16: INVENTORY

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

Food and Supplies	<u>\$4,173</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendments of 1996) 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.

NOTE 17: RESTRICTED ASSETS

The funds set aside for the capital reserve are classified as restricted assets (cash and cash equivalents) as they are restricted for use for future capital requirements.

NOTE 18: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 23, 2015 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

NOTE 19: RESTATEMENT

As stated in Note 6 in FY2015 the District implemented GASB 68. As a result the District's Net Position at June 30, 2014 was restated as follows:

	<u>Governmental Activities</u>
Beginning Net Position 06/30/14	\$9,619,525
Adjustments:	
Recognition of Net Pension Liability	<u>(\$5,453,748)</u>
Beginning Net Position 06/30/14 (As restated)	<u><u>\$4,165,777</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$13,859,295		\$13,859,295	\$13,859,295	
Interest earned on capital reserve funds	3,000		3,000	1,182	(\$1,818)
Unrestricted miscellaneous	100,001		100,001	221,044	121,043
Total revenues-local sources	13,962,296		13,962,296	14,081,521	119,225
State sources:					
Equalization aid	4,261,000		4,261,000	4,261,000	
Categorical special education aid	814,956		814,956	814,956	
Categorical security aid	75,560		75,560	75,560	
Categorical transportation aid	12,404		12,404	12,404	
Educational adequacy aid	66,006		66,006	66,006	
PARCC readiness aid	13,970		13,970	13,970	
Per pupil growths aid	13,970		13,970	13,970	
Extraordinary aid				58,410	58,410
On-behalf TPAF Pension - post retirement medical (non budgeted)				727,842	727,842
On-behalf TPAF pension contribution (non-budgeted)				458,483	458,483
Reimbursed TPAF social security cont. (non-budgeted)				596,978	596,978
Total - state sources	5,257,866		5,257,866	7,099,579	1,841,713
Federal sources:					
Semi Medicaid	30,668		30,668	37,120	6,452
Semi MAC				8,036	8,036
Total - federal sources	30,668		30,668	45,156	14,488
Total revenues	19,250,830		19,250,830	21,226,256	1,975,426
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	310,098	\$150	310,248	302,857	7,391
Grades 1-5	1,833,859	(28,500)	1,805,359	1,703,600	101,759
Grades 6-8	1,198,733	(8,000)	1,190,733	1,122,165	68,568
Grades 9-12	1,727,010	(10,000)	1,717,010	1,588,642	128,368
Home instruction - regular programs:					
Salaries of teachers	15,490		15,490	10,000	5,490
Regular programs - undistributed instruction:					
Other purchased services	163,064	12,660	175,724	174,180	1,544
General supplies	205,500	(15,000)	190,500	189,679	821
Textbooks	65,000	(8,000)	57,000	56,257	743
Total regular programs	\$5,518,753	(\$56,690)	\$5,462,063	\$5,147,379	\$314,684

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$53,494		\$53,494	\$51,467	\$2,027
Other salaries for instruction	70,675		70,675	65,616	5,059
Total language and/or language disabilities	<u>124,169</u>		<u>124,169</u>	<u>117,083</u>	<u>7,086</u>
Visual impairments:					
Other salaries for instruction	24,400		24,400	19,000	5,400
Total visual impairments	<u>24,400</u>		<u>24,400</u>	<u>19,000</u>	<u>5,400</u>
Behavioral disabilities:					
Salaries of teachers	55,413		55,413	52,257	3,156
Other salaries for instruction	25,406		25,406	24,919	487
Total behavioral disabilities	<u>80,819</u>		<u>80,819</u>	<u>77,176</u>	<u>3,643</u>
Multiple disabilities:					
Salaries of teachers	251,239		251,239	239,973	11,266
Other salaries for instruction	156,231		156,231	156,227	4
Total multiple disabilities	<u>407,470</u>		<u>407,470</u>	<u>396,200</u>	<u>11,270</u>
Resource room/resource center:					
Salaries of teachers	941,780		941,780	941,773	7
Other salaries for instruction	242,115		242,115	231,730	10,385
Total resource room/resource center:	<u>1,183,895</u>		<u>1,183,895</u>	<u>1,173,503</u>	<u>10,392</u>
Autism:					
Salaries of Teachers	55,913		55,913	52,285	3,628
Other salaries for instruction	58,021		58,021	53,677	4,345
Total Autism	<u>113,934</u>		<u>113,934</u>	<u>105,962</u>	<u>7,972</u>
Preschool disabilities - full-time:					
Salaries of teachers	73,840		73,840	72,392	1,448
Other salaries for instruction	90,857		90,857	78,300	12,557
Total preschool disabilities - full-time	<u>164,697</u>		<u>164,697</u>	<u>150,692</u>	<u>14,005</u>
Total special education	<u>2,099,384</u>		<u>2,099,384</u>	<u>2,039,616</u>	<u>59,768</u>
Basic skills/remedial:					
Salaries of Teachers	62,972		62,972	12,200	50,772
Other Salaries for Instruction	25,646		25,646	23,959	1,687
General supplies	2,000		2,000	1,395	605
Total basic skills/remedial	<u>\$90,618</u>		<u>\$90,618</u>	<u>\$37,554</u>	<u>\$53,063</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education:					
Salaries of teachers	\$157,483		\$157,483	\$156,561	\$922
General supplies	1,000		1,000	640	360
Textbooks	500		500	500	
Total bilingual education	158,983		158,983	157,701	1,282
School sponsored cocurricular activities:					
Salaries	94,236		94,236	92,928	1,308
Other purchased services	11,700	(\$871)	10,829	9,555	1,274
Supplies and materials	6,700	4,700	11,400	10,948	452
Other objects	9,000	(4,400)	4,600	4,121	479
Total school sponsored cocurricular activities	121,636	(571)	121,065	117,552	3,512
School sponsored athletics:					
Salaries	309,452		309,452	266,669	42,783
Other purchased services	22,500	21,400	43,900	43,764	136
Supplies and Materials	19,250	27,600	46,850	46,849	1
Other objects	27,202	2,200	29,402	29,358	45
Total school sponsored athletics	378,404	51,200	429,604	386,641	42,964
Total other instructional programs	749,640	50,629	800,269	699,448	100,821
Total - instruction	8,367,777	(6,061)	8,361,716	7,886,443	475,273
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-regular		3,200	3,200	3,160	40
Tuition to other LEAs within the state-special	397,249	80,300	477,549	441,736	35,813
Tuition to county vocational school district-regular	18,000		18,000	18,000	
Tuition to county vocational school district-special	6,000	2,700	8,700	8,700	
Tuition for private schools for handicapped within the state	456,442	46,000	502,442	494,806	7,636
Tuition - other		7,250	7,250	7,250	
Total instruction - tuition	877,692	139,450	1,017,142	973,652	43,490
Health services:					
Salaries	228,866	(54,700)	174,166	168,787	5,379
Purchased professional & technical services	21,500	30,900	52,400	52,400	
Supplies and materials	3,000	(2,500)	500	500	
Other expenses	2,500	16,500	19,000	19,000	
Total - health services	255,866	(9,800)	246,066	240,687	5,379
Speech, ot,pt and related services:					
Salaries	239,405		239,405	228,151	11,254
Purchased profession & educational services	3,000	(2,200)	800	800	
Supplies and materials	200		200	48	152
Total speech, ot,pt and related services	\$242,605	(\$2,200)	\$240,405	\$228,999	\$11,406

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Guidance:					
Salaries of other professional staff	\$293,410		\$293,410	\$290,403	\$3,007
Salaries of secretarial and clerical assistants	50,667		50,667	47,780	2,887
Purchased professional educational services	5,000	(\$2,000)	3,000	3,000	
Other purchased professional and technical services	10,000	(7,000)	3,000	3,000	
Other purchased services	3,000	(2,000)	1,000	1,000	
Supplies and materials	2,400		2,400	2,131	269
Other Objects	2,000	3,000	5,000	4,797	203
Total guidance	366,477	(8,000)	358,477	352,110	6,367
Child study team:					
Salaries of other professional staff	594,033		594,033	579,680	14,353
Salaries of secretarial and clerical assistants	53,040		53,040	53,040	
Other purchased professional and technical services	1,500		1,500	1,500	
Other purchased services	5,282		5,282	5,200	82
Total child study team	653,855		653,855	639,420	14,435
Improvement of instructional services:					
Salaries of supervisors of instruction	224,556		224,556	224,554	2
Salaries of secretarial and clerical assistants	53,040		53,040	53,040	
Other purchased professional and technical services	10,000	(7,250)	2,750	2,750	
Other Objects	10,000		10,000	9,962	38
Total improvement of instructional services	297,596	(7,250)	290,346	290,306	40
Educational media/school library:					
Salaries	256,481		256,481	248,173	8,308
Purchased professional and technical services	60,000		60,000	60,000	
Supplies and materials	30,318	(9,716)	20,602	20,056	546
Miscellaneous expenditures	84,550	(26,784)	57,766	57,766	0
Total educational media/school library	431,349	(36,500)	394,849	385,995	8,854
Instructional staff training services:					
Purchased Professional - Educational Services	52,000	(1,500)	50,500	50,430	70
Other purchased services	2,100		2,100	2,098	2
Other objects	8,000	1,500	9,500	9,000	500
Total Instructional staff training services	\$62,100		\$62,100	\$61,527	\$573

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Support services general administration:					
Salaries	\$222,170		\$222,170	\$214,145	\$8,025
Legal services	25,000	\$14,400	39,400	38,210	1,190
Audit fees	30,000		30,000	29,900	100
Architectural / engineering services	5,000	(1,000)	4,000	3,950	50
Other purchased professional services	26,500	27,000	53,500	53,091	409
Purchased technical services	43,000	(4,000)	39,000	38,229	772
Communications/telephone	45,000	19,700	64,700	64,500	200
BOE Other Purchased Services	5,000	(1,000)	4,000	3,663	337
Other purchased services	19,000		19,000	18,595	405
General supplies	12,000	(6,300)	5,700	5,180	520
Judgements Against District	17,000	113,000	130,000	130,000	
Miscellaneous expenditures	15,000	4,000	19,000	18,006	994
Total support services general administration	464,670	165,800	630,470	617,468	13,002
Support services school administration:					
Salaries of principals/assistant principals	530,571	159	530,730	530,571	159
Salaries of other professional staff	159	(159)			
Salaries of secretarial and clerical assistants	253,111		253,111	241,301	11,810
Other purchased services	900		900	74	826
Supplies and materials	46,858	(4,000)	42,858	42,144	714
Other objects	10,000	1,850	11,850	10,667	1,183
Total support services school administration	841,599	(2,150)	839,449	824,757	14,692
Central services:					
Salaries	314,957		314,957	304,090	10,867
Purchased professional services	40,000	(9,000)	31,000	30,220	780
Purchased technical services	11,000		11,000	11,000	
Other purchased services	10,000		10,000	10,000	
Supplies and materials	10,000		10,000	9,974	26
Miscellaneous expenditures	6,000	200	6,200	6,106	94
Total central services	391,957	(8,800)	383,157	371,390	11,767
Administration information technology:					
Salaries	40,107		40,107	40,107	0
Purchased professional services	36,000	(16,000)	20,000	16,330	3,670
Purchased technical services	46,000	(2,000)	44,000	43,730	270
Supplies and materials	31,400		31,400	29,497	1,903
Total administration information technology	\$153,507	(\$18,000)	\$135,507	\$129,664	\$5,843

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Required maintenance for school facilities:					
Salaries	\$318,644	\$13,700	\$332,344	\$318,678	\$13,666
Cleaning, repair, and maintenance services	475,539	(28,300)	447,239	441,575	5,664
General supplies	47,000	(1,000)	46,000	44,964	1,036
Total required maintenance for school facilities	841,183	(15,600)	825,583	805,216	20,367
Other operations & maintenance of plant:					
Salaries	896,760	8,900	905,660	821,482	84,178
Other purchased property services	35,000	5,000	40,000	40,000	
Insurance	183,500	8,674	192,174	192,174	
General supplies	47,500	(7,000)	40,500	40,078	422
Energy (electricity)	300,000	(34,174)	265,826	265,752	74
Other objects	500		500	438	62
Total other operations & maintenance of plant	1,463,260	(18,600)	1,444,660	1,359,923	84,737
Security:					
Salaries	6,500	1,700	8,200	8,184	16
Purchased professional and technical services	35,000		35,000	34,123	877
Total security	41,500	1,700	43,200	42,307	893
Total operations & maintenance of plant services	2,345,943	(32,500)	2,313,443	2,207,446	105,997
Student transportation services:					
Contracted services (other than between home and school) - vendors	80,250	(24,000)	56,250	55,564	686
Contracted services (special education students) - ESCs & CTSA's	425,000	30,900	455,900	455,840	60
Total student transportation services	505,250	6,900	512,150	511,404	746
Unallocated benefits:					
Social security contributions	250,000		250,000	249,877	123
Other retirement contributions - PERS	250,000	5,000	255,000	254,572	428
Unemployment Compensation	95,420	(79,200)	16,220	15,420	800
Workmen's compensation	165,000		165,000	165,000	
Health benefits	2,719,257	(139,340)	2,579,917	2,575,200	4,717
Tuition Reimbursement	40,000	(4,200)	35,800	34,889	911
Other employee benefits	74,741	25,280	100,021	85,275	14,746
Total unallocated benefits	\$3,594,418	(\$192,460)	\$3,401,958	3,380,233	21,725
On-behalf TPAF Pension - post retirement medical (non budgeted)				727,842	(727,842)
On-behalf TPAF pension contribution (non-budgeted)				458,483	(458,483)
Reimbursed TPAF Social Security contributions (non-budgeted)				596,978	(596,978)
Total on-behalf contributions				\$1,783,303	(\$1,783,303)

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Total undistributed expenditures	\$11,484,884	(\$5,510)	\$11,479,374	\$12,998,362	(\$1,518,989)
TOTAL EXPENDITURES - CURRENT EXPENSE	19,852,661	(11,571)	19,841,090	20,884,805	(1,043,715)
CAPITAL OUTLAY:					
Interest deposit to capital reserve	3,000		3,000		3,000
Facilities Acquisition and Construction Services: Assessment for debt service on SDA funding		11,571	11,571	11,571	
TOTAL CAPITAL OUTLAY:	3,000	11,571	14,571	11,571	3,000
SPECIAL SCHOOLS:					
Salaries of Teachers	2,500		2,500		2,500
GENERAL FUND GRAND TOTAL	19,858,161		19,858,161	20,896,376	(1,038,215)
Excess (deficiency) of revenues over (under) expenditures	(607,331)		(607,331)	329,880	937,211
Other financing sources(uses): Transfer in - capital reserve Capital reserve transfer to capital projects fund	(500,000)		(500,000)	1,271 (500,000)	1,271
Total other financing sources	(500,000)		(500,000)	(498,729)	1,271
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,107,331)		(1,107,331)	(168,849)	938,482
Fund balances, July 1	2,200,316		2,200,316	2,200,316	
Fund balances, June 30	\$1,092,985	-	\$1,092,985	\$2,031,467	\$938,482
Recapitulation:					
Assigned - year end encumbrances				\$696,285	
Restricted for:					
Capital reserve				711,008	
ARRA-semi				21,037	
Committed - designated for subsequent year's expenditures				262,616	
Unassigned fund balance				340,521	
				2,031,467	
Reconciliation to Government Fund Statements					
Last State Aid payment not recognized on GAAP basis				(524,625)	
Fund Balance per Governmental Funds (GAAP)				\$1,506,842	

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State sources	\$93,600	(\$12,512)	\$81,088	\$64,974	(\$16,114)
Federal sources	605,000	195,223	800,223	715,073	(85,150)
Other sources		17,174	17,174	11,783	(5,391)
Total revenues	<u>698,600</u>	<u>199,885</u>	<u>898,485</u>	<u>791,830</u>	<u>(106,655)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	206,446	16,462	222,908	208,302	14,607
Purchased professional services	10,000	(10,000)			
Tuition	100,000	20,000	120,000	120,000	
General supplies	37,581	51,568	89,149	68,573	20,577
Textbooks	8,600	(735)	7,865	7,439	426
Other objects	3,500	4,500	8,000	1,556	6,444
Total instruction	<u>366,127</u>	<u>81,795</u>	<u>447,922</u>	<u>405,869</u>	<u>42,054</u>
Support services:					
Other salaries		5,738	5,738	532	5,206
Personal services - employee benefits	38,554	11,877	50,431	48,807	1,624
Purchased professional services	163,760	118,104	281,864	259,495	22,369
Other purchased services	85,000	10,869	95,869	61,330	34,539
Travel	14,000	(13,000)	1,000	557	443
Supplies and materials	31,159	(15,498)	15,661	15,240	421
Total support services	<u>332,473</u>	<u>118,090</u>	<u>450,563</u>	<u>385,961</u>	<u>64,602</u>
Total expenditures	<u>\$698,600</u>	<u>\$199,885</u>	<u>\$898,485</u>	<u>\$791,830</u>	<u>\$106,655</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$21,226,256	\$791,830
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		(20,407)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	519,048	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(524,625)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>21,220,679</u>	<u>771,424</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	20,896,376	791,830
Difference - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		<u>(20,407)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$20,896,376</u>	<u>\$771,424</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Proportionate</u> <u>Share of</u> <u>the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Covered-Employee</u> <u>Payroll</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u> <u>as a percentage</u> <u>of it's Covered-</u> <u>Employee Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position</u> <u>as a percentage</u> <u>of the total</u> <u>Pension Liability</u>
2014	0.0285357437%	\$ 5,453,748	\$ 1,899,636	287%	41%
2015	0.0281146355%	5,263,829	1,893,091	278%	43%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2014	\$ 215,011	\$ 215,011	\$ -0-	\$ 1,899,636	11%
2015	231,773	231,773	-0-	1,893,091	12%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.0798124559%	\$ -0-	\$ 8,335,361	-0-	34%
2015	0.0809190624%	-0-	8,083,866	-0-	34%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>TITLE I</u>	<u>TITLE II PART A</u>	<u>TITLE III</u>	<u>TITLE III IMMIGRANT</u>	<u>IDEA PART B BASIC</u>	<u>IDEA PART B PRESCHOOL</u>
REVENUES:						
State sources						
Federal sources	\$291,800	\$39,377	\$6,307	\$6,803	\$358,595	\$12,191
Other sources						
Total revenues	<u>291,800</u>	<u>39,377</u>	<u>6,307</u>	<u>6,803</u>	<u>358,595</u>	<u>12,191</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	206,139		2,163			
Purchased professional services						
Other purchased services						
Tuition					120,000	
General supplies	33,654		1,374	6,803	10,000	1,191
Textbooks						
Other objects	56				1,500	
Total instruction	<u>239,849</u>		<u>3,536</u>	<u>6,803</u>	<u>131,500</u>	<u>1,191</u>
Support services:						
Other salaries		532				
Personal services - employee benefits	47,477	115	1,215			
Purchased professional services	1,033	37,366			210,095	11,000
Other purchased services	2,957	806	800		3,000	
Travel		557				
Supplies and materials	484		756		14,000	
Total support services	<u>51,951</u>	<u>39,377</u>	<u>2,771</u>		<u>227,095</u>	<u>11,000</u>
Total expenditures	<u>\$291,800</u>	<u>\$39,377</u>	<u>\$6,307</u>	<u>\$6,803</u>	<u>\$358,595</u>	<u>\$12,191</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>LOCAL</u> <u>PROGRAMS</u>	<u>NON-PUBLIC</u> <u>NURSING</u> <u>SERVICES</u>	<u>NON-PUBLIC</u> <u>TECHNOLOGY</u>	<u>NON-PUBLIC</u> <u>TEXTBOOKS</u>	<u>NON-PUBLIC</u> <u>COMP ED</u> <u>CH 192</u>	<u>NON-PUBLIC</u> <u>ESL</u> <u>CH 192</u>
REVENUES:						
State sources		\$9,692	\$3,768	\$7,439	\$23,531	\$4,659
Federal sources						
Other sources	<u>\$11,783</u>					
Total revenues	<u>11,783</u>	<u>9,692</u>	<u>3,768</u>	<u>7,439</u>	<u>23,531</u>	<u>4,659</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Purchased professional services						
Other purchased services						
Tuition						
General supplies	11,783		3,768			
Textbooks				7,439		
Other objects						
Total instruction	<u>11,783</u>		<u>3,768</u>	<u>7,439</u>		
Support services:						
Other salaries						
Personal services - employee benefits						
Purchased professional services						
Other purchased services		9,692			23,531	4,659
Travel						
Supplies and materials						
Total support services		<u>9,692</u>			<u>23,531</u>	<u>4,659</u>
Total expenditures	<u>\$11,783</u>	<u>\$9,692</u>	<u>\$3,768</u>	<u>\$7,439</u>	<u>\$23,531</u>	<u>\$4,659</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

					COMPARATIVE TOTALS	
					(MEMORANDUM ONLY)	
	NON-PUBLIC TRANSPORTATION CH 192	NON-PUBLIC SUPPL INST CH 193	NON-PUBLIC EXAM & CLASS CH 193	NON-PUBLIC SPEECH CH 193	TOTAL 2015	TOTAL 2014
REVENUES:						
State sources	\$3,205	\$2,354	\$4,141	\$6,185	\$64,974	\$64,226
Federal sources					715,073	804,241
Other sources					11,783	14,858
Total revenues	<u>3,205</u>	<u>2,354</u>	<u>4,141</u>	<u>6,185</u>	<u>791,830</u>	<u>883,325</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers					208,302	272,858
Purchased professional services						1,049
Other purchased services						6,820
Tuition					120,000	100,000
General supplies					68,573	84,408
Textbooks					7,439	7,802
Other objects					1,556	4,500
Total instruction					<u>405,869</u>	<u>477,437</u>
Support services:						
Other salaries					532	750
Personal services - employee benefits					48,807	46,602
Purchased professional services					259,495	228,882
Other purchased services	3,205	2,354	4,141	6,185	61,330	61,427
Travel					557	13,904
Supplies and materials					15,240	54,323
Total support services	<u>3,205</u>	<u>2,354</u>	<u>4,141</u>	<u>6,185</u>	<u>385,961</u>	<u>405,888</u>
Total expenditures	<u>\$3,205</u>	<u>\$2,354</u>	<u>\$4,141</u>	<u>\$6,185</u>	<u>\$791,830</u>	<u>\$883,325</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>ISSUE / PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATION</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED BALANCE JUNE 30, 2015</u>
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Roof Replacement in West Wing of High School	03/28/14	\$1,071,686		\$587,232	\$484,454
Asbestos Abatement-Weston & Roosevelt Schools	On Going	183,728	\$119,483	20,731	43,514
High School Parking Lot Paving and Sidewalk Repair	On Going	300,000			300,000
		<u>\$1,555,414</u>	<u>\$119,483</u>	<u>\$607,963</u>	<u>\$827,968</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

REVENUES AND OTHER FINANCING SOURCES:	
Transfer from capital reserve	\$500,000
State sources - SDA grant	571,686
Interest earned	2
	<hr/>
Total revenues and other financing sources	1,071,688
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional services	70,363
Construction services	537,600
Transfer out - debt service fund	2
	<hr/>
Total expenditures and other financing uses	607,965
Excess of revenues over expenditures	463,723
Fund balance - July 1	364,245
	<hr/>
Fund balance - June 30	\$827,968
	<hr/> <hr/>
<u>Reconciliation to GAAP Basis:</u>	
Fund Balance June 30 - Budgetary Basis (Exhibit F-2)	827,968
Add: Encumbrances - current year	8,800
Less: Unrealized revenue SDA grant	(306,669)
	<hr/>
Fund Balance June 30 - GAAP Basis (Exhibit B-2)	\$530,098
	<hr/> <hr/>

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - ROOF REPLACEMENT IN WEST WING OF HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant		\$571,686	\$571,686	\$571,686
Transfer from capital reserve		500,000	500,000	692,767
Total revenues and other financing sources		1,071,686	1,071,686	1,264,453
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services		49,632	49,632	252,900
Construction services		537,600	537,600	1,011,553
Total expenditures and other financing uses		587,232	587,232	1,264,453
Excess (deficiency) of revenues over (under) expenditures				
	-	\$484,454	\$484,454	
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-050-14-1003			
Grant date	3/28/14			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$1,264,453			
Additional authorized cost				
Revised authorized cost	\$1,264,453			
Percentage increase over original authorized cost	N/A			
Percentage completion	75%			
Original target completion date	6/30/16			
Completion date	N/A			

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - ASBESTOS ABATEMENT AT WESTON AND ROOSEVELT SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$192,998		\$192,998	\$192,998
Transfer to other capital project	(9,270)		(9,270)	(9,270)
Total revenues and other financing sources	183,728		183,728	183,728
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	20,835	\$20,731	41,566	85,000
Construction services	98,648		98,648	98,728
Total expenditures and other financing uses	119,483	20,731	140,215	183,728
Excess (deficiency) of revenues over (under) expenditures	<u>\$64,245</u>	<u>(\$20,731)</u>	<u>\$43,514</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-090-10-1001			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$119,400			
Additional authorized cost	64,328			
Revised authorized cost	\$183,728			
Percentage increase over original authorized cost	54%			
Percentage completion	76%			
Original target completion date	7/1/14			
Revised target completion date	7/1/16			

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - HIGH SCHOOL PARKING LOT PAVING AND SIDEWALK REPAIR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$300,000		\$300,000	\$300,000
Total revenues and other financing sources	300,000		300,000	300,000
EXPENDITURES AND OTHER FINANCING USES:				
Construction services				300,000
Total expenditures and other financing uses				300,000
Excess (deficiency) of revenues over (under) expenditures	\$300,000	-	\$300,000	
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$300,000			
Additional authorized cost				
Revised authorized cost	\$300,000			
Percentage increase over original authorized cost		N/A		
Percentage completion				
Original target completion date		6/30/13		
Revised target completion date		6/30/16		

FIDUCIARY FUND DETAIL STATEMENTS

Fiduciary funds are used to account for assets when a school district is functioning either as a trustee or as an agent for another party.

Unemployment Compensation Insurance Trust Fund:	This trust fund is used to account for board contributions which are utilized to pay unemployment compensation claims as they arise.
Scholarship Trust Fund:	This trust fund is used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and interest.
Student Activity Fund:	This agency fund is used to account for student funds held at the schools.
Payroll Agency Fund:	This agency fund is used to account for the payroll transactions of the school district.

BOROUGH OF MANVILLE SCHOOL DISTRICT
 FIDUCIARY FUND
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

	TRUST FUNDS			AGENCY FUND		TOTAL AGENCY FUND
	STATE UNEMPLOYMENT INSURANCE	PRIVATE PURPOSE SCHOLARSHIP	TOTAL TRUST FUND	STUDENT ACTIVITIES	PAYROLL	
ASSETS:						
Cash and cash equivalents	\$19,295	\$54,572	\$73,867	\$81,028	\$446,790	\$527,818
Total assets	19,295	54,572	73,867	81,028	446,790	527,818
LIABILITIES:						
Payroll deductions and withholdings					446,790	446,790
Due to student groups				81,028		81,028
Total liabilities				\$81,028	\$446,790	\$527,818
NET POSITION:						
Held in trust for state unemployment	19,295		19,295			
Held in trust for scholarships		54,572	54,572			
Total net position	\$19,295	\$54,572	\$73,867			

BOROUGH OF MANVILLE SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>STATE UNEMPLOYMENT INSURANCE TRUST FUND</u>	<u>PRIVATE PURPOSE SCHOLARSHIP TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:			
Donations		\$13,339	\$13,339
Payroll deductions	\$36,667		36,667
Interest earned	22	75	97
Total additions	<u>36,688</u>	<u>13,414</u>	<u>50,102</u>
DEDUCTIONS:			
Unemployment Claims	53,380		53,380
Scholarships awarded		15,219	15,219
Total deductions	<u>53,380</u>	<u>15,219</u>	<u>68,599</u>
Change in net position	(16,692)	(1,804)	(18,496)
Net position - July 1	<u>35,987</u>	<u>56,376</u>	<u>92,363</u>
Net position - June 30	<u><u>\$19,295</u></u>	<u><u>\$54,572</u></u>	<u><u>\$73,867</u></u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
FIDUCIARY FUND
STUDENT ACTIVITY AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$79,629	\$226,807	\$225,409	\$81,028
Total assets	<u>79,629</u>	<u>226,807</u>	<u>225,409</u>	<u>81,028</u>
LIABILITIES:				
Due Student Groups				
Student activities	79,573	183,594	182,694	80,473
Athletic activities	56	43,213	42,714	556
Total assets	<u>\$79,629</u>	<u>\$226,807</u>	<u>\$225,409</u>	<u>\$81,028</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
FIDUCIARY FUND
PAYROLL AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and cash equivalents	<u>\$414,697</u>	<u>\$6,193,099</u>	<u>\$6,161,006</u>	<u>\$446,790</u>
Total assets	<u>414,697</u>	<u>6,193,099</u>	<u>6,161,006</u>	<u>446,790</u>
LIABILITIES:				
Payroll deductions and withholdings	<u>411,898</u>	<u>6,193,099</u>	<u>6,158,207</u>	<u>446,790</u>
Intrafund payable	<u>2,799</u>	<u></u>	<u>2,799</u>	<u></u>
Total liabilities	<u>\$414,697</u>	<u>\$6,193,099</u>	<u>\$6,161,006</u>	<u>\$446,790</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds.

BOROUGH OF MANVILLE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2014</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2015</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Capital improvements	07/01/02	\$1,371,000	07/15/15	\$110,000	4.10%	<u>\$561,000</u>	<u>\$105,000</u>	<u>\$456,000</u>
			07/15/16	110,000	4.20%			
			07/15/17	115,000	4.30%			
			07/15/18	121,000	4.40%			
					<u>\$561,000</u>	<u>\$105,000</u>	<u>\$456,000</u>	

BOROUGH OF MANVILLE SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:			
Local sources:			
Local tax levy	<u>\$126,500</u>	<u>\$126,500</u>	
Total regular debt service-revenues	<u>126,500</u>	<u>126,500</u>	
EXPENDITURES:			
Regular debt service:			
Interest	21,500	21,499	\$1
Redemption of principal	<u>105,000</u>	<u>105,000</u>	
Total regular debt service-expenditures	<u>126,500</u>	<u>126,499</u>	<u>1</u>
Excess of revenues over expenditures	-	1	1
Other financing sources:			
Transfers in		<u>2</u>	<u>2</u>
Excess of revenues & other financing sources over expenditures	-	3	3
Fund balance, July 1		<u>1,712</u>	<u>1,712</u>
Fund balance, June 30	<u>-</u>	<u>\$1,715</u>	<u>\$1,715</u>

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STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATISTICAL SECTION

Contents

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand provides and the activities it performs.

J-16 to J-20

Sources

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

BOROUGH OF MANVILLE SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	\$8,308,588	\$7,909,824	\$7,151,634	\$7,172,178	\$7,005,797	\$6,564,704	\$6,806,053	\$6,893,105	\$6,921,231	\$6,809,594
Restricted	1,526,474	1,824,512	2,517,933	2,372,114	1,899,909	2,038,160	1,600,674	685,126	806,549	748,201
Unrestricted	(5,314,118)	(114,810)	(119,593)	21,463	422,182	(351,080)	(120,555)	15,266	(4,202)	(109,303)
Total governmental activities net position	<u>4,520,945</u>	<u>9,619,525</u>	<u>9,549,974</u>	<u>9,565,755</u>	<u>9,327,888</u>	<u>8,251,784</u>	<u>8,286,172</u>	<u>7,593,496</u>	<u>7,723,578</u>	<u>7,448,492</u>
Business-type activities										
Net investment in capital assets	5,909	8,735	20,436	27,619	35,661	32,519	28,045	33,151	38,636	26,891
Unrestricted	11,359	23,889	(4,410)	(4,431)	19,051	9,160	36,413	22,397	18,552	33,057
Total business-type activities net position	<u>17,268</u>	<u>32,624</u>	<u>16,026</u>	<u>23,188</u>	<u>54,712</u>	<u>41,679</u>	<u>64,458</u>	<u>55,548</u>	<u>57,188</u>	<u>59,949</u>
Government-wide										
Net investment in capital assets	8,314,497	7,918,558	7,172,070	7,199,797	7,041,459	6,597,223	6,834,098	6,926,256	6,959,866	6,836,486
Restricted	1,526,474	1,824,512	2,517,933	2,372,114	1,899,909	2,038,160	1,600,674	685,126	806,549	748,201
Unrestricted	(5,302,759)	(90,921)	(124,004)	17,032	441,232	(341,920)	(84,142)	37,663	14,351	(76,246)
Total net position	<u>\$4,538,212</u>	<u>\$9,652,149</u>	<u>\$9,566,000</u>	<u>\$9,588,943</u>	<u>\$9,382,600</u>	<u>\$8,293,463</u>	<u>\$8,350,630</u>	<u>\$7,649,044</u>	<u>\$7,780,766</u>	<u>\$7,508,441</u>

Source: CAFR Schedule A-1

Note: GASB 63 was implemented during the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

BOROUGH OF MANVILLE SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES										
Governmental activities										
Instruction:										
Regular	\$8,788,581	\$7,623,701	\$7,756,296	\$7,402,206	\$6,852,014	\$8,091,524	\$7,770,013	\$8,273,771	\$7,726,990	\$7,097,120
Special education	4,138,797	3,664,974	3,477,880	3,286,457	3,214,147	3,123,250	2,373,097	2,200,249	2,448,829	2,322,866
Other instruction	1,052,997	930,224	856,080	937,155	884,974	818,093	704,350	776,140	723,389	694,454
Support Services:										
Student & instruction related services	3,896,269	3,455,683	3,394,734	3,372,142	2,958,248	2,285,838	2,265,866	2,402,939	1,986,950	2,009,412
General administrative services	684,660	604,444	530,388	555,081	531,337	423,851	486,693	496,199	445,891	450,105
School administrative services	1,341,327	1,147,879	1,057,925	1,086,838	943,712	1,160,428	1,169,806	1,173,996	1,057,040	1,010,753
Central services	465,312	495,156	478,103	479,241	428,084	419,524	434,964	500,156	447,226	447,535
Administration information technology	142,388	111,550	96,275	43,468	42,454	43,985	131,803			83,830
Plant operations and maintenance	2,620,204	2,784,755	3,055,790	2,537,133	2,404,712	2,812,472	2,428,494	2,484,937	2,356,246	2,154,757
Student transportation services	511,404	418,257	432,358	481,026	316,950	304,770	452,485	362,805	533,468	491,098
Special Schools					2,000	2,400	2,000			
Interest on long-term debt	19,574	23,766	31,332	39,506	47,538	55,249	53,588	68,477	87,665	84,018
Unallocated depreciation	236,911	207,595	166,383	199,727	126,219	288,640	297,752	289,164	308,887	339,985
Total governmental activities expenses	23,898,424	21,467,984	21,333,543	20,419,980	18,752,388	19,830,023	18,570,910	19,028,833	18,122,580	17,185,933
Business-type activities:										
Food Service	572,918	514,889	458,046	468,091	442,884	480,058	448,938	459,163	457,227	441,839
Total business-type activities expense	572,918	514,889	458,046	468,091	442,884	480,058	448,938	459,163	457,227	441,839
Total district expenses	24,471,341	21,982,872	21,791,589	20,888,071	19,195,272	20,310,081	19,019,848	19,487,996	18,579,807	17,627,772
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	4,435,829	2,447,716	2,514,368	2,298,326	2,049,317	2,261,002	1,938,523	2,958,421	3,007,723	2,437,391
Total governmental activities program revenues	4,435,829	2,447,716	2,514,368	2,298,326	2,049,317	2,261,002	1,938,523	2,958,421	3,007,723	2,437,391
Business-type activities:										
Charges for services										
Food Service	220,574	216,418	203,605	196,934	226,096	243,819	258,444	272,141	286,163	276,233
Operating grants and contributions	336,927	315,012	247,233	236,840	228,766	213,349	199,099	179,243	166,214	151,753
Total business type activities program revenues	557,501	531,430	450,838	433,774	454,862	457,168	457,543	451,384	452,377	427,986
Total district program revenues	4,993,330	2,979,146	2,965,206	2,732,100	2,504,179	2,718,171	2,396,066	3,409,805	3,460,100	2,865,377
NET (EXPENSE)/REVENUE										
Governmental activities	(19,462,595)	(19,020,268)	(18,819,175)	(18,121,654)	(16,703,071)	(17,569,020)	(16,632,387)	(16,070,412)	(15,114,857)	(14,748,542)
Business-type activities	(15,417)	16,542	(7,208)	(34,317)	11,977	(22,890)	8,605	(7,779)	(4,850)	(13,853)
Total district-wide net expense	(\$19,478,012)	(\$19,003,726)	(\$18,826,382)	(\$18,155,971)	(\$16,691,093)	(\$17,591,910)	(\$16,623,782)	(\$16,078,190)	(\$15,119,707)	(\$14,762,395)

BOROUGH OF MANVILLE SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$13,859,295	\$13,587,543	\$13,321,121	\$13,059,923	\$12,803,846	\$12,484,467	\$12,148,455	\$11,816,947	\$11,330,109	\$10,666,895
Taxes levied for debt service	126,500	54,352	193,235	197,282	199,456	195,011	201,092	202,518	203,422	209,869
Unrestricted grants and contributions	5,343,451	5,255,651	5,156,042	5,054,896	4,620,647	4,814,409	4,721,309	3,829,334	3,645,178	3,652,508
Restricted grants	265,017									
Miscellaneous income	223,499	192,273	132,996	47,420	155,225	40,745	254,206	96,531	211,235	171,000
Transfer								(5,000)		(5,000)
Total governmental activities	19,817,762	19,089,819	18,803,393	18,359,521	17,779,175	17,534,633	17,325,063	15,940,330	15,389,944	14,695,272
Business-type activities:										
Miscellaneous income	61	57	45	2,793	1,055	111	305	1,139	2,089	1,577
Transfer								5,000		5,000
Total business-type activities	61	57	45	2,793	1,055	111	305	6,139	2,089	6,577
Total government-wide	19,817,823	19,089,876	18,803,439	18,362,315	17,780,230	17,534,744	17,325,367	15,946,469	15,392,033	14,701,849
CHANGE IN NET POSITION										
Governmental activities	355,167	69,551	(15,781)	237,867	1,076,104	(34,388)	692,675	(130,082)	275,086	(53,270)
Business-type activities	(15,356)	16,598	(7,162)	(31,524)	13,033	(22,778)	8,910	(1,640)	(2,761)	(7,276)
Total change in net position	\$339,811	\$86,150	(\$22,943)	\$206,343	\$1,089,136	(\$57,166)	\$701,585	(\$131,722)	\$272,325	(\$60,546)

Source: CAFR Schedule A-2

Note: GASB 63 was implemented during the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

BOROUGH OF MANVILLE SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund										
Restricted	\$732,045	\$1,208,555	\$1,843,497	\$1,604,459	\$1,072,723					
Assigned	512,180	222,712	176,549	314,024	701,209					
Committed	262,616	250,000	250,000	250,000	250,000					
Unassigned				(64,910)	(64,880)					
Reserved						\$1,996,469	\$1,731,976	\$609,504	\$869,140	\$427,289
Unreserved						(87,770)	(37,366)	242,140	108,678	145,295
Total general fund	<u>1,506,842</u>	<u>1,681,268</u>	<u>2,270,046</u>	<u>2,103,573</u>	<u>1,959,052</u>	<u>1,908,698</u>	<u>1,694,610</u>	<u>851,644</u>	<u>977,818</u>	<u>572,584</u>
All Other Governmental Funds										
Restricted	829,683	365,957	424,437	522,886	479,275					
Committed				9,875	115,400					
Reserved								20,237	6,706	174,643
Unreserved, reported in:										
Special revenue fund								(12,270)	(2,620)	(2,620)
Capital projects fund						71,248	85,145	112,595	113,647	188,795
Debt service fund						1,689	1,657	1,487	1,018	757
Total all other governmental funds	<u>\$829,683</u>	<u>\$365,957</u>	<u>\$424,437</u>	<u>\$532,761</u>	<u>-</u>	<u>\$72,937</u>	<u>\$86,803</u>	<u>\$122,049</u>	<u>\$118,751</u>	<u>\$361,575</u>

Source: CAFR Schedule B-1

**BOROUGH OF MANVILLE SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax levy	\$13,985,795	\$13,641,895	\$13,514,356	\$13,257,205	\$13,003,302	\$12,679,478	\$12,349,547	\$12,019,465	\$11,533,531	\$10,876,764
Interest earnings - capital reserve fund	1,182	1,535	1,443	1,190	1,860	2,785	3,789	6,433	15,095	21,644
Miscellaneous	231,290	205,596	141,679	56,057	187,885	51,759	250,417	109,360	213,602	175,468
State sources	7,423,993	6,827,796	6,920,188	6,333,994	5,838,269	5,349,133	6,176,248	6,232,381	5,961,364	5,555,969
Federal sources	742,633	860,713	740,095	1,009,402	797,176	1,712,479	483,584	536,112	674,074	507,818
Total revenue	22,384,893	21,537,535	21,317,762	20,657,847	19,828,492	19,795,634	19,263,586	18,903,751	18,397,666	17,137,662
Expenditures										
Instruction										
Regular Instruction	5,412,559	5,410,491	5,525,207	5,382,988	5,084,314	5,887,805	5,475,727	5,899,784	5,447,119	5,122,840
Special education instruction	2,171,815	2,167,453	2,165,635	1,974,216	1,933,486	2,062,789	1,529,158	1,141,169	1,541,398	1,519,712
Other instruction	699,448	684,005	649,618	702,617	637,724	687,307	581,960	641,707	566,095	534,284
Support Services:										
Tuition	973,652	899,540	643,424	751,929	769,486	635,075	652,829	858,808	711,927	717,119
Student & instruction related services	2,573,089	2,629,281	2,616,616	2,428,000	2,324,769	1,699,679	1,747,342	1,776,485	1,505,705	1,558,426
General administrative services	617,468	501,358	426,293	453,543	443,499	318,531	391,801	381,165	339,375	357,369
School administrative services	824,757	811,546	744,607	769,761	701,951	833,124	858,313	818,114	775,305	788,640
Central services	371,390	364,951	352,532	355,981	320,726	319,123	341,810	384,693	341,005	344,161
Administration information technology	129,664	111,053	95,641	43,468	42,454	43,985	131,803			71,663
Plant operations and maintenance	2,207,446	2,224,839	2,531,088	2,016,173	1,942,051	2,321,070	1,995,624	1,985,842	1,823,661	1,681,919
Student transportation services	511,404	418,257	432,358	481,026	316,950	304,770	452,485	362,805	453,394	419,820
Employee benefits	5,163,536	4,892,114	4,803,974	4,748,188	4,073,344	4,244,364	3,967,462	4,558,130	4,186,430	3,592,647
Capital outlay	610,735	944,307	65,831	255,461	448,857	17,900	107,740	190,887	319,778	366,574
Special Schools					2,000	2,400	2,000			
Debt service:										
Principal	105,000	100,000	173,000	170,000	165,000	160,000	155,000	150,000	145,000	145,000
Interest and other charges	21,499	25,599	33,789	41,889	49,789	57,489	64,814	72,039	79,064	85,989
Total expenditures	22,393,462	22,184,793	21,259,614	20,575,240	19,256,400	19,595,411	18,455,867	19,021,627	18,235,255	17,306,162
Excess (Deficiency) of revenues over (under) expenditures	(8,570)	(647,258)	58,148	82,607	572,092	200,223	807,719	(117,876)	162,411	(168,500)
Other Financing sources (uses)										
Capital leases (non-budgeted)										142,309
Transfers in	501,273	1,016,752	50,003	981,929	961,192	13,929	37,278	190,808	77,276	431,389
Transfers out	(501,273)	(1,016,752)	(50,003)	(981,929)	(961,192)	(13,929)	(37,278)	(195,808)	(77,276)	(436,389)
Total other financing sources (uses)	0	0	0	0	0	0	0	(5,000)	0	137,309
Net change in fund balances	(\$8,570)	(\$647,258)	\$58,148	\$82,607	\$572,092	\$200,223	\$807,719	(\$122,876)	\$162,411	(\$31,191)
Debt service as a percentage of noncapital expenditures	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Source: CAFR Schedule B-2

BOROUGH OF MANVILLE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Rental Income</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$38,893	\$1,574	\$37,800	\$35,044	\$107,734	\$221,044
2014	46,555	1,941	12,200	22,119	107,921	190,736
2013	43,205	3,083		26,494	58,768	131,550
2012	2,059	3,185		36,080	4,903	46,227
2011	12,646	5,218		28,779	106,710	153,353
2010	18,758	8,436			10,734	37,928
2009	25,710	21,977			192,343	240,030
2008	22,392	59,022			8,215	89,629
2007	17,454	93,014			85,108	195,576
2006	65,152	60,488			23,281	148,921

Source: District Records

BOROUGH OF MANVILLE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

<u>Fiscal Year Ended December 31,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (a)</u>	<u>Net Valuation Taxable</u>	<u>Est. Actual (County Equalized Value)</u>	<u>Total Direct School Tax Rate (b)</u>
2015	\$8,161,600	\$933,615,455	\$98,594,835	\$36,813,580	\$12,989,400	\$1,090,174,870	\$2,027,361	\$1,092,202,231	\$873,247,816	\$1.29
2014	9,143,200	948,410,950	100,425,835	37,013,580	13,084,400	1,108,077,965	1,980,349	1,110,058,314	914,732,274	1.24
2013	7,937,400	966,773,870	103,317,235	37,013,580	13,383,600	1,128,425,685	2,209,482	1,130,635,167	973,175,435	1.20
2012	8,815,500	980,474,130	103,321,615	36,803,240	13,383,600	1,142,798,085	2,316,472	1,145,114,557	1,100,393,769	1.17
2011	9,485,200	986,319,950	109,858,300	36,862,400	13,404,600	1,155,930,450	2,435,515	1,158,365,965	1,096,814,669	1.13
2010	10,373,300	985,944,100	109,995,300	36,862,400	13,404,600	1,156,579,700	3,225,694	1,159,805,394	1,153,321,046	1.11
2009	8,790,100	986,461,000	110,324,700	37,093,200	13,404,600	1,156,073,600	1,623,895	1,157,697,495	1,162,284,777	1.08
2008	9,078,000	983,736,600	110,809,700	37,093,200	13,404,600	1,154,122,100	962,076	1,155,084,176	1,150,006,934	1.05
2007	9,652,900	981,541,100	113,509,400	37,093,200	13,453,100	1,155,249,700	962,076	1,156,211,776	1,088,287,882	1.01
2006 *	10,169,800	982,555,400	115,511,700	37,093,200	13,453,100	1,158,783,200	943,226	1,159,726,426	944,934,933	0.97

* revaluation

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, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

BOROUGH OF MANVILLE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended December 31,	Borough of Manville Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Manville	Somerset County	
2015	\$1.28	\$0.01	\$1.29	\$0.81	\$0.32	\$2.42
2014	1.24	0.00	1.24	0.80	0.32	2.37
2013	1.18	0.02	1.20	0.76	0.33	2.29
2012	1.15	0.02	1.17	0.75	0.34	2.27
2011	1.11	0.02	1.13	0.73	0.31	2.17
2010	1.09	0.02	1.11	0.71	0.30	2.12
2009	1.06	0.02	1.08	0.69	0.30	2.07
2008	1.03	0.02	1.05	0.71	0.31	2.07
2007	0.99	0.02	1.01	0.59	0.29	1.90
2006	* 0.95	0.02	0.97	0.53	0.27	1.77

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

(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.

* revaluation

BOROUGH OF MANVILLE SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	2015			2006		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
National Retail Resources, LP	\$35,800,000	1	3.28%	\$43,555,200	1	3.76%
Adesa Auctions Corp.	25,000,000	2	2.29%	25,032,300	2	2.16%
Owners Association	2,810,000	3	0.26%	2,910,000	6	0.25%
Rosalie Main Street LLC	2,203,100	4	0.20%	2,603,100	8	0.24%
Bell Atlantic - Property Tax Dept	2,027,361	5	0.19%			
Rustic Mall, LLC	1,941,700	6	0.18%	6,420,400	3	0.55%
Manhil, LLC	1,693,000	7	0.16%	2,930,800	5	0.25%
Riverview Park, LLC	1,629,600	8	0.15%			
Amsdell Starage Vetures	1,600,500	9	0.15%			
Ketusky Funeral Home	1,590,500	10	0.15%	1,891,400	10	0.16%
Residential Taxpayer #1				3,887,300	4	0.34%
Residential Taxpayer #2				2,730,200	7	0.24%
Residential Taxpayer #3				1,930,800	9	0.17%
Total	<u>\$76,295,761</u>		<u>6.99%</u>	<u>\$93,891,500</u>		<u>8.11%</u>

Source: Municipal Tax Assessor

BOROUGH OF MANVILLE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$13,985,754	\$13,985,754	100%	-
2014	13,641,895	13,641,895	100%	-
2013	13,514,356	13,514,356	100%	-
2012	13,257,205	13,257,205	100%	-
2011	13,003,302	13,003,302	100%	-
2010	12,679,478	12,679,478	100%	-
2009	12,349,547	12,349,547	100%	-
2008	12,019,465	12,019,465	100%	-
2007	11,533,531	11,533,531	100%	-
2006	10,876,764	10,876,764	100%	-

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, in is the amount voted upon or certified prior to the end of the school year.

BOROUGH OF MANVILLE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
	<u>General Obligation Bonds (b)</u>	<u>Capital Leases</u>			
2015	\$456,000		\$456,000	17%	\$44
2014	561,000		561,000	14%	54
2013	661,000		661,000	12%	63
2012	834,000		834,000	9%	80
2011	1,004,000		1,004,000	7%	96
2010	1,169,000	\$19,268	1,188,268	6%	115
2009	1,329,000	50,567	1,379,567	5%	133
2008	1,484,000	91,665	1,575,665	5%	153
2007	1,634,000	137,160	1,771,160	4%	173
2006	1,779,000	193,056	1,972,056	3%	192

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

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

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal in

BOROUGH OF MANVILLE SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>		
2015	\$456,000		0.04%	\$44
2014	561,000		0.05%	54
2013	661,000		0.06%	63
2012	834,000		0.07%	80
2011	1,004,000		0.09%	96
2010	1,169,000		0.10%	113
2009	1,329,000		0.11%	128
2008	1,484,000		0.13%	144
2007	1,634,000		0.14%	159
2006	1,779,000		0.15%	174

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.

BOROUGH OF MANVILLE SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Manville Borough	\$8,345,199	100%	\$8,345,199
Other debt			
Somerset County	170,821,882	2%	3,309,065
Somerset-Raritan Valley Sewage Authority	21,147,964	7%	<u>1,461,324</u>
Subtotal, overlapping debt			13,115,588
Manville Borough School District Direct Debt			<u>456,000</u>
Total direct and overlapping debt			<u><u>\$13,571,588</u></u>

Source: Borough of Manville Chief Financial Officer, Somerset County Treasurer's Office and Somerset-Raritan Valley Sewage Authority

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 Manville. 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.

BOROUGH OF MANVILLE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2014:

Equalized Valuation Basis

Calendar Year

2014	\$871,267,467
2013	912,522,792
2012	970,858,963
	<u>2,754,649,222</u>

Average Equalized Valuation of Taxable Property 918,216,407

Debt Limit (4% (a) of average equalization value)	36,728,656
Total Net Debt Applicable to Limit	<u>(456,000)</u>
Legal Debt Margin	<u>\$36,272,656</u>

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	Calendar Year Ending December 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$36,728,656	\$39,751,200	\$42,165,416	\$44,576,592	\$45,421,451	\$46,160,863	\$45,315,657	\$42,409,284	\$38,221,451	\$33,444,788
Total Net Debt Applicable To Limit	<u>456,000</u>	<u>561,000</u>	<u>739,000</u>	<u>914,000</u>	<u>1,084,000</u>	<u>1,249,000</u>	<u>1,404,000</u>	<u>1,559,000</u>	<u>1,709,000</u>	<u>1,951,500</u>
Legal Debt Margin	<u>\$36,272,656</u>	<u>\$39,190,200</u>	<u>\$41,426,416</u>	<u>\$43,662,592</u>	<u>\$44,337,451</u>	<u>\$44,911,863</u>	<u>\$43,911,657</u>	<u>\$40,850,284</u>	<u>\$36,512,451</u>	<u>\$31,493,288</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	1.24%	1.41%	1.75%	2.05%	2.39%	2.71%	3.10%	3.68%	4.47%	5.83%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

BOROUGH OF MANVILLE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2014	10,388	*	*	7%
2013	10,448	\$811,652,880	\$77,685	11%
2012	10,454	804,100,772	76,918	8%
2011	10,426	758,011,904	72,704	8%
2010	10,363	724,435,878	69,906	8%
2009	10,381	720,503,686	69,406	8%
2008	10,273	750,042,003	73,011	3%
2007	10,261	735,477,697	71,677	4%
2006	10,247	698,650,707	68,181	3%
2005	10,256	653,902,048	63,758	5%

Source:

(a) Population information provided by the NJ Dept. of Labor and Workforce Development.

(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.

(c) Per capita personal income by municipality was computed using Census Bureau midyear population estimates.

Estimates for 2005-2014 reflect county population.

(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

* not available

BOROUGH OF MANVILLE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction:										
Regular	101	101	101	102	100	100	100	100	98	98
Special education	28	28	28	27	26	25	25	25	25	24
Other special education	26	24	23	23	21	21	20	20	25	24
Support Services:										
Student & instruction related services	14	14	14	14	14	14	14	14	14	13
General administrative services	10	10	10	10	10	10	10	10	10	10
School administrative services	7	7	7	7	7	6	7	7	7	7
Plant operations and maintenance	17	17	17	17	17	18	18	18	18	18
Central services	5	5	5	5	5	5	6	6	6	6
Administration information technology	2	2	2	3	3	3	2	2	2	2
Special Schools	10	10	10	9	9	9	9	9	9	9
Food Service	8	8	8	8	8	8	8	8	8	8
Total	<u>228</u>	<u>226</u>	<u>225</u>	<u>225</u>	<u>220</u>	<u>219</u>	<u>219</u>	<u>219</u>	<u>222</u>	<u>219</u>

Source: District Personnel Records

BOROUGH OF MANVILLE SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2015	1,415	\$20,343,817	\$14,377	-4%	135	1/20	1/17	1/14	1,413	1,368	0%	97%
2014	1,412	21,114,887	14,954	-7%	135	1/20	1/17	1/14	1,411	1,338	8%	95%
2013	1,308	20,986,994	16,045	5%	135	1/20	1/17	1/14	1,304	1,242	0%	95%
2012	1,316	20,107,890	15,280	8%	134	1/19	1/17	1/11	1,305	1,276	1%	98%
2011	1,318	18,592,754	14,107	-4%	134	1/19	1/17	1/11	1,296	1,284	0%	99%
2010	1,318	19,359,380	14,688	7%	133	1/19	1/17	1/11	1,294	1,284	0%	99%
2009	1,319	18,128,313	13,744	-1%	133	1/19	1/17	1/11	1,295	1,235	0%	95%
2008	1,334	18,608,702	13,950	4%	133	1/19	1/17	1/11	1,293	1,290	0%	100%
2007	1,324	17,691,414	13,362	6%	133	1/19	1/17	1/11	1,291	1,288	-1%	100%
2006	1,341	16,858,599	12,572	6%	132	1/19	1/17	1/11	1,306	1,243	3%	95%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>District Buildings</u>										
Elementary School(s):										
Weston School										
Square Feet	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	501	503	456	472	392	392	392	392	392	397
Roosevelt School										
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	225	217	215	189	195	195	195	195	195	188
Middle School(s):										
Alexander Batcho Intermediate School										
Square Feet	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	303	302	276	283	309	309	309	309	309	347
High School(s):										
Manville High School										
Square Feet	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500
Capacity (students)	770	770	770	770	770	770	770	770	770	770
Enrollment	386	390	360	379	395	395	395	395	395	425

Number of Schools at June 30, 2015

- Elementary = 2
- Middle School = 1
- High School = 1

Source: District records

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

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	<u>Total</u>	<u>Weston</u>	<u>Roosevelt</u>	<u>ABIS</u>	<u>High School</u>
2015	\$805,216	\$152,991	\$72,469	\$201,304	\$378,452
2014	788,553	275,994	157,711	105,247	249,601
2013	1,065,570	202,459	95,901	266,392	500,817
2012	609,819	121,964	54,884	152,455	280,517
2011	608,143	140,741	121,954	130,308	215,140
2010	1,701,756	416,593	413,968	435,068	436,127
2009	713,420	140,019	63,371	176,578	333,451
2008	1,454,638	363,660	349,113	363,660	378,206
2007	1,171,165	289,954	279,992	299,520	301,699
2006	1,192,852	288,890	288,635	292,072	323,255
Total School Facilities	<u>\$10,111,131</u>	<u>\$2,393,264</u>	<u>\$1,897,997</u>	<u>\$2,422,605</u>	<u>\$3,397,265</u>

* - 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

BOROUGH OF MANVILLE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>Coverage Amount</u>	<u>Deductible</u>
Multi Peril Policy - Diploma Joint Insurance Fund		
Property Coverage:		
Blanket Real & Personal Property	\$250,000,000	\$1,000
Blanket Valuable Papers & Records	within blanket limits	
Newly Acquired Property:		
Real Property	within blanket limits	
Personal Property	within blanket limits	
Flood (Zone A or V)	25,000,000	
Flood (All other zones)	10,000,000	1,000
Earthquake	25,000,000	
Comprehensive General Liability and Automotive Coverage:		
Liability	5,000,000	
Workers Compensation Policy	5,000,000	
Excessive School Leaders Professional Liability	5,000,000	5,000
Crime Coverage:		
Public Official Bond Limit - Board Secretary/Business Administrator	100,000	
Public Official Bond Limit - Treasurer of School Monies	275,000	
Employee Dishonesty	400,000	

Source: District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members
of the Board of Education
Borough of Manville School District
County of Somerset
Manville, New Jersey 08835

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, the financial statements of Borough of Manville School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Manville 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

SUPLEE, CLOONEY & COMPANY

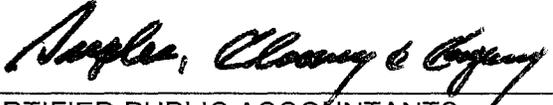
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

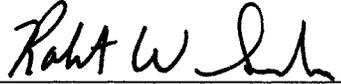
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 23, 2015



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Borough of Manville School District
County of Somerset
Manville, New Jersey 08835

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Manville School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Manville School District's major federal and state programs for the year ended June 30, 2015. The 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 Borough of Manville 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* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Manville 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 Borough of Manville School District's compliance

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Manville 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.

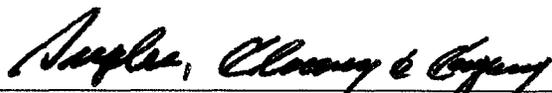
Report on Internal Control Over Compliance

Management of the Borough of Manville 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 Borough of Manville 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*, 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 Borough of Manville 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 State of New Jersey *OMB 04-04*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 23, 2015

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR/PASS-THROUGH	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2014	ADJUSTMENT/ CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2015		
										(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR
U.S. Department of Education												
General Fund												
Medicaid Assistance Program (SEMI)	93.778	N/A	7/1/14 - 6/30/15	\$37,120			\$37,120	(\$37,120)				
Medicaid Assistance Program (MAC)	93.778	N/A	7/1/14 - 6/30/15	8,036			8,036	(8,036)				
Medicaid Assistance Program (SEMI ARRA)	93.778	N/A	10/1/08-12/31/10	21,037			21,037	(21,037)				
Total General Fund							66,192	(66,192)				
U. S. Department of Agriculture:												
Passed-Through State Department of Education:												
Enterprise Fund												
National School Lunch Program	10.555	N/A	7/1/13 - 6/30/14	256,898	(\$52,157)		52,157					
National School Lunch Program	10.555	N/A	7/1/14 - 6/30/15	268,916			249,393	(268,916)		(\$19,524)		
National School Lunch Program - commodities	10.555	N/A	7/1/14 - 6/30/15	22,621			22,621	(22,621)				
National School Breakfast Program	10.553	N/A	7/1/13 - 6/30/14	31,242	(7,969)		7,969					
National School Breakfast Program	10.553	N/A	7/1/14 - 6/30/15	38,645			35,693	(38,645)		(2,951)		
Total Enterprise Fund					(60,127)		367,834	(330,182)		(22,475)		
U. S. Department of Education:												
Passed-Through State Department of Education:												
Special Revenue Fund												
Title I	84.010	NCLB300014	7/1/13 - 6/30/14	301,514	(47,411)	\$26	47,411					\$26
Title I	84.010	NCLB300015	7/1/14 - 6/30/15	324,004			129,095	(291,800)		(162,705)		
Title II- Part A	84.367	NCLB300014	7/1/13 - 6/30/14	65,365	(15,628)		15,628					
Title II- Part A	84.367	NCLB300015	7/1/14 - 6/30/15	86,535			42,158	(39,377)			\$2,781	
Title III	84.365	NCLB300014	7/1/13 - 6/30/14	19,481	(11,220)		11,220					
Title III	84.365	NCLB300015	7/1/14 - 6/30/15	11,905			1,949	(6,307)		(4,358)		
Title III - Immigrant	84.365	NCLB300015	7/1/14 - 6/30/15	6,992				(6,803)		(6,803)		
I.D.E.A. Part B Basic	84.027	IDEA300014	7/1/13 - 6/30/14	333,626	(3,909)	1,704	3,909					1,704
I.D.E.A. Part B Basic	84.027	IDEA300015	7/1/14 - 6/30/15	358,595			351,085	(358,595)		(7,510)		
ARRA - I.D.E.A. Part B Basic	84.391	ARRA300011	9/1/09-8/31/11	351,391	10,253							10,253
I.D.E.A. Part B Preschool	84.173	IDEA300015	7/1/14 - 6/30/15	12,191			1,190	(12,191)		(11,001)		
Total Special Revenue Fund					(67,914)	1,730	603,645	(715,073)		(192,376)	2,781	11,983
Total Federal Financial Assistance					(\$128,041)	\$1,730	\$1,037,671	(\$1,111,447)	-	(\$214,851)	\$2,781	\$11,983

See accompanying notes to schedules of financial assistance.

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2014			BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE JUNE 30, 2015			MEMO	
				DEFERRED REVENUE (ACCTS. RECEIVABLE)	DUE TO GRANTOR	CASH RECEIVED				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education														
General Fund:														
Equalization Aid	15-495-034-5120-078	07/01/14 - 06/30/15	\$4,261,000			\$3,835,844	(\$4,261,000)		\$425,156				\$425,156	\$4,261,000
Special Education Categorical Aid	15-495-034-5120-089	07/01/14 - 06/30/15	814,956			733,639	(814,956)		81,317				81,317	814,956
Security Categorical Aid	15-495-034-5120-084	07/01/14 - 06/30/15	75,560			68,005	(75,560)		7,555				7,555	75,560
Educational Adequacy Aid	15-495-034-5120-083	07/01/14 - 06/30/15	66,006			59,366	(66,006)		6,610				6,610	66,006
Transportation Categorical Aid	15-495-034-5120-014	07/01/14 - 06/30/15	12,404			11,145	(12,404)		1,259				1,259	12,404
PARCC Readiness Aid	15-495-034-5120-098	07/01/14 - 06/30/15	13,970			12,606	(13,970)		1,364				1,364	13,970
Per Pupil Growth Aid	15-495-034-5120-097	07/01/14 - 06/30/15	13,970			12,606	(13,970)		1,364				1,364	13,970
Extraordinary Aid	14-100-034-5120-473	07/01/13 - 06/30/14	28,203	(\$28,203)		28,203								28,203
Extraordinary Aid	15-100-034-5120-473	07/01/14 - 06/30/15	58,410				(58,410)			(\$58,410)			58,410	58,410
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	07/01/13 - 06/30/14	615,184	(30,479)		30,479								615,184
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	07/01/14 - 06/30/15	596,978			567,686	(596,978)			(29,292)			29,292	596,978
Total General Fund				(58,682)		5,359,609	(5,913,254)		524,625		(87,702)		612,327	6,556,642
Special Revenue Fund:														
Non-Public Aid:														
Textbook Aid	13-100-034-5120-064	07/01/12 - 06/30/13	9,141		\$166				(\$166)					9,120
Textbook Aid	14-100-034-5120-064	07/01/13 - 06/30/14	8,228		426				(426)					7,802
Textbook Aid	15-100-034-5120-064	07/01/14 - 06/30/15	7,865			7,865	(7,439)					\$426		7,439
Auxiliary Services:														
Compensatory Education	14-100-034-5120-067	07/01/13 - 06/30/14	23,111		855				(855)					22,256
Compensatory Education	15-100-034-5120-067	07/01/14 - 06/30/15	25,351			25,351	(23,531)				1,820			23,531
English as a Second Language	15-100-034-5120-067	07/01/14 - 06/30/15	4,659			4,659	(4,659)							4,659
Transportation	15-100-034-5120-067	07/01/14 - 06/30/15	3,205			3,205	(3,205)							3,205
Handicapped Services:														
Supplemental Instruction	14-100-034-5120-066	07/01/13 - 06/30/14	7,632		3,469				(3,469)					4,163
Supplemental Instruction	15-100-034-5120-066	07/01/14 - 06/30/15	7,062			7,062	(2,354)				4,708			2,354
Examination & Classification	14-100-034-5120-066	07/01/13 - 06/30/14	11,622		6,528				(6,528)					5,094
Examination & Classification	15-100-034-5120-066	07/01/14 - 06/30/15	6,483			6,483	(4,141)				2,342			4,141
Corrective Speech	14-100-034-5120-066	07/01/13 - 06/30/14	18,749		10,156				(10,156)					8,593
Corrective Speech	15-100-034-5120-066	07/01/14 - 06/30/15	9,719			9,719	(6,185)				3,534			6,185
Nursing Services	13-100-034-5120-070	07/01/12 - 06/30/13	12,688		752				(752)					11,936
Nursing Services	14-100-034-5120-070	07/01/13 - 06/30/14	11,580		2,828				(2,828)					8,752
Nursing Services	15-100-034-5120-070	07/01/14 - 06/30/15	12,520			12,520	(9,692)				2,828			9,692
Technology Initiative	13-100-034-5120-373	07/01/12 - 06/30/13	3,374		1,373				(1,373)					2,001
Technology Initiative	14-100-034-5120-373	07/01/13 - 06/30/14	3,000		456				(456)					2,544
Technology Initiative	15-100-034-5120-373	07/01/14 - 06/30/15	4,224			4,224	(3,768)					456		3,768
Total Special Revenue Fund					27,009	81,088	(64,974)		(27,008)			16,114		147,235
Capital Projects Fund:														
Roof Replacement in West Wing	3000-050-014-1003	3/28/14 - 6/30/16	571,686				(265,429)			(265,429)			265,429	265,429
Total Capital Projects Fund							(265,429)			(265,429)			265,429	265,429
Enterprise Fund:														
National School Lunch Program (State Share)	14-100-010-3350-023	07/01/13 - 06/30/14	6,966	(1,700)		1,700								6,966
National School Lunch Program (State Share)	15-100-010-3350-023	07/01/14 - 06/30/15	6,745			6,258	(6,745)			(487)			487	6,745
Total Enterprise Fund				(1,700)		7,958	(6,745)			(487)			487	13,711
Total State Financial Assistance Subject to Single Audit Testing				(\$60,382)	\$27,009	5,448,655	(6,250,402)	\$524,625	(\$27,009)	(\$253,618)	-	\$16,114	\$878,243	\$6,983,016
On-Behalf amounts utilized for determination of Single Audit:														
On-behalf TPAF Pension - post retirement medical	15-495-034-5095-001	07/01/14 - 06/30/15	727,842			727,842	(727,842)							
On-behalf TPAF pension contribution	15-495-034-5095-006	07/01/14 - 06/30/15	458,483			458,483	(458,483)							
Total Expenditures of State Financial Assistance						\$6,634,980	(\$7,436,727)							

See accompanying notes to schedules of financial assistance.

Borough of Manville School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2015

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Borough of Manville School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,577) for the general fund, (\$17,595) for the special revenue fund and (\$412) for the capital projects fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$45,156	\$7,094,002	\$7,139,158
Special Revenue Fund	697,477	64,974	762,451
Capital Projects Fund		265,017	265,017
Food Service Fund	330,182	6,745	336,927
	<u>1,072,815</u>	<u>7,430,738</u>	<u>8,503,553</u>
GAAP Adjustment - General	21,036	5,577	26,613
GAAP Adjustment - Capital Projects		412	412
GAAP Adjustment - Special Revenue	17,596		17,596
Total Awards and Financial Assistance	<u>\$1,111,447</u>	<u>\$7,436,727</u>	<u>\$8,503,552</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2015.

Borough of Manville School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this this schedule? | No |
| (4) | Identification of Major Federal Program(s): | |

Program

Grant Number

Child Nutrition Cluster:

National School Lunch Program	10.555
National School Breakfast Program	10.553

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$300,000
Type B Federal Program Threshold <= \$300,000 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133? | Yes |

Borough of Manville School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III? of this schedule? No
- (4) Identification of Major State Program(s):
- | <u>Program</u> | <u>Grant Number</u> |
|---|---------------------|
| State Aid Cluster: | |
| Special Education Aid | 495-034-5120-089 |
| Security Aid | 495-034-5120-084 |
| Education Adequacy Aid | 495-034-5120-096 |
| PARCC Readiness | 495-034-5120-098 |
| Per Pupil Growth Aid | 495-034-5120-097 |
| Reimbursed TPAF Social Security Contributions | |
| | 495-034-5095-002 |
| Capital Project - Roof Replacement in West Wing | |
| | 3000-050-014-1003 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$300,000
Type B State Program Threshold <= \$300,000
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Borough of Manville School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Borough of Manville School District
Schedule of Prior Year Audit Findings

Not Applicable

