

SCHOOL DISTRICT

OF

MANASQUAN

**MANASQUAN BOARD OF EDUCATION
MANASQUAN, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

MANASQUAN BOARD OF EDUCATION

MANASQUAN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY

**MANASQUAN BOARD OF EDUCATION
FINANCE DEPARTMENT**

MANASQUAN SCHOOL DISTRICT

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INTRODUCTORY SECTION

MANASQUAN BOARD OF EDUCATION

Central Administration Offices, 169 Broad Street, Manasquan, NJ 08736
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732.528.8803 – FAX: 732.223.7422

December 3, 2015

Honorable President and
Members of the Board of Education
Manasquan School District
Manasquan, New Jersey

Dear Board Members/Citizens:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Manasquan School District for the fiscal year ended June 30, 2015. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. The District adopted this financial reporting model as required by the State in 2003. This model is supposed to provide the users of this document with more useful financial and statistical information relying on and including all disclosures made by the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis.
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for

Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulation, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Manasquan School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Manasquan Board of Education and its two schools constitute the District's reporting entity.

The District continues to maintain a high quality of education. The District provides a full range of programs and services appropriate to grades Pre K -12.

Supervising district-wide goals is a district superintendent, a school business administrator/board secretary, a supervisor of special services, a director of technology, a high school principal, two vice principals, an elementary school principal, one vice principal, dean of students, supervisors and classroom coordinators.

The Board of Education is comprised of twelve members. Manasquan holds nine positions on the Board, these members are usually elected for three year terms. We currently have 9 three year term members. The Sending Districts fill the other three positions and are appointed to one year terms according to the agreement filed with the County Office. The Manasquan Board of Education usually meets on the third and fourth Tuesdays of each month except when district functions or holidays interfere with that schedule. The actual schedule is posted on our website for the year. During its agenda and action meetings the Board determines district goals and priorities and conducts the business of the Board of Education. These meetings begin at 6:00 p.m.

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

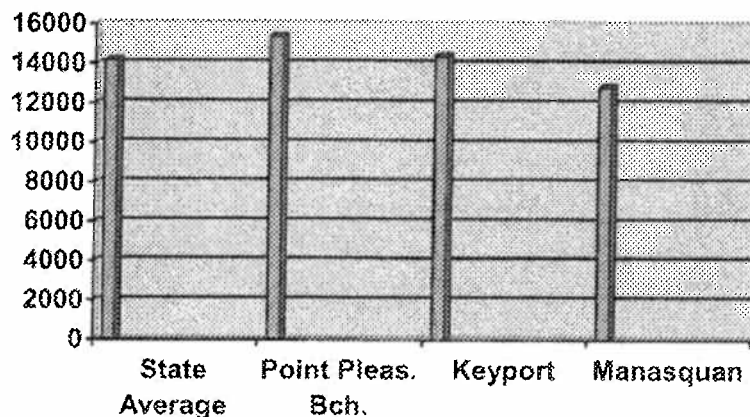
To maintain effective communications, the District has a website that is updated frequently. Information about the budget is posted on the website during the budget review process. Meetings are held and offers to present materials on the budget are extended to all community and civic groups within the district.

Each of the schools in the district strive to meet the district-wide goals by employing best practices in instruction and focusing on student achievement, while maintaining a unique personality that makes up the particular school. All curricula in our district have been aligned to the New Jersey Core Curriculum Content Standards and the Common Core Standards.

The New Jersey Department of Education released its 2015 Taxpayers' Guide to Education Spending, formally the Comparative Spending Guide, for all school districts in the State. The guide compares districts with those who are similar in enrollment/ configuration. The information on expenditures was

taken from certified budgets on file with the State Department of Education. This report shows that the district spent \$12,813 per pupil (certified costs for 2013-14) while the average cost for similar districts was \$16,221. According to the report of the 50 other K-12 school districts in the state with enrollments between 0 and 1800 children, Manasquan was ranked the 14th lowest in total cost per pupil.

Per Pupil Comparative Spending 2015 (Certified 2013-14 Costs)



Manasquan Elementary School

Manasquan Elementary School is comprised primarily of Manasquan students, but receives a few students on a tuition basis. Overall, the school is in very good condition, especially after the completion of an addition to create middle school classrooms. However, there continues to be problems with the heating, ventilation, and air conditioning system that was installed throughout the building. The district has completed an independent evaluation of the poorly designed HVAC system and is still in the process of rectifying the situation.

Manasquan Elementary School holds classes for students in Kindergarten through Eighth Grade. An Integrated Pre-School Class is also offered. Grades 6-8 operate as a middle school and grades Preschool – Grade 5 operate as an elementary school. Two cafeterias are in operation with Grades 5-8 assigned lunch periods in the newer Cafetorium and grades K-4 assigned lunch periods in the original Cafeteria. The use of both facilities allows all students to eat at what would be considered a normal lunch hour.

With regard to technology, ActivBoards have been installed in every classroom. Every classroom is equipped with at least one desktop computer for the teacher to fully utilize the ActivBoard. Most classrooms are also equipped with at least two thin client workstations or additional student desktop computers for student computer centers. Four document scanners and digital cameras are also available for faculty use with their students.

The district is a Windows 7 and Windows 8 Microsoft Active Directory computer environment using Microsoft Office 2013 among many other educational software titles. In the spring of 2013, a

significant data rewiring project was completed for major sections of the building. New data wiring and network switching equipment was added to support additional devices, increase reliability of network connections, and increase network capacity. A mobile iPad cart (holding 30 iPad 2s) was funded by a donation from the PTO for classroom use. In addition, iPad 2 tablets have been purchased for learning centers in every K-5 classroom and ESL classes, as well as a mobile tablet cart, funded by Title III. Furthermore, a new Student Mobile Technology Initiative has been implemented, providing Dell Venue Pro tablets to all of our eighth grade students and middle school teachers. Our goal is to increase distribution of the tablets out to our middle school students in grades 6 & 7.

Additional technological advances include increased usage of our Genesis Student Data Management System and our school website, hosted by Schoolwires. The district subscribes to Discovery Education and teachers continue to incorporate the web-based streaming video service which gives them access to more than 75,000 content-specific video clips aligned directly to state and national standards. Four document scanners were also purchased for utilization by teachers in their classrooms. The guidance program, Naviance was implemented in the prior year to provide a learning style inventory and career awareness activities for middle school students. Eighth grade students continue to participate in Digital Storytelling, in which they have an opportunity to participate in this project-based learning experience utilizing video- and sound-editing software. The Genesis Parent Portal is utilized for student attendance, real-time gradebook access, electronic report card and interim report distribution, all significantly reducing postal mailings. Furthermore, in order to provide teachers with more opportunities to assess individual student skills and track their academic progress, the on-line testing program, MAP (Measurement of Academic Progress) was purchased for K-8 student assessment in language arts and mathematics. MAP is also utilized to provide additional practice for on-line testing in order to further prepare our students for the new and upcoming state-mandated PARCC assessment.

Several new instructional programs have been implemented, including a K-5 language arts program, Houghton-Mifflin's Journeys which was selected for implementation to assist teachers in curriculum alignment to the Common Core State Standards for English Language Arts. To further assure alignment to the Common Core State Standards, a mathematics program for Grades K-6 (Pearson's enVision) was also purchased this year. In order to enhance differentiation of instruction, more time has been designated for guided reading lessons with the assistance of the school's Reading Specialist, who worked collaboratively with the classroom teachers. The language arts program was further expanded by the implementation of additional formative assessment opportunities using the Fountas & Pinnell Benchmark Assessment Program. A new Basic Skills Program (FUNdamentals) was established for students in grades 1-8 in language arts and mathematics. In addition, the Gifted and Talented pull-out program (Mentor Program) for students in grades 5-8 in the subject areas of language arts and mathematics was also maintained. The school's Second Step Character Education Program was continued in grades 3-8, with new assembly programs relating to tolerance, respect, and anti-bullying initiatives. Implementation of our middle school Cyberbullying Program was also maintained. Our school is currently working with "Turning the Tides" in order to begin the implementation of a "Sources of Strength" student messaging program to enhance a positive school climate for teen suicide and violence prevention. Each grade level also participated in an educational field trip aligned with the curriculum and a walking trip to see a live performance at our community theater, The Algonquin Arts. In addition to our Field Day for grades 5-7, a successful K-4 field day program was implemented once again this year. Furthermore, the students participated in an Interactive Art Show in which student art work was displayed and students dressed in costume, playing the role of famous artists. Students also

demonstrated various art techniques at several stations, allowing parents to participate in creating art projects. Our fifth graders once again did an outstanding job with their Wax Museum, portraying famous people in history.

The Manasquan Elementary School PTO also continues to remain very active, organizing such events as an Art Appreciation Program, a Science Fair, Book Fairs, an Organic Garden, and a Summer Enrichment Program. In addition to our outdoor classroom and amphitheater area for Grades Preschool -- Grade 4, outside tables were added for middle school students in order to create a second area for outdoor classroom activities. In addition, a mural was painted in the Cafeteria focusing on our school-wide initiative to promote healthy eating habits and better nutrition.

Manasquan High School

Manasquan High School is a traditional, older school that is well-maintained. Maintenance on the interior and exterior of the building is continual, and upgrades are scheduled (carpeting, painting, etc.) on a regular basis. In the summer of 2015, a district Referendum Committee was formed. The primary goal of the committee was to organize support and educate the school community in an effort to pass a referendum in September of 2015. The referendum focuses on major facilities upgrades, including the construction of new science labs, the development of a new athletic complex, and safety and security upgrades.

Manasquan High School has expanded our course offerings this year. For the first time, we will be offering the following courses: Movies, Films, Flicks and Movies, Italian I, Advanced Placement Statistics and Robotics. The Robotics class will be taught in our new Innovation Lab, a new technological instructional space that was funded by a \$10,000 grant to Manasquan High School by Oceans First Bank. MHS and representatives from Oceans First will host a ribbon cutting ceremony in the Fall of 2015. The Robotics class will also serve as the keystone course for our new Academy of Engineering.

All students enrolled in our AP courses took the College Board AP exam. In 2014-15, students scored an average of 3.40. The high school also had 84% of all tests score a "3" or above, and 55.5% of tests score a "4" or above. In 2014-15, more MHS students took A.P. exams than any year in school history. MHS continues to exceed both state and DFG performances on the end-of-course Biology exam.

The high school also continued its partnership with Rutgers University to offer college credit through courses offered in our Academy of Health Careers. In recent years, we have added two courses to our curriculum- Nutrition Across the Lifespan and Medical Terminology Over 25 students received college credit in 2014-15.

Manasquan High School's Academy of Finance continues to be a centerpiece of the high school program. Through our affiliation with the National Academy Foundation (NAF) Manasquan offers a comprehensive curriculum (Introduction to Business, Entrepreneurship, Accounting, etc.) along with an internship with a local business to all students who qualify to enter the academy. In 2015, the Academy of Finance graduated over 25 students and was awarded "Model Academy" status by the National Academy Foundation for the third consecutive year.

A program to recognize “Student of the Month” at all grade levels, continues as a partnership with The Brielle/Spring Lake Rotary. One student from each grade level and a teacher are selected each month. While the award focuses on student achievement, leadership there is a major focus on community service.

During the fall of 2014, the district began a 1:1 student mobile pilot initiative by deploying a Dell Venue 11 Pro tablet to all high school teachers and 9th grade students. In 2014-2015, the district plans to issue these devices to all students in the high school, and professional development will focus on how to best incorporate this technology into instruction across all content areas.

Special Education

The Special Education program is an integral part of each school. In the 2014-2015 school year the number of educationally disabled students in the district was 171 High School Students, 120 Elementary School Students, 6 Pre-School Disabled Students and 52 (15 Manasquan, 37 Sending Districts) other students were sent to facilities outside the district. Most of the 291 students were placed in general education classes with in class resource services. In addition Manasquan has two Learning Language Disabled teachers instructing two classes in the high school and two teachers assigned to Multiply Disabled classes in the elementary school. There is also an in-house Integrated Preschool program operating in the Elementary School to provide preschool instruction/related services to preschoolers with disabilities as well as to typically developing preschoolers who attend on a tuition basis.

Core Curriculum Content Standards

Throughout the 2014-2015 school year, Manasquan School District continually reviewed and updated curriculum to incorporate new pedagogical advances, technology, and current works/resources while adhering to the New Jersey Core Curriculum Content Standards and the Common Core Standards. The current curriculum is written in UbD format and bases each unit around Essential Questions which are relevant to our students, society and the global world. This year, as English Language Arts and Mathematics K-12 followed a curriculum aligned to the CCS, social studies and science teachers ensured that their curriculum also included components outlined by the Common Core. Cross curricular units were written and implemented by the English Language Arts and Social Studies teachers. Informational text which complemented the literary works/time periods were suggested by both departments and paired with specific readings and activities. All content areas which follow the NJCCCS reviewed their curriculum and incorporated any revisions found in the updated 2014 approved standards. Science teachers K-5, after attending several workshops, spent the summer writing curriculum in accordance with the Next Generation Science Standards which will be board approved and implemented this fall, September 2015. Science teachers 6-12 will be writing curriculum throughout the year which will be ready for approval at the end of the term. In addition to ensuring that our curriculum met the expectations and rigor outlined in the state adopted standards, each grade level worked closely with previous and succeeding grade levels to ensure vertical alignment of content, skills, concepts, ideas and rigor. Our 8th grade English Language Arts and math teachers collaborated often to align their programs with our high school ones as well as ensure that our students were ready for the new state test.

Staff Development

During 2014-2015 school year, Manasquan School District provided all its teachers and staff members numerous opportunities to grow as professionals and acquire tools which would enable them to provide its students with a challenging, high quality education. All staff members attended the state-mandated trainings which were presented during staff meetings and in-service days (7). The staff also completed online programs through Safe Schools (Bullying, Recognition and Response; Discrimination in the Work Place and Society Around Us) and the program about teen suicide presented by the Society for Prevention of Teen Suicide. Beginning in August, 2014, the staff continued their training in the use of the district's newly purchased tablets for its 1:1 initiative. During PLC meetings or grade level articulation meetings, teachers shared methodology and apps which they could use to enhance instruction and develop student skills. Continued training took place throughout the school year and in June three workshops (Office 365, OneNote, the Basics) were offered to teachers to enhance their use of the tablets. As the year began, teachers were informed of the new changes to the teacher evaluation program. As our district wrote and received approval for a new district evaluation instrument, teachers received a handbook specific to this tool and reviewed the Domains, scoring rubric, evaluation schedule, and reports (September 3). More time was spent on this instrument with new staff who attended a district-wide three-day New Teacher Induction Program at the end of August. During this program, school and district policies, state requirements, as well as terrific tips to have a successful year were presented. All teachers were also trained on the use of Genesis (August, September), the district's platform for teacher evaluation. In September teachers and specialists collaborated to examine their SGOs from the previous year to determine what they would assess when the school year began. Refinements were made to the previous year's SGOs, assessments were designed, target scores established and discussion about student growth ensued through the year during grade level and department meetings. This year the major focus of professional development was two-fold - preparing students for PARCC (the test and the technology—after school workshops) and aligning instruction to the Common Core across all content areas. Presenters were brought in to train our teachers in close reading strategies (October 13), Improving Discussion, Questioning and Student Engagement (October 13) and Understanding the Common Core and PARCC (January 26). Staff members were also encouraged and permitted to attend workshops outside the district which were relevant to their content areas, specific initiatives, roles within the district or needs determined through the evaluation tool. Teachers and specialists shared their findings and materials with their colleagues. This spring the district formed a Professional Development Academy which surveyed the needs and interests of the district to determine future professional development. With these findings, the district outlined its professional development plan for the following academic year 2015-2016.

Technology

Throughout the district, technology integration and building 21st century skills remains a focus. Technology is used to enrich instruction and curriculum, increase productivity, and to enhance communication.

The district maintains traditional desktop computer setups in elementary school classrooms and is piloting a mobile 2-in-1 tablet device with all high school and grade 6-8 teachers. All classrooms are

equipped with multi-media equipment including projectors and audio, most with interactive white boards. Administrative staff continue to use traditional desktop computers. In a mobile technology pilot program that began this year, all 8th and 9th grade students were equipped with a 2-in-1 tablet device that they are also permitted to take and use at home. Upgraded wireless network access points supporting wireless-n and wireless-ac standards are now installed throughout the district allowing for high-speed network and internet connections from all classrooms and offices.

All administrators, teachers and support staff have access to computers, printers, networked copiers, e-mail, work-order systems, and the Internet within their work areas. The district has and will continue to emphasize technology training in district in-service programs for all staff.

Personnel

The district employed 218 people during the 2014-2015 school year. The certificated staff numbered 166.5 and educational support personnel 51.5.

Pupil Enrollment

The district completed the 2014-2015 fiscal year with an Average Daily Enrollment of 1598.9 which is 36.5 students less than 2013-2014 enrollment. The following details the changes in the student enrollment of the district over the last 20 years. The table presents the actual historical pupil enrollment as of June 30 of each year:

FISCAL YEAR	ENROLLMENT JUNE 30	PERCENTAGE CHANGE
1995-96	1534.8	3.069%
1996-97	1577.1	2.756%
1997-98	1573.0	-0.260%
1998-99	1576.1	0.197%
1999-00	1595.9	1.256%
2000-01	1587.5	-0.526%
2001-02	1664.5	4.850%
2002-03	1726.3	3.713%
2003-04	1726.5	0.012%
2004-05	1723.1	-0.197%
2005-06	1720.6	-0.145%
2006-07	1712.3	-0.482%
2007-08	1702.0	-0.602%
2008-09	1712.3	0.605%

2009-10	1698.6	-0.800%
2010-11	1696.8	-0.106%
2011-12	1666.1	-1.809%
2012-13	1593.0	-4.388%
2013-14	1635.4	2.662%
2014-15	1598.9	-2.232%

2. ECONOMIC CONDITION AND OUTLOOK:

The population of families with school age children is relatively stable in Manasquan; however, the total school enrollment has decrease by 36.5 students. Any future changes in the population served could be due to continued home sales or changes resulting from expansion and/or development in Manasquan post Superstorm Sandy. It appears that any differences in the High School enrollment may be due to our Sending/Receiving relationships with the seven surrounding towns, either through development, population shifts or both.

3. MAJOR INITIATIVES:

- A.) The teachers and administrators will continue to incorporate technology into all areas of instruction; teachers will investigate use of tablets in the classroom in preparation for our 1:1 initiative
- B.) Teachers will continue to develop effective teaching strategies, design instruction based on collected data to meet the needs of all learners, and align instruction to the Common Core Standards; teachers will develop activities and assessments which foster the skills required by the new state assessment PARCC; the district will articulate with the sending districts to ensure vertical alignment of curriculum and instruction.
- C.) The district will continue, through teacher evaluation, SGO analysis, data analysis, and professional development, to focus on effective teaching which promotes high student achievement.
- D.) The district will continue to focus on Community Relations within the district and sending districts.

4. INTERNAL ACCOUNTING CONTROLS:

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

As a recipient of federal and state awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulation, contracts and grants related to those programs. This internal control system 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 adequacy of the internal control system, 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 voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue funds 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 fiscal year end.

6. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit 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.

7. RISK MANAGEMENT:

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

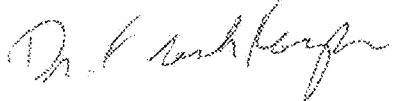
8. OTHER INFORMATION:

Independent Audit -- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA's was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended and the related OMB Circular A-133 and the New Jersey OMB Circular 04-04. The Auditor's Report on the basic financial statements and as well as both the required and other supplementary information is included in the financial section of this report. The Auditor's reports related specifically to the single audit are included in the single audit section of this report.

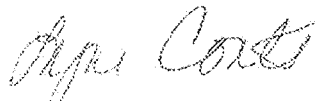
9. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Manasquan Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Dr. Frank Kasyan
Superintendent of Schools



Lynn Coates
Business Administrator/Bd. Secy.

**MANASQUAN BOARD OF EDUCATION
MANASQUAN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

Members of the Board of Education	Term Expires
Thomas Pellegrino, President	2015
Linda DiPalma, Vice President	2017
Martin Burns	2015
Eugene Cattani	2017
Ken Clayton	2015
Mark Furey (Belmar)	2015
Erik Gardner (SLH)	2015
Heather Garrett-Muly	2016
Colleen Smith	2017
Fred Sorino	2016
James Walsh	2016
Tedd Vitale (Brielle)	2015
 Other Officials	
Dr. Frank Kasyan, Superintendent	
Lynn Coates, School Business Administrator/Board Secretary	
Joanne S. Madden, Treasurer	

**MANASQUAN BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

Robert A. Hulsart & Company
2807 Hurley Pond Road
Wall, New Jersey 07719

ATTORNEY

Kenney, Cross, Kovats & Parton
130 Maple Avenue -- Bldg. 8
Red Bank, NJ 07701

McManimon, Scotland, Baumann
75 Livingston Avenue
Roseland, NJ 07068

FINANCIAL ADVISORS

Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

OFFICIAL DEPOSITORY

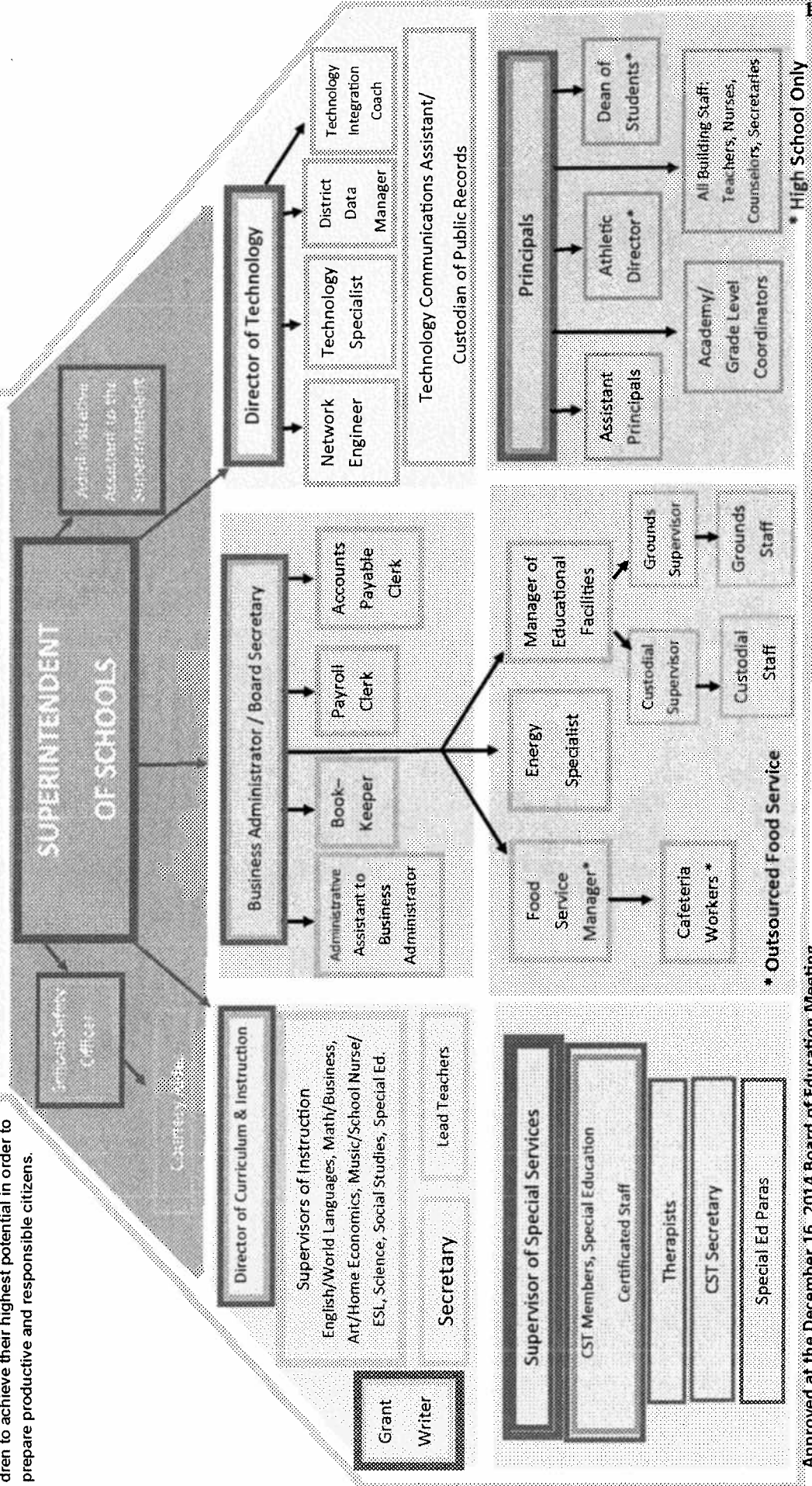
Wells Fargo Bank
Allaire Plaza
Wall, New Jersey 07719

A school building requires all of its components, from the bricks and mortar of a firm foundation, to solid beams for support, and a secure roof to protect all within; all to provide a safe and functional learning place. The staff of our school district is much like the buildings that house them. Every member plays an important role in the education of our children. Some are designated as the leaders, but it requires all the staff, working cohesively, to provide students with a safe and functional learning space. Together we create and maintain a collaborative learning environment which fosters individual abilities and encourages all children to achieve their highest potential in order to prepare productive and responsible citizens.

Board of Education

Color Designates Administrator Responsible:

- = Superintendent
- = Business Administrator
- = Director of Curriculum & Instruction
- = Director of Technology
- = Supervisor of Special Services
- = Principals



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:
 (732) 280-8888
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2807 Hurley Pond Road • Suite 100
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 (732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
 of the Board of Education
 Manasquan School District
 County of Monmouth
 Manasquan, New Jersey

Report on the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the Manasquan's Board of Education internal control over financial reporting and 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 Manasquan Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

December 3, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

**MANASQUAN PUBLIC SCHOOL DISTRICT
BOROUGH OF MANASQUAN**

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

UNAUDITED

The discussion and analysis of Manasquan Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ◆ General revenues accounted for \$26,352,017 in revenue or 93% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,912,051 or 7% to total revenues of \$28,264,068.
- ◆ Total Net Position of governmental activities decreased by \$6,989,404 as cash and cash equivalents, and receivables decreased by \$2,707,362, accounts payable and long-term liabilities increased by \$6,500,251 and capital assets decreased by \$453,147.
- ◆ The School District had \$28,082,978 in expenses; only \$1,912,051 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$26,352,017 were adequate to provide for these programs.
- ◆ The General Fund had \$26,090,833 revenues and \$25,671,645 in expenditures. The General Fund's balance increased \$419,188 from 2014. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Positions and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins with Schedule B-1. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for 2014 and 2015.

	<u>2014</u>	<u>2015</u>
Assets		
Current and other assets	\$ 4,556,481	\$ 2,296,638
Capital assets, net	19,312,823	18,845,484
Total Assets	<u>\$ 23,869,304</u>	<u>\$21,142,122</u>
Deferred Outflow of Resources	<u>N/A</u>	<u>\$389,311</u>
Deferred Inflow of Resources	<u>N/A</u>	<u>\$781,791</u>
Liabilities		
Long-term liabilities	\$ 6,362,086	\$12,862,337
Other liabilities	3,623,785	1,013,096
Total Liabilities	<u>\$ 9,985,871</u>	<u>\$13,875,433</u>
Net Assets		
Invested in capital assets, net of debt	\$12,649,599	\$10,703,510
Restricted	1,765,962	1,773,033
Unrestricted	(532,128)	(5,602,334)
Total Net Assets	<u>\$13,883,433</u>	<u>\$6,874,209</u>

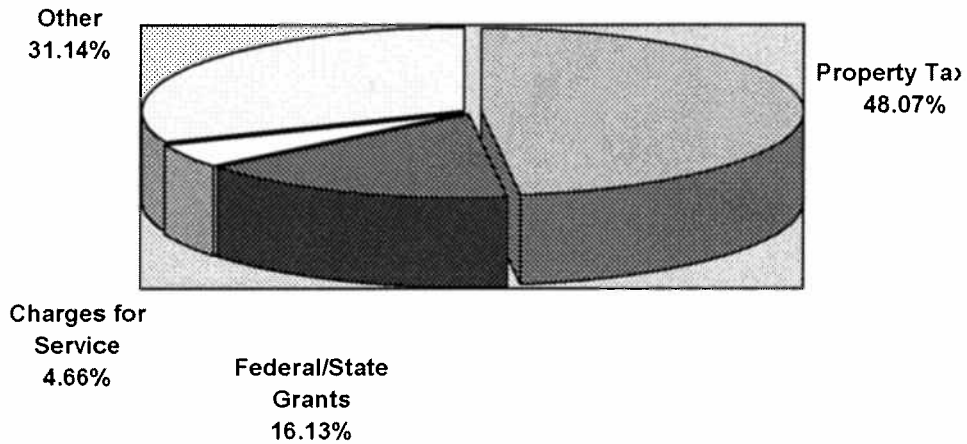
Table 2 shows the changes in net position from fiscal year 2014 to 2015.

	<u>2014</u>	<u>2015</u>
Revenues		
Program revenues		
Charges for services	\$ 1,286,438	\$1,317,660
Operating grants and contributions	536,550	594,391
General revenues		
Property taxes	13,085,044	13,587,490
Grants and entitlements	4,149,705	3,964,426
Other	8,318,737	8,800,101
Total Revenues	<u>27,396,474</u>	<u>28,264,068</u>
Program Expenses		
Instruction	10,783,053	11,338,164
Support services		
Pupils and instructional staff	3,555,199	3,651,357
General administration, school administration, business	7,971,064	8,790,629
Operations and maintenance of Facilities	1,941,900	2,139,894
Pupil Transportation	432,476	506,389
Interest on debt	258,283	259,874
Food service/Surf Team	728,340	714,761
Other	704,421	681,910
Total Expenses	<u>26,374,736</u>	<u>28,082,978</u>
Inc./(Dec.) in Net Assets	<u>1,054,957</u>	<u>181,090</u>

Governmental Activities

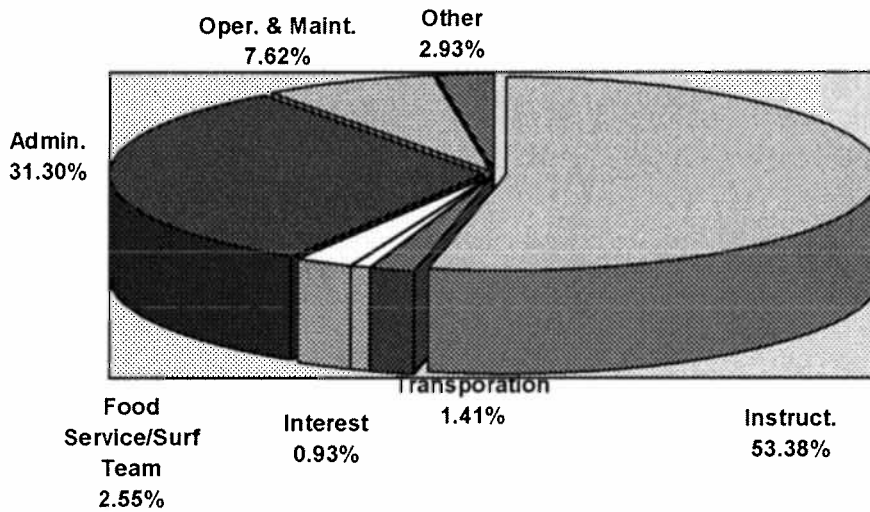
Property taxes made up 48.07% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2015. The District's total revenues were \$28,264,068 for the fiscal year ended June 30, 2015. Federal, state and local grants accounted for another 16.13%. Tuition, interest revenue and miscellaneous income make up 31.14% and charges for services equal 4.66%.

Sources of Revenues for Fiscal Year 2015



The total cost of all programs and services was \$28,082,978. Instruction comprised 53.38% of District expenses. Administration equaled 31.30% and the balance of 15.32% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

Expenses for Fiscal Year 2015



Business-Type Activities

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

- ◆ Food service revenue was short of expenditures by \$10,740.
- ◆ Charges for services represent \$554,726 of revenue. This represents amount paid by patrons for daily food services.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$137,199.
- ◆ The Surf Team is partially supported by a parent group. The current year revenues and expenditures plus the beginning balance left positive net assets of \$536.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Comparisons to 2014 have been shown below.

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2015	Net Cost of Services 2015
Instruction	\$10,783,053	\$10,419,275	\$11,338,164	\$10,981,432
Support services				
Pupils and instructional staff	3,555,199	2,771,099	3,651,357	2,799,503
General administration, school administration, business	7,971,064	7,971,064	8,790,629	8,790,629
Operation and maintenance of facilities	1,941,900	1,941,900	2,139,894	2,139,894
Pupil transportation	432,476	432,476	506,389	506,389
Interest and fiscal charges	258,283	258,283	259,874	259,874
Other	<u>704,421</u>	<u>704,421</u>	<u>681,910</u>	<u>681,910</u>
Total Expenses	<u>25,646,396</u>	<u>24,498,518</u>	<u>27,368,217</u>	<u>26,159,631</u>

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

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

General administration, school administration and business include expenses associated with administrative and financial supervision of the District including all employee benefits, workers compensation and social security.

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts with Schedule B-2. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$27,560,543 and expenditures of \$27,161,322. The net change in fund balance for the year was in the General Fund, an increase of \$419,188. The debt service fund balance decreased by \$19,967.

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. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>
Local Sources	\$23,146,819	83.98%	\$1,000,022
State Sources	3,128,589	11.35%	230,931
Federal Sources	<u>1,285,135</u>	<u>4.67%</u>	<u>(371,763)</u>
Total Revenue	<u><u>\$27,560,543</u></u>	<u><u>100.00%</u></u>	<u><u>\$859,190</u></u>

The increase in Local Sources of \$1,000,022 was attributed to an increase in the local general fund tax levy, a decrease in the debt service tax levy and a increase in tuition revenues.

The increase in State Sources of \$230,931 was attributed to changes in state aid revenues.

The decrease in Federal Sources of \$371,763 was attributed to the CDL loan.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2015.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>
Current:			
Instruction	\$11,338,164	41.74%	\$ 588,730
Undistributed expenditures	14,684,216	54.06%	783,577
Capital outlay	106,517	0.40%	(146,474)
Debt service:			
Principal	785,000	2.89%	(30,000)
Interest	247,425	0.91%	(30,856)
Total Expenditures	<u>\$27,161,322</u>	<u>100.00%</u>	<u>\$1,226,689</u>

The increase in Current - Instruction of \$588,730 was attributed to an increase in supplies, textbooks and 1-1 Technology.

The increase in Current-Undistributed Expenditures of \$783,577 was primarily attributed to the TPAF non-paid pension contribution and maintenance and repair.

The decrease of \$146,474 in capital outlay was based on requested expenditures.

The decrease in debt service of \$30,856 is in accordance with the districts bond schedule.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.
- ◆ Actual revenues were \$399,221 more than expenses. The original budget projected the use of \$373,503 from surplus. The actual general fund expenditures were \$27,934,633.

Capital Assets

At the end of the fiscal year 2015, the School District had \$18,693,143 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014 and 2013.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	2013	2014	2015
Land	\$1,068,680	\$1,068,000	\$1,068,000
Site Improvements	246,721	242,291	236,791
Buildings	17,809,219	17,232,299	16,821,241
Machinery and Equipment	767,357	603,500	567,111
Totals Capital Assets	\$19,891,977	\$19,146,290	\$18,693,143

Overall capital assets decreased \$453,147 from fiscal year 2014 to fiscal year 2015. This decrease was due primarily due to retirements and depreciation.

Debt Administration

At June 30, 2015, the School district had \$13,695,214 outstanding debt. Of this amount \$513,012 is for compensated absences, \$7,998,948 for bonds payable, \$173,699 for capital leases and \$5,009,555 for pension liability.

For the Future

The Manasquan Public School District is in very good financial condition presently. A concern is the decline in enrollment growth of the district with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and state funding is limited.

Manasquan is primarily a residential community, with very few ratables; thus the burden of taxes is placed primarily on homeowners. The Manasquan School District has and will continue to look for ways to relieve this burden.

In conclusion, the Manasquan Public School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Lynn Coates, School Business Administrator/Board Secretary at Manasquan Board of Education, 169 Broad Street, Manasquan, NJ 08736.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

MANASQUAN SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 830,766	27,057	857,823
Receivables, Net	267,625	25,912	293,537
Inventory		4,151	4,151
Restricted Assets:			
Cash and Cash Equivalents	360,000		360,000
Capital Reserve Account - Cash	781,127		781,127
Capital Assets Not Depreciated	1,068,000		1,068,000
Capital Assets, Net	<u>17,625,143</u>	<u>152,341</u>	<u>17,777,484</u>
Total Assets	<u>20,932,661</u>	<u>209,461</u>	<u>21,142,122</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>389,311</u>		<u>389,311</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>781,791</u>		<u>781,791</u>
<u>Liabilities</u>			
Accounts Payable	33,953		33,953
Accrued Interest	125,852		125,852
Deferred Revenue	20,415		20,415
Noncurrent Liabilities:			
Due Within One Year	832,876		832,876
Due Beyond One Year	<u>12,862,337</u>		<u>12,862,337</u>
Total Liabilities	<u>13,875,433</u>	<u>-</u>	<u>13,875,433</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	10,520,497	183,013	10,703,510
Restricted For:			
Other Purposes	1,773,033		1,773,033
Unrestricted	<u>(5,628,782)</u>	<u>26,448</u>	<u>(5,602,334)</u>
Total Net Position	<u>\$ 6,664,748</u>	<u>209,461</u>	<u>6,874,209</u>

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

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$8,147,082			(8,147,082)		(8,147,082)
Special Education	1,947,851			(1,947,851)		(1,947,851)
Other Special Instruction	511,598		356,732	(154,866)		(154,866)
Other Instruction	731,633			(731,633)		(731,633)
Support Services:						
Tuition	751,334	751,334		-		-
Student & Instruction Related Services	2,900,023		100,520	(2,799,503)		(2,799,503)
General Administrative Services	609,263			(609,263)		(609,263)
School and Business Administrative Services	1,739,955			(1,739,955)		(1,739,955)
Plant Operations and Maintenance	2,139,894			(2,139,894)		(2,139,894)
Pupil Transportation	506,389			(506,389)		(506,389)
Unallocated Benefits	6,441,411			(6,441,411)		(6,441,411)
Interest on Long-Term Debt	259,874			(259,874)		(259,874)
Unallocated Depreciation	681,910			(681,910)		(681,910)
Total Government Activities	27,368,217	751,334	457,252	(26,159,631)	-	(26,159,631)
Business-Type Activities:						
Food Service	702,665	554,726	137,139		(10,800)	(10,800)
Surf Team	12,096	11,600			(496)	(496)
Total Business-Type Activities	714,761	566,326	137,139	-	(11,296)	(11,296)
Total Primary Government	28,082,978	1,317,660	594,391	(26,159,631)	(11,296)	(26,170,927)

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

MANASQUAN SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purpose, Net			\$ 12,575,032		12,575,032
Taxes Levied for Debt Service			1,012,458		1,012,458
Tuition			8,716,281		8,716,281
Federal and State Aid Not Restricted			3,964,426		3,964,426
Miscellaneous Income			83,760	60	83,820
Total General Revenues, Special Items and Transfers			<u>26,351,957</u>	<u>60</u>	<u>26,352,017</u>
Change in Net Position			192,326	(11,236)	181,090
Restatement for Pension			(5,009,555)		(5,009,555)
Net Position - Beginning			11,481,977	220,697	11,702,674
Net Position - Ending			<u>\$ 6,664,748</u>	<u>209,461</u>	<u>6,874,209</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents-Restricted	\$ 841,127		841,127
Cash and Cash Equivalents-Unrestricted	1,130,766		1,130,766
Interfund Receivable	35,284		35,284
Accounts Receivable	6,680	326	7,006
Receivables from Other Governments	192,206	68,413	260,619
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,206,063</u>	<u>68,739</u>	<u>2,274,802</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts Payable	\$ 20,913		20,913
Interfund Payable		35,284	35,284
Due to New Jersey		13,040	13,040
Deferred Revenue		20,415	20,415
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>20,913</u>	<u>68,739</u>	<u>89,652</u>
Fund Balance:			
Restricted For:			
Tuition Reserve	200,000		200,000
Emergency Reserve	50,000		50,000
Capital Reserve Account	781,127		781,127
Assigned To:			
Designated for Subsequent Years Expenditures:			
Tuition Reserve	100,000		100,000
Maintenance Reserve	10,000		10,000
Excess Surplus	258,403		258,403
Designated by the Board of Education for Subsequent Year's Expenditures-Excess Surplus	373,503		373,503
Unassigned:			
General Fund	412,117		412,117
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,185,150</u>	<u>-</u>	<u>2,185,150</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 2,206,063</u>	<u>68,739</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$30,840,212 and the accumulated depreciation is \$12,147,069. 18,693,143

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (13,695,213)

Deferred outflow of resources - contributions to the pension plan 389,311

Deferred inflow of resources - acquisition of assets applicable to future reporting periods (781,791)

Accrued Interest (125,852)

Net Position of Governmental Activities \$ 6,664,748

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

MANASQUAN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Local Sources:				
Local Tax Levy	\$ 12,575,032		1,012,458	13,587,490
Tuition Charges	9,467,615			9,467,615
Shared Services/Athletic Jointure	17,000			17,000
Miscellaneous	66,580	7,954		74,534
Total Local Sources	22,126,227	7,954	1,012,458	23,146,639
State Sources	3,074,606	54,163		3,128,769
Federal Sources	890,000	395,135		1,285,135
Total Revenues	26,090,833	457,252	1,012,458	27,560,543
Expenditures				
Current:				
Regular Instruction	8,147,082			8,147,082
Special Education Instruction	1,947,851			1,947,851
Other Special Instruction	154,866	356,732		511,598
Other Instruction	731,633			731,633
Support Services and Undistributed Costs:				
Tuition	751,334			751,334
Student and Instruction Related Services	2,799,503	100,520		2,900,023
General Administrative Services	609,263			609,263
School and Other Administrative Services	1,739,955			1,739,955
Plant Operations and Maintenance	2,014,574			2,014,574
Security	125,320			125,320
Pupil Transportation	506,389			506,389
Unallocated Benefits	6,037,358			6,037,358
Debt Service:				
Principal			785,000	785,000
Interest and Other Charges			247,425	247,425
Capital Outlay	106,517			106,517
Total Expenditures	25,671,645	457,252	1,032,425	27,161,322

MANASQUAN SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	419,188	-	(19,967)	399,221
Net Change in Fund Balances	419,188	-	(19,967)	399,221
Fund Balance - July 1	1,765,962		19,967	1,785,929
Fund Balance - June 30	<u>\$ 2,185,150</u>	<u>-</u>	<u>-</u>	<u>2,185,150</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 399,221
<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 capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	(681,910)
Capital Outlays	<u>106,517</u>
	(575,393)
Liquidation of noncurrent liabilities are reflected in this fund's financial statements as an expense (use of current financial resources) but are not reported in the statement of activities.	785,000
Generally expenditures recognized in this fund's financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.	(11,573)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	389,311
Pension related deferrals	(781,791)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	<u>(12,449)</u>
Change in Net Position of Governmental Activities (A-2)	<u>\$ 192,326</u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF NET POSITIONPROPRIETARY FUNDSJUNE 30, 2015

	Enterprise Fund Totals
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 27,057
Accounts Receivable:	
Federal	23,965
State	709
Other	1,238
Inventories	4,151
Total Current Assets	<u>57,120</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	445,965
Less: Accumulated Depreciation	<u>(293,624)</u>
Total Noncurrent Assets	<u>152,341</u>
Total Assets	<u><u>\$ 209,461</u></u>
<u>Net Position</u>	
Invested in Capital Assets net of Related Debt	\$ 183,013
Unrestricted	<u>26,448</u>
Total Net Position	<u><u>\$ 209,461</u></u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2015

	<u>Enterprise Fund Totals</u>
Operating Revenues:	
Charge for Services:	
Daily Sales	\$ 545,885
Miscellaneous	11,600
Catering	8,841
Total Operating Revenues	<u>566,326</u>
Operating Expenses:	
Cost of Sales	287,240
Salaries	242,687
Employee Benefits	36,860
Worker's Compensation	10,200
Cost of Supplies	35,549
General Liability Insurance	34,777
Management Fees	21,000
Repairs	11,860
Miscellaneous	28,980
Depreciation	5,608
Total Operating Expenses	<u>714,761</u>
Operating Income (Loss)	(148,435)
Nonoperating Revenues (Expenses):	
Interest Revenue	60
State Sources:	
State School Lunch Program	3,601
Federal Sources:	
National School Lunch Program	114,449
HHFKA Lunch Program	4,612
Food Distribution Program	14,477
Total Nonoperating Revenues (Expenses)	<u>137,199</u>
Change in Net Position	(11,236)
Adjustments for Fixed Assets	(8,584)
Total Net Position - Beginning	<u>229,281</u>
Total Net Position - Ending	<u>\$ 209,461</u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2015

	Enterprise Fund Totals
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 566,326
Payments to Employees	(242,687)
Payments to Suppliers	(443,044)
Net Cash Provided (Used by) Operating Activities	<u>(119,405)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	3,601
Federal Sources	119,061
Net Cash Provided (Used by) Noncapital Financing Activities	<u>122,662</u>
Cash Flows from Investing Activities:	
Interest Received	<u>60</u>
Net Increase (Decrease) in Cash & Cash Equivalents	3,317
Balances - Beginning of Year	<u>23,740</u>
Balances - End of Year	<u>\$ 27,057</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (148,435)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities	
Depreciation	5,608
Federal Commodities	14,477
(Increase)/Decrease in Accounts Receivable	9,498
(Increase)/Decrease in Inventories	<u>(553)</u>
Net Cash Provided (Used by) Operating Activities	<u>\$ (119,405)</u>

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

MANASQUAN SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 86,422	72,945
Total Assets	<u>\$ 86,422</u>	<u>72,945</u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 86,422	
Reserved for Scholarships		72,945
Total Net Position	<u>\$ 86,422</u>	<u>72,945</u>

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

MANASQUAN SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Plan Member	\$ 23,015	
Other		14,528
Total Contributions	<u>23,015</u>	<u>14,528</u>
Investment Earnings:		
Interest	16	16
Net Investments Earnings	<u>16</u>	<u>16</u>
Total Additions	<u>23,031</u>	<u>14,544</u>
<u>Deductions</u>		
Unemployment Claims	18,813	
Scholarships Awarded		17,100
Total Deductions	<u>18,813</u>	<u>17,100</u>
Change in Net Position	4,218	(2,556)
Net Position - Beginning of Year	<u>82,204</u>	<u>75,501</u>
Net Position - End of the Year	<u>\$ 86,422</u>	<u>72,945</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
MANASQUAN SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary and a high school located in Manasquan Borough. 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.

The District receives high school students from Brielle, Sea Girt, Spring Lake, Spring Lake Heights, Lake Como and Belmar on a tuition basis which represent about 70% of the high school students.

B. Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the government as a whole. These financial statements are constructed around the concept of a primary government as defined by GASB-14 (The Financial Reporting Entity) and therefore encompass the primary government and its component units except for fiduciary funds of the primary government and component units that are fiduciary in nature. Financial statements of fiduciary funds are not presented in the government-wide financial statements but are included in the fund financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds (Payroll and Student Activities Fund): Agency funds are 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.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. 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:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

The Public School Education Act of 1975 limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

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 special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

F. Encumbrances:

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

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

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

G. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Inventories and Prepaid Expenses (Continued)

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

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2014 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2014-2015 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2015, fiscal year 2015 depreciation expense, total accumulated depreciation and book values were also provided. The district upgraded for subsequent years with its in-house system. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

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

	<u>Balance</u>					<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>		<u>June 30, 2015</u>
Governmental Activities:						
Land	\$ 1,068,000	_____	_____	_____		1,068,000
Depreciable Assets:						
Site Improvements	1,317,016	27,991				1,345,007
Buildings	25,933,615	116,845				26,050,460
Equipment	<u>2,292,818</u>	<u>87,795</u>	<u>1</u>	<u>(3,869)</u>		<u>2,376,745</u>
Total	<u>29,543,449</u>	<u>232,631</u>	<u>1</u>	<u>(3,869)</u>		<u>29,772,212</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)I. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Less: Accumulated Depreciation:					
Sites	1,074,525	33,691			1,108,216
Buildings	8,701,316	527,903			9,229,219
Equipment	<u>1,689,318</u>	<u>123,927</u>	_____	(3,611)	<u>1,809,634</u>
Total Accumulated Depreciation	<u>11,465,159</u>	<u>685,521</u>	_____	(3,611)	<u>12,147,069</u>
Net Depreciable Assets	<u>18,078,290</u>	<u>(452,890)</u>	_____ 1	(258)	<u>17,625,143</u>
Governmental Activities Capital Assets (Net)	<u>\$ 19,146,290</u>	<u>(452,890)</u>	_____ 1	(258)	<u>18,693,143</u>
Business-Type Activities:					
Equipment	\$ 433,077	12,700	188		445,965
Less: Accumulated Depreciation:					
Equipment	<u>266,544</u>	<u>21,472</u>	(5,608)	_____	<u>293,624</u>
Business-Type Capital Assets (Net)	<u>\$ 166,533</u>	<u>(8,772)</u>	(5,420)	_____	<u>152,341</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Unallocated	<u>\$ 11,465,159</u>	<u>681,910</u>	<u>12,147,069</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

K. Deferred Revenue

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents monies received for fiscal year 2015. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 15).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

Deposits (Continued)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

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

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

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 2,388,932</u>

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2015 was \$2,388,932 and the bank balance was \$3,306,451. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,056,451 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 250,000
GUDPA	<u>3,056,451</u>
	<u>\$ 3,306,451</u>

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Long-Term</u> <u>Portion</u>	<u>2015-16</u> <u>Payment</u>
Compensated						
Absences Payable	\$ 501,439	16,538	4,965	513,012	513,012	
Capital Leases	73,225	158,510	58,036	173,699	110,822	62,876
Bonds Payable	6,590,000	2,193,948	785,000	7,998,948	7,228,948	770,000
Pension Liability	<u> </u>	<u>5,009,555</u>	<u> </u>	<u>5,009,555</u>	<u>5,009,555</u>	<u> </u>
	<u>\$ 7,164,664</u>	<u>7,378,551</u>	<u>848,001</u>	<u>13,695,214</u>	<u>12,862,337</u>	<u>832,876</u>

A. Bonds Payable

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

1. Addition to the high school refunding on 1-1-04 for \$3,180,000 at interest at 3.860% with a balance of \$310,000 maturing on January 15, 2016.
2. Community Disaster Loan for Hurricane Sandy for \$2,193,948 at interest of 1.375% with a balance of \$2,193,948 maturing July 17, 2022.
3. 2013 refunding bonds for an addition to the elementary school for \$5,550,000 at interest from 3% to 5% with a balance of \$5,495,000 maturing on January 15, 2025.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2015-2016	\$ 770,000	218,325	988,325
2016-2017	475,000	191,350	666,350
2017-2018	490,000	177,100	667,100
2018-2019	948,790	188,187	1,136,977
2019-2020	968,790	147,100	1,115,890
2020-2021 thru 2024-2025	<u>4,346,368</u>	<u>350,650</u>	<u>4,697,018</u>
	<u>\$ 7,998,948</u>	<u>1,272,712</u>	<u>9,271,660</u>

NOTE 3: General Long-Term Debt (Continued)**A. Bonds Payable (Continued)****Schedule of Bonds Payable**

<u>Description</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2015</u>
High School Addition	01-01-04	3.860%	\$ 310,000
Community Disaster Loan	2014-2015	1.375%	2,193,948
Refunding Bonds	04-30-13	3% to 5%	<u>5,495,000</u>
			<u>\$ 7,998,948</u>

B. Bonds Authorized But Not Issued

As of June 30, 2015, the Board had no authorized but not issued bonds.

C. Capital Leases Payable:

The District has a lease from Konica and Ricoh for copying machines. These capital leases are for a term of five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2015.

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$ 68,066
2017	65,110
2018	30,139
2019	17,246
2020	<u>3,349</u>
	183,910
Less: Amount Representing Interest	<u>10,212</u>
Present Value of Net Minimum Lease Payments	<u>\$ 173,698</u>

Summary of Leases

Konica copier lease at 5.40% maturing 12-28-16 with a balance of \$5,486 at 6/30/15.
 Ricoh copier lease at 2.89% maturing 12-28-19 with a balance of \$50,126 at 6/30/15.
 Ricoh copier lease at 3.77% maturing 4-1-20 with a balance of \$21,369 at 6/30/15.
 Ricoh copier lease at 4.89% maturing 4-1-20 with a balance of \$31,863 at 6/30/15.
 Security camera lease at 2.27% maturing 1-13-17 with a balance of \$64,854 at 6/30/15.

NOTE 4: 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 Teacher's 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 provisions 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.

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

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

NOTE 4: Pension Plans (Continued)

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.92% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2015, the State of New Jersey contributed \$1,487,818 to the TPAF for normal and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$852,250 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/13	\$ 226,075	100%	0
6/30/14	226,913	100%	0
6/30/15	231,784	100%	0

NOTE 4: Pension Plans (Continued)**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/13	\$ 1,553,083	100%	0
6/30/14	1,300,214	100%	0
6/30/15	1,487,818	100%	0

For the year ended June 30, 2015, the District recognized pension expense of \$231,784. 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</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	157,527	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		483,249
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		298,542
District Contributions Subsequent to the Measurement Date	<u>231,784</u>	<u> </u>
Total	<u>\$ 389,311</u>	<u>781,791</u>

\$389,311 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project 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, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 389,311	
Collective Deferred Inflows of Resources	781,791	
Collective Net Pension Liability	5,009,555	5,685,786
District's Proportion	.02676%	.02975%

NOTE 4: Pension Plans (Continued)**Components of Net Pension Liability**

The components of the net pension liability of the participating employers for PERS as of June 30, 2014 and 2013 are as follows:

	2014		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

	2013		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

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

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

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

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

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

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.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

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

	<u>2014</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (4.39%)</u>	<u>Discount</u>	<u>Increase (6.39%)</u>
<u>Rate (5.39%)</u>			
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
	<u>2013</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (4.55%)</u>	<u>Discount</u>	<u>Increase (6.55%)</u>
	<u>Rate (5.55%)</u>		
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

Teachers Pensions and Annuity Fund (TPAF)**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 81,095,320,000	76,678,639,671
Plan Fiduciary Net Position	<u>27,282,252,461</u>	<u>25,888,126,040</u>
Net Pension Liability	<u>\$ 53,813,067,539</u>	<u>50,790,513,631</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

NOTE 4: Pension Plans (Continued)**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2014</u>	<u>2013</u>
District's Liability	\$ <u>62,231,640</u>	<u>57,010,446</u>
District's Proportion	.11564%	.11225%

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 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 improvements. 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:

NOTE 4: Pension Plans (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%

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.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State's 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:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	53,813,067,539	44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of 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 receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 6: 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 right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

NOTE 6: Compensated Absences (Continued)

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the Food Service Fund.

NOTE 7: Capital Reserve Account

A capital Reserve account was established by the Borough of Manasquan Board of Education by inclusion of \$508 on July 1, 2001 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. 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-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2014	\$ 481,105
Added 2014-2015	<u>300,022</u>
Balance June 30, 2015	<u>\$ 781,127</u>

NOTE 8: Risk Management

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

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

NOTE 8: Risk Management (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2014-2015	\$ 23,031	18,812	86,422
2013-2014	20,708	15,724	82,204
2012-2013	20,885	57,867	77,220

NOTE 9: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2015 financial statements.

NOTE 10: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District’s programs and activities.

NOTE 11: Operating Leases

The District had no operating leases as of June 30, 2015

NOTE 12: Contingent Liabilities

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

NOTE 13: 2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Per the CAFR	\$ 25,671,645
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(2,340,068)</u>
Adjusted 2014-15 General Fund Expenditures	<u>\$ 23,331,577</u>
2% of Adjusted 2014-15 General Fund Expenditures	<u>\$ 466,632</u>
Enter Greater of Above or \$250,000	\$ 466,632
Increased by: Allowable Adjustment	<u>1,392</u>
Maximum Unassigned Fund Balance	<u>\$ 468,024</u>

Section 2

Total General Fund – Fund Balances @ 6-30-15	\$ 2,241,043
Decreased by:	
Reserve for Encumbrances	(15)
Designated for Subsequent Year’s Expenditures:	
Tuition Reserve Budgeted Withdrawal	(100,000)
Maintenance Reserve Withdrawal	(10,000)
Excess Surplus Designated for 2015-2016 Budget	(373,503)
Other Reserves	<u>(1,031,127)</u>
Total Unassigned Fund Balance	<u>\$ 726,398</u>
Reserve Fund Balance – Excess Surplus	<u>\$ 258,374</u>

Section 3

Reserved Fund Balance - Excess Surplus Designated for Subsequent Expenditures	\$ 373,503
Excess Surplus – Current Year	<u>258,374</u>
	<u>\$ 631,877</u>

Detail of Allowable Adjustments

Non-Public Transportation Aid	<u>\$ 1,392</u>
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Detail of Other Restricted Fund Balance

Tuition Reserve	\$ 200,000
Emergency Reserve	50,000
Capital Reserve	<u>781,127</u>
Total Other Reserved Fund Balance	<u>\$ 1,031,127</u>

NOTE 14: Fund Balance Appropriated

General Fund – Of the \$2,241,043 General Fund fund balance at June 30, 2015, \$200,000 has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23-3.1(f)(8)*; \$781,127 has been reserved in the Capital Reserve Account; \$50,000 has been reserved for emergencies; \$10,000 is reserved for maintenance reserve and has been designated for subsequent year's expenditures; \$373,503 of Excess Surplus has been designated for subsequent years expenditures, \$100,000 of Tuition Reserve has been designated for subsequent years expenditures, \$258,374 of Excess Surplus will be designated for subsequent years expenditures, \$468,024 is unassigned and \$15 is reserved for Encumbrances.

NOTE 16: Calculation of Excess Surplus

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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. There is excess fund balance at June 30, 2015 of \$258,374.

NOTE 17: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2015. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2015 through December 31, 2015.

NOTE 18: FEMA Community Disaster Loan (CDL)

The School District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for \$4,719,338 total loan and chose to withdraw \$890,000 as a reduction of tax levy assessed for the 2014-2015 school year. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period. The loan matures in 2018.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,575,032		12,575,032	12,575,032	-
Tuition From Other LEA's	9,366,309		9,366,309	9,454,215	87,906
Tuition From Individuals			-	13,400	13,400
Athletic Jointure/Business Office Shared Services	17,000		17,000	17,000	-
Miscellaneous Revenues - Unrestricted	39,950		39,950	66,580	26,630
Total Local Sources	21,998,291	-	21,998,291	22,126,227	127,936
State Sources:					
Extraordinary Aid	200,000		200,000	149,083	(50,917)
Extraordinary Aid - 2013-2014				1,677	1,677
Special Education Categorical Aid	505,972		505,972	505,972	-
Transportation Aid	23,093		23,093	23,093	-
Security Aid	17,267		17,267	17,267	-
Adjustment Aid	20,596		20,596	20,596	-
PARCC Readiness Aid	9,560		9,560	9,560	-
Per Pupil Growth Aid	9,560		9,560	9,560	-
Non-Public Transportation			-	1,392	1,392
TPAF Pension Contribution			-	1,487,818	1,487,818
TPAF Social Security Contribution			-	852,250	852,250
Total State Sources	786,048	-	786,048	3,078,268	2,292,220
Federal Sources:					
Community Disaster Loans	890,000		890,000	890,000	-
Total Revenues	23,674,339	-	23,674,339	26,094,495	2,420,156

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	322,900	108,238	431,138	430,594	544
Grades 1-5 - Salaries of Teachers	1,579,715	(158,755)	1,420,960	1,420,278	682
Grades 6-8 - Salaries of Teachers	1,036,995	44,278	1,081,273	1,081,273	-
Grades 9-12 - Salaries of Teachers	4,061,085	(12,944)	4,048,141	4,048,115	26
Total Regular Programs - Instruction	<u>7,000,695</u>	<u>(19,183)</u>	<u>6,981,512</u>	<u>6,980,260</u>	<u>1,252</u>
Regular Programs - Home Instruction:					
Salaries	35,000	28,593	63,593	63,593	-
Purchase of Professional/Educational Services	13,000	17,698	30,698	29,870	828
Total Regular Programs - Home Instruction	<u>48,000</u>	<u>46,291</u>	<u>94,291</u>	<u>93,463</u>	<u>828</u>
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	107,615	(1,967)	105,648	104,734	914
Other Purchased Services	38,905	(4,379)	34,526	33,794	732
General Supplies	714,772	52,092	766,864	765,237	1,627
Textbooks	180,697	(13,871)	166,826	166,729	97
Other Objects	3,795	(930)	2,865	2,865	-
Total Regular Programs - Undistributed Instruction	<u>1,045,784</u>	<u>30,945</u>	<u>1,076,729</u>	<u>1,073,359</u>	<u>3,370</u>
Total Regular Programs - Instruction	<u>8,094,479</u>	<u>58,053</u>	<u>8,152,532</u>	<u>8,147,082</u>	<u>5,450</u>

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	303,170	8,433	311,603	311,002	601
Other Salaries For Instruction	3,888	695	4,583	4,548	35
General Supplies	7,748	(1,459)	6,289	6,268	21
Textbooks	1,894	(1,647)	247	242	5
Total Learning and/or Language Disabilities	316,700	6,022	322,722	322,060	662
Multiple Disabilities:					
Salaries of Teachers	137,755	(27,465)	110,290	109,989	301
Other Salaries for Instruction	26,640		26,640	26,635	5
Total Multiple Disabilities	164,395	(27,465)	136,930	136,624	306
Resource Room/Center:					
Salaries of Teachers	1,290,455	26,432	1,316,887	1,315,371	1,516
Other Salaries Instruction	27,640	34,118	61,758	61,577	181
General Supplies	702	(125)	577	577	-
Total Resource Room/Center	1,318,797	60,425	1,379,222	1,377,525	1,697
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	62,885	(9,760)	53,125	53,124	1
Other Salaries For Instruction	14,468	13,466	27,934	27,932	2
General Supplies	395	12	407	407	-
Total Pre-School Disabilities-Full-Time	77,748	3,718	81,466	81,463	3
Home Instruction					
Salaries of Teachers	12,000	8,040	20,040	20,040	-
Purchased Professional Educational Services	8,616	2,723	11,339	10,139	1,200
Total Home Instruction	20,616	10,763	31,379	30,179	1,200

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Special Education - Instruction	1,898,256	53,463	1,951,719	1,947,851	3,868
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	6,245		6,245	6,242	-
General Supplies	1,000	(960)	40	39	-
Total Basic Skills/Remedial - Instruction	7,245	(960)	6,285	6,281	-
Bilingual Education - Instruction:					
Salaries of Teachers	145,150	1,867	147,017	147,017	-
General Supplies	800	768	1,568	1,568	-
Total Bilingual Education - Instruction	145,950	2,635	148,585	148,585	-
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	152,895	2,683	155,578	155,578	-
Purchased Services (300-500 Series)	10,155	(1,567)	8,588	8,587	1
Supplies and Materials	12,013	(5,686)	6,327	6,326	1
Other Objects	6,371	1,264	7,635	7,634	1
Total School Sponsored Co-Curricular	181,434	(3,306)	178,128	178,125	3
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	362,885	15,378	378,263	378,263	-
Purchased Services (300-500 Series)	76,000	(1,319)	74,681	65,881	8,800
Supplies and Materials	92,677	(14,103)	78,574	74,073	4,501
Other Objects	12,000	(3,000)	9,000	6,291	2,709
Transfers to Cover Deficit (Agency Fund)	26,000	3,000	29,000	29,000	-
Total School Sponsored Co-Curr. Athletics - Instruction	569,562	(44)	569,518	553,508	16,010
Total Distributed Expenditures	10,896,926	109,841	11,006,767	10,981,432	25,331

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition in State - Special	31,385		31,385	31,385	-
Tuition to County Vocational School:					
Regular	252,000	(36,754)	215,246	213,300	1,946
Special	59,800	(25,839)	33,961	33,961	-
Tuition to Private School for Handicapped - In State	489,410	(12,775)	476,635	472,688	3,947
Total Instruction	<u>832,595</u>	<u>(75,368)</u>	<u>757,227</u>	<u>751,334</u>	<u>5,893</u>
Attendance & Social Work:					
Salaries	34,135	563	34,698	34,697	1
Health Services:					
Salaries	196,603	(5,115)	191,488	163,644	27,844
Purchased Professional/Technical Services	25,500	(7,100)	18,400	1,363	17,037
Other Purchased Services (400-500 Series)	850	1,631	2,481	2,336	145
Supplies and Materials	5,740	10,334	16,074	15,206	868
Other Objects	315	(55)	260	170	90
Total Health Services	<u>229,008</u>	<u>(305)</u>	<u>228,703</u>	<u>182,719</u>	<u>45,984</u>
Other Support Services Students Related Services:					
Salaries	257,475	935	258,410	251,662	6,748
Purchased Professional Educational Services	68,600	(12,520)	56,080	52,728	3,352
Supplies and Materials	2,058		2,058	1,703	355
Total Other Support Services Students Related Services	<u>328,133</u>	<u>(11,585)</u>	<u>316,548</u>	<u>306,093</u>	<u>10,455</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services Extraordinary Services:					
Salaries	82,250	63,656	145,906	145,704	202
Purchased Professional Educational Services	160,443	5,459	165,902	84,439	81,463
Total Other Support Srvs. Students Extraordinary Srvs.	<u>242,693</u>	<u>69,115</u>	<u>311,808</u>	<u>230,143</u>	<u>81,665</u>
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	627,135	(18,359)	608,776	588,086	20,690
Salaries of Secretarial & Clerical Assistants	53,995	710	54,705	54,703	2
Other Professional/Technical Services	34,353	(260)	34,093	30,247	3,846
Other Purchased Services	10,525	(717)	9,808	1,590	8,218
Supplies and Materials	10,270	717	10,987	9,735	1,252
Other Objects	1,800		1,800	1,378	422
Total Other Support Srvs. Students - Regular Services	<u>738,078</u>	<u>(17,909)</u>	<u>720,169</u>	<u>685,739</u>	<u>34,430</u>
Other Support Services Students - Special:					
Salaries of Other Professional Staff	551,370	6,987	558,357	558,352	5
Salaries of Secretarial & Clerical Assistants	51,460	(6,074)	45,386	43,986	1,400
Purchased Professional Educational Services	6,000	2,687	8,687	8,275	412
Other Purchased Professional/Technical Services	2,000		2,000	1,800	200
Other Purchased Services (400-500 Series)	20,728	(1,725)	19,003	18,020	983
Supplies and Materials	6,600	125	6,725	6,392	333
Other Objects	1,500		1,500	1,366	134
Total Other Support Services Students - Special	<u>639,658</u>	<u>2,000</u>	<u>641,658</u>	<u>638,191</u>	<u>3,467</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	287,880	(5,601)	282,279	282,153	126
Salaries of Other Professional Staff	25,200	(1,000)	24,200	23,100	1,100
Salaries of Secretarial & Clerical Assistants	43,545	212	43,757	43,756	1
Other Purchased Services (400-500 Series)	3,500	(228)	3,272	3,227	45
Supplies & Materials	2,500	(408)	2,092	1,055	1,037
Other Objects	3,505	(322)	3,183	3,183	-
Total Improvement of Instructional Services	366,130	(7,347)	358,783	356,474	2,309
Educational Media/School Library:					
Salaries	121,070	1,996	123,066	123,066	-
Salaries-Tech Coordinators	191,615	8,351	199,966	197,649	2,317
Other Purchased Services (400-500 Series)	16,210	205	16,415	16,327	88
Supplies and Materials	15,450	(1,906)	13,544	12,877	667
Total Educational Media/School Library	344,345	8,646	352,991	349,919	3,072
Staff Training:					
Salaries of Secretarial/Clerical Assistants	4,840	22	4,862	4,862	-
Purchased Professional Educational Services	2,000	(200)	1,800	1,500	300
Other Purchased Services	7,900	1,428	9,328	9,166	162
Supplies & Materials	500		500	500	500
Total Staff Training	15,240	1,250	16,490	15,528	962

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - General Administration:					
Salaries	228,945	21,316	250,261	250,260	1
Legal Services	73,331	14,302	87,633	87,631	2
Audit Fees	12,500		12,500	12,500	-
Architectural/Engineering Services	5,000	2,800	7,800	7,800	-
Other Purchased Professional Services	13,967	9,886	23,853	23,852	1
Communications/Telephone	107,000	(15,247)	91,753	91,752	1
Miscellaneous Purchased Services	109,592	(8,486)	101,106	101,105	1
General Supplies	5,000	13,347	18,347	18,347	-
Judgments	2,500	(2,500)	-	-	-
Miscellaneous Expenditures	8,500	(3,336)	5,164	5,162	2
Membership Dues and Fees	14,000	(3,145)	10,855	10,854	1
Total Support Services - General Administration	580,335	28,937	609,272	609,263	9
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	709,610	(14,208)	695,402	694,284	1,118
Salaries of Other Professional Staff	152,435	(2,608)	149,827	149,454	373
Salaries of Secretarial & Clerical Assistants	368,175	(294)	367,881	363,233	4,648
Purchased Professional & Technical Services	3,000	(1,208)	1,792	1,792	
Other Purchased Services (400-500 Series)	45,905	24,704	70,609	69,032	1,577
Supplies & Materials	30,100	6,615	36,715	36,711	4
Other Objects	6,800	648	7,448	7,447	1
Total Support Services - School Administration	1,316,025	13,649	1,329,674	1,320,161	9,513

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - Central Services:					
Salaries of Business Office	349,965	19,611	369,576	368,195	1,381
Other Purchased Professional Services	17,138	14,000	14,000	13,000	1,000
Purchased Technical Services	5,155	(1,844)	15,294	15,294	-
Other Purchased Services (400-500 Series)	8,000	2,926	8,081	8,076	5
Supplies	7,000	657	8,657	8,657	-
Miscellaneous Expenditures	387,258	(287)	6,713	6,572	141
Total Support Services - Central Services	139,691	35,063	422,321	419,794	2,527
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	139,691	(26,640)	113,051	99,576	13,475
Total Required Maintenance for School Facilities	139,691	(26,640)	113,051	99,576	13,475
Other Operations & Maintenance of Plant:					
Salaries	703,360	869	704,229	693,010	11,219
Salaries of Non-Instructional Aides	87,817	(23,542)	64,275	59,001	5,274
Purchased Professional/Technical Services	160,700	9,100	9,100	9,100	-
Cleaning, Repair & Maintenance Services	9,800	57,320	218,020	212,066	5,954
Other Purchased Property Services	143,130	(5,200)	9,800	9,539	261
Insurance	122,626	(21,483)	137,930	137,832	98
General Supplies	513,355	(183,561)	101,143	84,663	16,480
Energy (Electricity)	350	6,600	329,794	309,391	20,403
Other Objects	205,000	(33,534)	6,950	6,950	-
Energy (Natural Gas)	1,946,138	(193,431)	171,466	160,812	10,654
Total Other Operations and Maintenance of Plant	1,946,138	(193,431)	1,752,707	1,682,364	70,343

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds					
Salaries	124,770	747	125,517	124,664	853
Purchased Professional and Technical Services		1,150	1,150	1,150	-
Cleaning, Repair and Maintenance Services	114,300	(33,054)	81,246	49,108	32,138
General Supplies	66,130	(868)	65,262	57,712	7,550
Total Care and Upkeep of Grounds	305,200	(32,025)	273,175	232,634	40,541
Total Operations & Maintenance	2,391,029	(252,096)	2,138,933	2,014,574	124,359
Security:					
Salaries	84,484	13,116	97,600	95,722	1,878
Purchased Professional and Technical Services	17,000	13,269	30,269	28,563	1,706
General Supplies		1,036	1,036	1,035	1
Total Security	101,484	27,421	128,905	125,320	3,585
Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	143,697	3,583	147,280	144,020	3,260
Contracted Services Home/School - Jointure	147,410	(1,300)	146,110	145,854	256
Contracted Services Special ESC	161,997	48,472	210,469	209,872	597
Contracted Services Aid-In-Lieu Non-Public	4,420	2,223	6,643	6,643	-
Total Student Transportation	457,524	52,978	510,502	506,389	4,113

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	275,000	13,057	288,057	287,836	221
Other Retirement Contributions-PERS	252,500	(20,677)	231,823	231,784	39
Unemployment Compensation	20,000	(20,000)	-		-
Workmen's Compensation	138,627	13,413	152,040	152,039	1
Health Benefits	2,797,922	(161,826)	2,636,096	2,629,158	6,938
Tuition Reimbursement	7,000	(2,500)	4,500	3,600	900
Other Employee Benefits	292,900	102,703	395,603	392,873	2,730
Total Unallocated Benefits	<u>3,783,949</u>	<u>(75,830)</u>	<u>3,708,119</u>	<u>3,697,290</u>	<u>10,829</u>
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	1,487,818	(1,487,818)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	852,250	(852,250)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,340,068</u>	<u>(2,340,068)</u>
Total Personal Services - Employee Benefits	<u>3,783,949</u>	<u>(75,830)</u>	<u>3,708,119</u>	<u>6,037,358</u>	<u>(2,329,239)</u>
Total Undistributed Expenditures	<u>12,787,619</u>	<u>(200,818)</u>	<u>12,586,801</u>	<u>14,583,696</u>	<u>(1,996,895)</u>
Total General Current Expense	<u>23,684,545</u>	<u>(90,977)</u>	<u>23,593,568</u>	<u>25,565,128</u>	<u>(1,971,564)</u>
Capital Outlay:					
Instruction					
Grades 1-5	10,000	(2,000)	8,000	7,886	114
Grades 6-8		2,699	2,699	2,687	12
Grades 9-12	3,500		3,500	3,309	191
High School Technical		4,050	4,050	4,031	19
High School Athletic	15,200	(2,441)	12,759	4,260	8,499

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay (Continued):					
Equipment:					
Technology	8,000		8,000	7,982	18
Maintenance	4,200		4,200	4,200	-
Operation	20,400		20,400		20,400
Security	45,054		45,054	45,053	1
Total Regular Programs - Instruction	<u>49,100</u>	<u>59,562</u>	<u>108,662</u>	<u>79,408</u>	<u>29,254</u>
Facilities Acquisition & Construction Services:					
Assessment for Debt Service on SDA Funding	27,109		27,109	27,109	-
Total Facilities Acquisition & Construction Services	<u>27,109</u>	<u>-</u>	<u>27,109</u>	<u>27,109</u>	<u>-</u>
Total Capital Outlay	<u>76,209</u>	<u>59,562</u>	<u>135,771</u>	<u>106,517</u>	<u>29,254</u>
Total Expenditures	<u>23,760,754</u>	<u>(31,415)</u>	<u>23,729,339</u>	<u>25,671,645</u>	<u>(1,942,310)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Uses	<u>(86,415)</u>	<u>31,415</u>	<u>(55,000)</u>	<u>422,850</u>	<u>477,846</u>
Fund Balance July 1	<u>1,818,193</u>		<u>1,818,193</u>	<u>1,818,193</u>	
Fund Balance June 30	<u>\$ 1,731,778</u>	<u>31,415</u>	<u>1,763,193</u>	<u>2,241,043</u>	<u>477,846</u>

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 781,127	
Emergency Reserve				50,000	
Tuition Reserve				200,000	
Excess Surplus - Designated to 2016-17 Budget				258,374	
Assigned Fund Balance:					
Designated for Encumbrances				15	
Designated For Subsequent Year's Expenditures - Excess Surplus				373,503	
Designated For Subsequent Year's Expenditures - Tuition Reserve				100,000	
Designated For Subsequent Year's Expenditures - Maintenance Reserve				10,000	
Unassigned Fund Balance				468,024	
				<u>2,241,043</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(55,893)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,185,150</u>	

MANASQUAN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources	\$ -	27,209	27,209	10,081	17,128
State Sources	54,545	12,332	66,877	54,163	12,714
Federal Sources	280,367	142,732	423,099	396,295	26,804
Total Revenues	<u>\$ 334,912</u>	<u>182,273</u>	<u>517,185</u>	<u>460,539</u>	<u>56,646</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 29,577	29,848	59,425	55,844	3,581
Other Purchased Services	171,749	78,251	250,000	250,000	
General Supplies	79,458	(22,085)	57,373	43,172	14,201
Textbooks	7,553	14	7,567	7,009	558
Technology	2,754	1,240	3,994	3,994	
Total Instruction	<u>291,091</u>	<u>87,268</u>	<u>378,359</u>	<u>360,019</u>	<u>18,340</u>
Support Services:					
Personal Services - Employee Benefits	3,624	9,900	13,524	13,524	
Purchased Professional - Educational Services	9,383	45,421	54,804	44,495	10,309
Other Purchased Services	400	18,191	18,591	2,669	15,922
Other Objects	30,414	17,993	48,407	39,832	8,575
Total Support Services	<u>43,821</u>	<u>91,505</u>	<u>135,326</u>	<u>100,520</u>	<u>34,806</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		3,500	3,500		3,500
Total Expenditures	<u>\$ 334,912</u>	<u>182,273</u>	<u>517,185</u>	<u>460,539</u>	<u>56,646</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

MANASQUAN SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 26,094,495	460,539
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(3,287)
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes	52,231	
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	<u>(55,893)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 26,090,833</u>	<u>457,252</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,671,645	460,539
Differences - 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 Reporting Purposes		<u>(3,287)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 25,671,645</u>	<u>457,252</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) - L**

MANASQUAN SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - PERS

Exhibit L-1

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,009,555	5,685,786
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 5,009,555</u>	<u>5,685,786</u>
District's Covered-Employee Payroll	1,893,025	1,836,640
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	37.79%	32.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 226,913	226,075
Contributions in Relation to the Contractually Required Contribution	<u>226,913</u>	<u>226,075</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 1,893,025	1,836,940
Contributions as a Percentage of Covered-Employee Payroll	11.99%	12.31%

MANASQUAN SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>62,231,640</u>	<u>57,010,446</u>
Total	<u>\$ 62,231,640</u>	<u>57,010,446</u>
District's Covered-Employee Payroll	10,797,761	10,782,970
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	17.35%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND - E

MANASQUAN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonpublic									
Textbooks	Comp. Education	Transportation	Initial Exam. & Classification	Annual Exam. & Classification	Corrective Speech	Supplementary Instruction	Technology	Nursing	Teacher Recognition	
Revenues:										
State Sources	3,328	3,366	7,558	2,888	7,952	6,278	3,994	11,790		
Federal Sources										
Local Revenues										500
Total Revenues	<u>3,328</u>	<u>3,366</u>	<u>7,558</u>	<u>2,888</u>	<u>7,952</u>	<u>6,278</u>	<u>3,994</u>	<u>11,790</u>		<u>500</u>
Expenditures:										
Instruction:										
Salaries of Teachers	3,328									
Purchased Professional Technical Services										500
General Supplies										
Textbooks										
Technology	3,328						3,994			
Total Instruction	<u>3,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,994</u>	<u>-</u>		<u>500</u>
Support Services:										
Personal Services - Employee Benefits										
Purchased Professional Educational Services		3,366	7,558	2,888	7,952	6,278		11,790		
Other Objects		3,366	7,558	2,888	7,952	6,278		11,790		
Total Support Services	<u>-</u>	<u>3,366</u>	<u>7,558</u>	<u>2,888</u>	<u>7,952</u>	<u>6,278</u>	<u>-</u>	<u>11,790</u>		<u>-</u>
Total Expenditures	<u>3,328</u>	<u>3,366</u>	<u>7,558</u>	<u>2,888</u>	<u>7,952</u>	<u>6,278</u>	<u>3,994</u>	<u>11,790</u>		<u>500</u>

MANASQUAN 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 IIIA</u>	<u>I.D.E.A. Flow-Thru Part B</u>	<u>I.D.E.A. Flow-Thru Preschool</u>	<u>Markerspace Library Grant</u>	<u>Ocean First</u>	<u>MES Education Foundation</u>	<u>Rutgers Health Grant</u>	<u>MAD 911 Grant</u>	<u>Totals</u>
Revenues:										
State Sources	87,391	6,303	295,932	6,669	2,039	4,616	2,171	255	500	54,163
Federal Sources										396,295
Local Revenues										10,081
Total Revenues	87,391	6,303	295,932	6,669	2,039	4,616	2,171	255	500	460,539
Expenditures:										
Instruction:										
Salaries of Teachers	52,016		250,000						500	55,844
Other Purchased Services	21,851		5,071	6,669	2,039	4,616	2,171	255		43,172
General Supplies										7,009
Textbooks										3,994
Total Instruction	73,867	-	255,071	6,669	2,039	4,616	2,171	255	500	360,019
Support Services:										
Personal Services - Employee Benefits	13,524	3,634	40,861							13,524
Purchased Professional Educational Services		2,669								44,495
Other Purchased Services		6,303	40,861							42,501
Total Support Services	13,524	6,303	40,861	-	-	-	-	-	-	100,520
Total Expenditures	87,391	6,303	295,932	6,669	2,039	4,616	2,171	255	500	460,539

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS - G

MANASQUAN SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET POSITIONENTERPRISE FUNDSJUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Surf Team</u>	
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 26,521	536	27,057
Accounts Receivable:			
Federal	23,965		23,965
State	709		709
Other	1,238		1,238
Inventories	4,151		4,151
Total Current Assets	<u>56,584</u>	<u>536</u>	<u>57,120</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	445,965		445,965
Less: Accumulated Depreciation	<u>(293,624)</u>		<u>(293,624)</u>
Total Noncurrent Assets	<u>152,341</u>	<u>-</u>	<u>152,341</u>
Total Assets	<u>\$ 208,925</u>	<u>536</u>	<u>209,461</u>
<u>Net Position</u>			
Invested in Capital Assets net of Related			
Debt	\$ 183,013		183,013
Unrestricted	<u>25,912</u>	<u>536</u>	<u>26,448</u>
Total Net Position	<u>\$ 208,925</u>	<u>536</u>	<u>209,461</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES ANDCHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2015

	Business-Type Activities - Enterprise Funds		Totals
	Food Service	Surf Team	
Operating Revenues:			
Charge for Services:			
Daily Sales	\$ 545,885		545,885
Miscellaneous		11,600	11,600
Catering	8,841		8,841
Total Operating Revenues	<u>554,726</u>	<u>11,600</u>	<u>566,326</u>
Operating Expenses:			
Cost of Sales	287,240		287,240
Salaries	242,687		242,687
Employee Benefits	36,860		36,860
Worker's Compensation	10,200		10,200
Cost of Supplies	35,549		35,549
General Liability Insurance	34,777		34,777
Management Fees	21,000		21,000
Repairs	11,860		11,860
Miscellaneous	16,884	12,096	28,980
Depreciation	5,608		5,608
Total Operating Expenses	<u>702,665</u>	<u>12,096</u>	<u>714,761</u>
Operating Income (Loss)	(147,939)	(496)	(148,435)
Nonoperating Revenues (Expenses):			
Interest Revenue	60		60
State Sources:			
State School Lunch Program	3,601		3,601
Federal Sources:			
National School Lunch Program	114,449		114,449
HHFKA Lunch Program	4,612		4,612
Food Distribution Program	14,477		14,477
Total Nonoperating Revenues (Expenses)	<u>137,199</u>	<u>-</u>	<u>137,199</u>
Change in Net Position	(10,740)	(496)	(11,236)
Adjustment for Fixed Assets	(8,584)		(8,584)
Total Net Position - Beginning	<u>228,249</u>	<u>1,032</u>	<u>229,281</u>
Total Net Position - Ending	<u>\$ 208,925</u>	<u>536</u>	<u>209,461</u>

MANASQUAN SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUNDS

JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		Totals
	Food Service	Surf Team	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 554,726	11,600	566,326
Payments to Employees	(242,687)	-	(242,687)
Payments to Suppliers	(430,948)	(12,096)	(443,044)
Net Cash Provided (Used by) Operating Activities	<u>(118,909)</u>	<u>(496)</u>	<u>(119,405)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	3,601		3,601
Federal Sources	119,061		119,061
Net Cash Provided (Used by) Noncapital Financing Activities	<u>122,662</u>		<u>122,662</u>
Cash Flows from Investing Activities:			
Interest Received	60		60
Net Increase (Decrease) in Cash & Cash Equivalents	3,813	(496)	3,317
Balances - Beginning of Year	<u>22,708</u>	<u>1,032</u>	<u>23,740</u>
Balances - End of Year	<u>\$ 26,521</u>	<u>536</u>	<u>27,057</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ (147,939)	(496)	(148,435)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	5,608		5,608
Federal Commodities	14,477		14,477
(Increase)/Decrease in Accounts Receivable	9,498		9,498
(Increase)/Decrease in Inventories	(553)		(553)
Net Cash Provided (Used by) Operating Activities	<u>\$ (118,909)</u>	<u>(496)</u>	<u>(119,405)</u>

FIDUCIARY FUND – H

MANASQUAN SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	<u>Student Activities</u>	<u>Flexible Spending Account</u>	<u>Salary Account</u>	<u>Agency Account</u>	<u>Staff Account</u>	<u>Non-Expendable Trust Scholarship</u>	<u>Unemployment</u>	<u>Totals June 30, 2015</u>
Assets:								
Cash and Cash Equivalents	\$ 224,094	4,965	3	5	1,548	72,945	86,422	389,982
Total Assets	\$ 224,094	4,965	3	5	1,548	72,945	86,422	389,982
Liabilities:								
Due to Student Groups	\$ 224,094							224,094
Payroll Withholdings		4,965	3	5				4,973
Total Liabilities	\$ 224,094	4,965	3	5				229,067
Net Position:								
Reserved - Unemployment Benefits					\$ -		86,422	86,422
Reserved-Staff Account					1,548			1,548
Reserved - Scholarships						72,945		72,945
Total Net Position					\$ 1,548	72,945	86,422	160,915

MANASQUAN SCHOOL DISTRICT
SCHOLARSHIP NONEXPENDABLE TRUST FUND

Exhibit H-2

STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION

JUNE 30, 2015

	<u>2015</u>
Additions:	
Deposits	\$ 14,528
Interest on Investments	16
Total Additions	<u>14,544</u>
Deductions:	
Scholarship Payments	<u>17,100</u>
Total Deductions	<u>17,100</u>
Change in Net Position	(2,556)
Net Position June 30, 2014	<u>75,501</u>
Net Position June 30, 2015	<u><u>\$ 72,945</u></u>

MANASQUAN SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary School:				
Manasquan Elementary	\$ 28,259	61,756	63,161	26,854
High School:				
Recording Studio	3,222	1,776	1,275	3,723
Technology Device Account		13,786	74	13,712
Manasquan High School	<u>213,392</u>	<u>383,542</u>	<u>417,129</u>	<u>179,805</u>
Total - All Schools	<u>\$ 244,873</u>	<u>460,860</u>	<u>481,639</u>	<u>224,094</u>

MANASQUAN SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	\$ 261	9,634,866	9,635,122	<u>5</u>
Total Assets	<u>\$ 261</u>	<u>9,634,866</u>	<u>9,635,122</u>	<u>5</u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	\$ 261	9,634,866	9,635,122	<u>5</u>
Total Liabilities	<u>\$ 261</u>	<u>9,634,866</u>	<u>9,635,122</u>	<u>5</u>

LONG-TERM DEBT - I

GENERAL LONG-TERM DEBT ACCOUNT GROUP

SCHEDULE OF LONG-TERM DEBT GROUP

JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2014</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance June 30, 2015</u>
Addition to High School	12-1-95	\$5,000,000	1-15-16	\$ 310,000	3.860%	\$ 635,000		325,000	310,000
Addition to Elementary School	2-23-05	9,652,000				460,000		460,000	-
Refunding Issue of 2013 Addition to Elementary School	4-30-13	5,550,000	1-15-16	460,000	3.000%	5,495,000			5,495,000
			1-15-17	475,000					
			1-15-18	490,000					
			1-15-19	510,000					
			1-15-20	530,000	4.000%				
			1-15-21	555,000	5.000%				
			1-15-22	580,000					
			1-15-23	615,000					
			1-15-24	645,000	3.000%				
			1-15-25	635,000					
Community Disaster Loan	2014/2015	2,193,948	7-18-18	438,790	1.375%		2,193,948		2,193,948
			7-18-19	438,790					
			7-18-20	438,790					
			7-18-21	438,789					
			7-18-22	438,789					
						\$ 6,590,000	2,193,948	785,000	7,998,948

MANASQUAN SCHOOL DISTRICT

Exhibit I-2

GENERAL LONG-TERM DEBT ACCOUNT GROUP

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2015

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
Konica Copiers	5.40%	\$ 18,736	\$ 9,339		3,853	5,486
Ricoh Copiers	2.89%	71,556	63,885		13,759	50,126
Ricoh Copiers	3.77%	24,673		24,673	3,304	21,369
Ricoh Copiers	4.89%	35,436		35,436	3,573	31,863
Security Cameras	2.27%	98,401		98,401	33,547	64,854
			\$ 73,224	158,510	58,036	173,698

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit 1-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 1,012,458		1,012,458	1,012,458	
Total Revenues	<u>1,012,458</u>	<u>-</u>	<u>1,012,458</u>	<u>1,012,458</u>	<u>-</u>
Expenditures:					
Regular Debt Service Interest	247,425		247,425	247,425	
Redemption of Principal	785,000		785,000	785,000	
Total Expenditures	<u>1,032,425</u>	<u>-</u>	<u>1,032,425</u>	<u>1,032,425</u>	<u>-</u>
Excess Revenues Over Expenditures	(19,967)	-	(19,967)	(19,967)	-
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	(19,967)		(19,967)	(19,967)	-
Fund Balance July 1	19,967		19,967	19,967	-
Fund Balance June 30	\$ -		-	-	-

STATISTICAL SECTION

(Unaudited)

**Manasquan Board of Education
Net Assets by Component,
Last Ten Fiscal Years**

J-1

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	(3,935,990)	4,661,563	7,990,282	9,127,231	9,779,920	9,978,263	10,871,682	12,159,569	12,483,066	10,520,497
Restricted	3,527,956	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033
Unrestricted	251,629	82,881	(406,971)	(315,336)	(389,542)	96,800	(38,284)	22,838	(594,876)	(5,628,782)
Total governmental activities net assets	(156,405)	8,231,842	9,877,750	9,986,499	10,813,707	11,482,418	12,428,636	12,710,957	13,654,152	6,664,748
Business-type activities										
Invested in capital assets, net of related debt	52,641	45,482	44,255	174,596	178,410	159,107	169,502	169,286	166,533	183,013
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	105,610	127,280	112,055	88,842	89,060	81,322	72,550	75,843	62,748	26,448
Total business-type net assets	158,251	172,762	156,310	263,438	267,470	240,429	242,052	245,129	229,281	209,461
District-wide										
Invested in capital assets, net of related debt	(3,883,349)	4,707,045	8,034,537	9,301,827	9,958,330	10,137,370	11,041,184	12,328,855	12,649,599	10,703,510
Restricted	3,527,956	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033
Unrestricted	357,239	210,161	(294,916)	(226,494)	(300,482)	178,122	34,266	98,681	(532,128)	(5,602,334)
Total District Net Assets	1,846	8,404,604	10,034,060	10,249,937	11,081,177	11,722,847	12,670,688	12,956,086	13,883,433	6,874,209

Source: CAFRE Schedule A-1

Manasquan Board of Education
Changes in Net Position,
Last Ten Fiscal Years

J-2

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	6,937,680	6,792,360	7,274,382	7,063,043	7,551,074	7,305,273	7,477,970	7,316,046	7,797,346	8,147,082
Special education	995,707	1,323,633	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851
Other special education	313,255	327,044	368,333	264,954	279,203	134,068	139,112	112,527	147,703	511,598
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	658,604	684,287	717,953	759,997	772,300	760,384	797,543	710,900	706,050	731,633
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	566,782	597,070	653,166	744,955	648,534	574,831	728,556	788,073	721,990	751,334
Student & instruction related services	2,185,494	2,300,633	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,833,209	2,900,023
General administrative services	460,074	461,989	540,949	531,885	555,444	526,375	657,133	651,981	611,877	609,263
School & Business Administrative Svcs	1,445,916	1,499,213	1,603,060	1,663,493	1,597,796	1,611,840	1,630,154	1,622,452	1,593,831	1,739,955
Unallocated Benefits	4,886,185	5,863,013	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,441,411
Plant operations and maintenance	1,883,385	1,786,425	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,139,894
Pupil transportation	464,503	541,179	532,769	567,314	488,417	351,776	392,692	392,999	432,476	506,389
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	456,297	463,862	434,891	406,224	383,508	359,470	333,738	244,608	258,283	259,874
Unallocated depreciation	339,679	350,092	396,725	717,221	516,764	698,880	827,188	818,422	704,421	681,910
Total Governmental Activities Expenses	21,593,561	22,990,800	24,590,902	24,521,500	25,155,284	24,904,598	26,194,163	27,210,048	25,646,396	27,368,217
Business-Type Activities:										
Food service	601,081	626,349	661,200	664,102	637,527	659,787	629,346	647,049	704,878	702,665
Surf Team	19,206	10,196	16,111	10,641	-	3,870	9,749	2,828	23,462	12,096
Total Business-Type Activities Expense	620,287	636,545	677,311	674,743	637,527	663,657	639,095	649,877	728,340	714,761
Total District Expenses:	22,213,848	23,627,345	25,268,213	25,196,243	25,792,811	25,568,255	26,833,258	27,859,925	26,374,736	28,082,978
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	-	-	788,073	721,990	751,334
Operating grants and contributions	481,962	528,833	421,228	424,097	811,247	673,525	506,399	539,995	425,888	457,252
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Rev.	481,962	528,833	421,228	424,097	811,247	673,525	506,399	1,328,068	1,147,878	1,208,586

Manasquan Board of Education
Changes in Net Position,
Last Ten Fiscal Years

J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Charges for services										
Food service	551,879	575,066	567,742	565,989	534,310	537,854	531,265	528,258	548,519	554,726
Surf Team	17,595	11,450	17,460	11,260	-	-	11,000	10,000	15,929	11,600
Operating grants and contributions	53,700	58,301	72,086	73,012	89,158	98,686	98,439	113,147	130,662	137,139
Total Business Type Activities Program Rev.	623,174	644,817	657,288	650,261	623,468	636,540	640,704	651,405	695,110	703,465
Total district program revenues	1,105,136	1,173,650	1,078,516	1,074,358	1,434,715	1,310,065	1,147,103	1,979,473	1,842,988	1,912,051
Net (Expense)/Revenue										
Governmental activities	(21,111,599)	(22,461,967)	(24,169,674)	(24,097,403)	(24,344,037)	(24,231,073)	(25,687,764)	(25,881,980)	(24,498,518)	(26,159,631)
Business-type activities	2,887	8,272	(20,023)	(24,482)	(14,059)	(27,117)	1,609	1,528	(7,533)	(496)
Total District-Wide Net Expense	(21,108,712)	(22,453,695)	(24,189,697)	(24,121,885)	(24,358,096)	(24,258,190)	(25,686,155)	(25,880,452)	(24,506,051)	(26,160,127)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property taxes levied for general purposes, net	9,719,400	10,737,772	11,000,595	11,440,619	11,922,137	12,171,782	12,171,782	12,655,951	12,034,544	12,575,032
Taxes levied for debt service	1,203,012	1,155,296	821,788	880,839	1,061,323	1,079,710	1,065,700	1,063,883	1,050,500	1,012,458
Tuition	8,433,935	8,272,855	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759	8,187,640	8,219,829	8,716,281
Unrestricted grants and contributions	2,515,985	3,272,073	3,351,361	2,413,944	2,559,540	1,826,029	2,607,265	3,100,959	4,149,705	3,964,426
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	31,000	435,322	192,281	28,399	5,047	4,924	926	772	-	-
Miscellaneous income	690,403	93,103	81,705	164,365	113,522	168,657	149,375	165,769	98,897	83,760
Transfers	9,295	65,899	-	-	-	-	-	-	-	-
Total Governmental Activities	22,603,030	24,032,320	24,350,816	24,152,537	25,034,809	25,377,213	25,988,807	25,174,974	25,553,475	26,351,957
Business-Type Activities:										
Investment earnings	4,617	6,239	3,571	649	94	76	14	8	11	60
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	4,617	6,239	3,571	649	94	76	14	8	11	60
Total District-Wide	22,607,647	24,038,559	24,354,387	24,153,186	25,034,903	25,377,289	25,988,821	25,174,982	25,563,486	26,352,017
Change in Net Assets										
Governmental activities	1,491,431	1,570,353	181,142	55,134	690,772	1,146,140	301,043	-707,006	1,054,957	192,326
Business-type activities	7,504	14,511	(16,452)	(23,833)	-13,965	-27,041	1,623	1,536	-33,219	-11,236
Total District	1,498,935	1,584,864	164,690	31,301	676,807	1,119,099	302,666	-705,470	1,021,738	181,090

Source: CAFR Schedule A-2

Manasquan School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years

J-3

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	384,327	315,048	360,590	240,278	732,302	1,405,664	1,593,851	527,515	1,369,608	1,811,647
Unreserved	841,674	862,251	680,832	690,981	489,371	536,680	568,825	490,658	396,354	373,503
Total General Fund	1,226,001	1,177,299	1,041,422	931,259	1,221,673	1,942,344	2,162,676	1,018,173	1,765,962	2,185,150
All Other Governmental Funds										
Reserved	-	-	-	22,887	-	-	-	1035	-	-
Unreserved, reported in										
Special revenue fund	-	-	-	-	-	-	-	-	19,996	-
Capital projects fund	2,696,545	2,258,395	1,303,654	597,982	450,142	1,029	-	-	-	-
Debt service fund	479,670	680,577	353,995	796	1,457	662	1,387	-	-	-
Total All Other Governmental Funds	3,176,215	2,938,972	1,657,649	621,665	451,599	1,691	1,387	1,035	19,996	0

Source: CAFR Schedule B-1

Manasquan Board of Education
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	10,822,412	11,893,068	11,822,383	12,321,458	12,983,460	13,251,492	13,237,482	13,719,834	13,085,044	13,587,490
Tuition charges	8,433,935	8,272,855	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759	8,975,713	8,941,819	9,467,615
Interest earnings	31,000	435,322	192,281	28,399	5,047	4,924	926	772	-	0
Miscellaneous	690,403	179,205	84,455	164,365	119,568	178,154	162,284	219,660	119,934	91,714
State sources	2,717,120	3,401,587	3,473,332	2,541,409	2,694,698	1,918,542	2,634,865	3,162,312	2,897,658	3,128,589
Federal sources	280,827	313,217	296,507	296,632	670,043	571,515	465,890	424,751	1,656,898	1,285,135
Total Revenue	23,075,697	24,495,254	24,772,044	24,576,634	25,946,056	26,050,738	26,495,206	26,503,042	26,701,353	27,560,543
Expenditures										
Instruction										
Regular Instruction	6,995,151	6,861,042	7,189,073	7,168,323	7,424,565	7,504,878	7,457,057	7,309,019	7,763,727	8,147,082
Special education instruction	995,707	1,323,633	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851
Other special education	313,255	327,044	368,333	264,954	279,203	134,068	139,112	112,527	147,703	511,598
Other school programs	658,604	684,287	717,953	759,997	772,300	760,384	797,543	710,900	706,050	731,633
Support Services:										
Tuition	566,782	597,070	653,166	744,955	648,534	574,831	728,556	788,073	721,990	751,334
Student & Instruction related services	2,185,494	2,300,631	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,833,209	2,900,023
General administrative services	460,074	461,989	540,949	531,885	555,444	526,375	657,133	651,981	611,877	609,263
School administrative services	976,196	1,019,356	1,044,376	1,117,008	1,201,927	1,207,308	1,216,712	1,622,452	1,593,831	1,739,955
Business administrative services	469,720	479,857	367,990	388,939	395,869	404,532	413,442	-	-	-
Plant operations and maintenance	1,883,385	1,786,425	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,014,574
Security	-	-	-	-	-	-	-	-	-	125,320
Pupil transportation	464,503	541,179	532,769	567,314	488,417	351,776	392,692	392,999	432,476	506,389
Other Support Services	-	-	190,694	157,546	-	-	-	-	-	-
Employee Benefits	4,886,185	5,863,013	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,037,358
Food Service	-	-	-	-	-	-	-	-	-	-
Capital outlay	10,002,723	1,368,959	1,291,326	999,399	512,995	653,262	180,989	443,671	252,991	106,517
Debt service:										
Principal	725,711	755,705	775,825	801,155	690,000	710,000	720,000	745,000	815,000	785,000
Interest and other charges	477,301	476,907	448,315	418,892	394,210	370,860	346,010	319,235	216,569	247,425
Total Expenditures	32,060,791	24,847,097	26,189,443	25,722,781	25,725,708	25,779,975	26,259,323	27,647,897	25,934,633	27,161,322
Excess (Deficiency) of Revenues over (under) Expenditures	(8,985,094)	(351,843)	(1,417,399)	(1,146,147)	120,348	270,763	235,883	(1,144,855)	766,720	399,221
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	65,899	-	-	-	-	18,736	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	403,343	278,224	75,770	8,896	661	355	1,035	-	-	-
Transfers out	(394,048)	(278,224)	(75,770)	(8,896)	(661)	(355)	(1,035)	-	-	-
Total Other Financing Sources (Uses)	9,295	65,899	0	0	0	0	18,736	0	0	0
Net Change in Fund Balances	(8,975,799)	(285,944)	(1,417,399)	(1,146,147)	120,348	270,763	254,619	(1,144,855)	766,720	399,221
Debt Service as a Percentage of Non-Capital Expenditures	3.752%	4.961%	4.674%	4.743%	4.215%	4.193%	4.060%	3.849%	3.978%	3.801%

Source: CAFR Schedule B-2

Manasquan Board of Education
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenues</u>	<u>Bus. Svcs/ CST/ Ath.</u>	<u>Misc.</u>	<u>Total</u>
2006	133,714	8,433,935	31,000	82,969	8,681,618
2007	157,098	8,272,855	33,000	60,997	8,523,950
2008	116,511	8,903,086	34,320	47,385	9,101,302
2009	19,503	9,224,371	35,690	92,584	9,372,148
2010	4,386	9,373,240	53,115	60,407	9,491,148
2011	4,569	10,126,111	84,580	84,077	10,299,337
2012	926	9,993,759	78,800	83,484	10,156,969
2013	772	8,975,713	47,600	172,060	9,196,145
2014	679	8,941,819	17,000	102,255	9,061,753
2015	826	9,467,615	17,000	65,754	9,551,195

Source: District Records

Manasquan Board of Education
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Resid.	Farm Reg.	Qfarm	Com.	Ind.	Apt.	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities #	Net Valuation Taxable	Total Direct Sch. Tax Rate	Est. (Cty. Equal. Val.)
2006	128	2829	0	0	186	13	9	1,670,112,518	127,159,400	512,218	1,542,953,118	0.771	87.95
2007	130	2840	0	0	186	13	8	1,690,480,460	127,689,200	463,160	1,562,791,260	0.757	77.71
2008	121	2847	0	0	186	13	8	1,708,021,000	130,937,600	451,000	1,577,534,400	0.781	72.58
2009	106	2867	0	0	185	13	8	1,722,788,139	127,892,700	467,239	1,594,895,437	0.814	70.55
2010	94	2879	0	0	186	13	8	1,734,600,014	130,651,600	472,614	1,601,395,414	0.828	73.88
2011	108	2870	0	0	184	12	8	1,739,469,940	131,496,600	1,053,040	1,605,420,340	0.825	73.78
2012	95	2883	0	0	184	12	8	1,741,294,154	131,989,400	1,063,154	1,606,751,754	0.854	78.28
2013	97	2882	0	0	184	12	7	1,656,447,600	134,451,100	0	1,521,996,500	0.860	79.49
2014	135	2859	0	0	186	11	7	1,705,061,000	132,585,500	0	1,572,475,500	0.873	79.65
2015	137	2858	0	0	188	11	7	1,723,847,700	132,717,600	0	1,591,130,100	0.876	80.59

Source: County Abstract of Ratables & Municipal Tax Assessor

Fiscal Year Ended June 30,	<u>Manasquan Board of Education</u>			<u>Overlapping Debt</u>			Total Direct & Overlapping Tax Rate
	<u>Basic Rate</u>	<u>General Obligation Debt Svc.</u>	<u>Total Direct</u>	<u>Borough of Manasquan</u>	<u>Fire Districts</u>	<u>Monmouth County</u>	
2006	0.696	0.075	0.771	0.315	0.038	0.343	1.467
2007	0.704	0.053	0.757	0.321	0.041	0.353	1.472
2008	0.725	0.056	0.781	0.331	0.040	0.357	1.509
2009	0.747	0.067	0.814	0.331	0.042	0.372	1.559
2010	0.760	0.068	0.828	0.345	0.044	0.373	1.590
2011	0.758	0.067	0.825	0.352	0.044	0.388	1.609
2012	0.788	0.066	0.854	0.368	0.045	0.377	1.644
2013	0.791	0.069	0.860	0.379	0.048	0.388	1.675
2014	0.765	0.066	0.831	0.379	0.048	0.388	1.646
2015	0.790	0.063	0.853	0.384	0.048	0.388	1.673

Source: District Records and Municipal Tax Collector

**Manasquan Board of Education
Principal Property Taxpayers
Current and Ten Years Ago**

J-8

Taxpayer	2015			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Dana, Ronald B.	7,979,300	1	0.50%	6,153,200	3	0.40%
Sprint Comm Co LP c/o Prop Tax Dept.	7,506,700	2	0.47%	7,532,200	2	0.49%
Giunco Realty	4,169,900	3	0.26%	4,289,200	5	0.28%
208 Properties, LLC	3,236,900	4	0.20%			
Acme	3,141,400	5	0.20%	3,141,400	7	0.21%
Osprey Realty	2,822,000	6	0.18%	2,822,000	10	0.18%
S & B Associates	2,717,600	7	0.17%			
Hare, Richard	2,539,900	8	0.16%			
Leg-It LLC	2,500,000	9	0.16%	4,592,900	4	0.30%
SeaBreeze LLC	2,458,000	10	0.15%	3,000,000	9	0.20%
American Timber				9,106,600	1	1.00%
Clapp, Harvey, Ann & David				3,060,400	8	0.20%
Sea Watch Realty				3,468,200	6	0.23%

Source: Municipal Tax Assessor

**Manasquan Board of Education
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	<u>Amount</u>	Percentage of Levy	Collections in Subsequent Years
2006	10,922,412.00	10,922,412.00	100.00%	-
2007	11,893,068.00	11,893,068.00	100.00%	-
2008	11,822,383.00	11,822,383.00	100.00%	-
2009	12,321,458.00	12,321,458.00	100.00%	-
2010	12,983,460.00	12,983,460.00	100.00%	-
2011	13,251,492.00	13,251,492.00	100.00%	-
2012	13,237,482.00	13,237,482.00	100.00%	-
2013	13,719,834.00	13,719,834.00	100.00%	-
2014	13,085,044.00	13,085,044.00	100.00%	-
2015	13,587,490.00	13,587,490.00	100.00%	-

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

**Manasquan Board of Education
 Ratios of Outstanding Debt by Type,
 Last Ten Fiscal Years**

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Percentage Of Personal Income	Per Capita
2006	12,844,684	55,151	12,899,835	3.83%	2058
2007	12,088,979	80,722	12,169,701	3.38%	1952
2008	11,313,154	46,438	11,359,592	3.06%	1818
2009	10,512,000	33,621	10,545,621	3.01%	1681
2010	9,822,000	19,878	9,841,878	2.93%	1667
2011	9,112,000	5,144	9,117,144	2.71%	1544
2012	8,392,000	17,117	8,409,117	2.50%	1345
2013	7,405,000	13,719	7,418,719	2.00%	1164
2014	6,590,000	73,224	6,663,224	2.06%	1157
*2015	7,998,948	173,698	8,172,646	2.52%	1418

*Includes FEMA Loans

Manasquan Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2006	12,844,684	-	12,844,684	0.8325%	2,048.92
2007	12,088,979	-	12,088,979	0.7736%	1,938.58
2008	11,313,154	-	11,313,154	0.7171%	1,810.97
2009	10,512,000	-	10,512,000	0.6591%	1,675.75
2010	9,822,000	-	9,822,000	0.6133%	1,663.90
2011	9,112,000	-	9,112,000	0.5676%	1,543.62
2012	8,392,000	-	8,392,000	0.5223%	1,429.40
2013	7,405,000	-	7,405,000	0.4865%	1,261.28
2014	6,590,000	-	6,590,000	0.4330%	1,144.69
2015	7,998,948	-	7,998,948	0.5270%	1,387.74

Source: District CAFR Schedules I-1 & US Census Bureau

Manasquan Board of Education
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2015

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes	8,033,855	100.00%	\$ 8,033,855
Manasquan Borough			
Other debt			
County of Monmouth Borough's Share	428,759,490	1.780%	7,631,919
Utility Authority- Borough's Share	22,798,894	13.35%	3,043,652
Utility Authority- Sanitary Sewer Rehabilitation			<u>359,853</u>
Subtotal, overlapping debt			11,035,424
Manasquan School District Direct Debt			<u>7,998,948</u>
Total direct and overlapping debt			<u><u>\$ 27,068,227</u></u>

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis

2015	1,594,575,100
2014	1,555,731,800
2013	<u>1,521,996,500</u>
	<u>4,672,303,400</u>

Average equalized valuation of taxable property	1,557,434,467
Debt limit (3% of average)	46,723,034
Net bonded school debt	<u>7,998,948</u>
Legal debt margin	<u>38,724,086</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	45,982,021	46,340,526	46,832,788	47,352,211	46,723,034	47,976,863	48,095,426	47,301,437	46,844,801	46,723,034
Total net debt appl. to limit	12,844,684	12,088,979	11,313,154	10,512,000	9,822,000	9,112,000	8,392,000	7,405,000	6,590,000	7,998,948
Legal debt margin	33,137,337	34,251,547	35,519,634	36,840,211	36,901,034	38,864,863	39,703,426	39,896,437	40,254,801	38,724,086
Total net debt applicable to	27.93%	26.09%	24.16%	22.20%	21.02%	18.99%	17.45%	15.65%	14.07%	17.12%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

Manasquan Board of Education
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
2006	6269	336,745,604	53,716	2.4
2007	6236	359,754,840	57,690	3.2
2008	6247	370,659,498	59,334	2.9
2009	6273	349,807,572	55,764	4.8
2010	5903	336,205,365	56,955	4.8
2011	5903	344,469,565	58,355	4.9
2012	5871	342,602,205	58,355	4.9
2013	5871	342,602,205	58,355	5.1
2014	5757	353,629,482	61,426	4.9
2015	5764	362,561,364	62,901	5.1

*=This data is only available for the entire County of Ocean.

Source: US Census Bureau, NJ Dept. of Labor and Workforce Development

Manasquan Board of Education
 Principal Employers,
 Current Year and Ten Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

*No Information Available

**Manasquan Board of Education
Full-Time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

J-16

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	105.5	105.5	106	113	116	110	110	102	103	101.5
Special education	16	16	15	18	19	20	18	20	22	30
Other special education	1	1	1	1	2	2	2	2	2	2
Other instruction	10	10	10	12	9	9	11	9	7	7
Support Services:										
Student & instruction related services	37.4	37.4	37.4	33.4	32.3	31.3	31.3	35	36	41
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	10.6	10.6	10.6	11.6	11.6	11.6	11.6	9	9	9
Central services	4	4	5	5	5	5	5	7	5	5
Administrative Information Technology	1.5	1.5	2	2	2	2	2	2	2.5	3.5
Plant operations and maintenance	16	16	16	18	19.1	19.1	19.1	18	17	16
Total	205.0	205.0	206.0	217.0	219.0	213.0	213.0	207.0	206.5	218.0

Source: District Personnel Records

Manasquan School District
 Operating Statistics
 Last Ten Years

J-17

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		ADE	ADA	% Change in ADE	Student Attendance %
						Elementary	High School				
2006	1794	20,373,094	11,356		127	11.6	12.7	1720.6	1633.4		94.93%
2007	1716	21,716,693	12,655	11.44%	120	11.1	12.8	1712.3	1634.8	-0.48%	95.47%
2008	1702	23,252,749	13,662	7.95%	121	11.0	12.6	1702.0	1614.5	-0.60%	94.86%
2009	1711	23,043,147	13,472	-1.39%	131	11.0	12.1	1712.3	1632.0	0.61%	95.31%
2010	1699	23,328,052	13,734	1.95%	132	10.8	11.9	1698.6	1610.2	-0.80%	94.80%
2011	1697	23,372,328	13,773	0.28%	132	10.8	11.9	1696.8	1604.3	-0.11%	94.55%
2012	1666	24,515,369	14,715	6.80%	130	10.8	11.9	1666.1	1576.9	-1.81%	94.65%
2013	1593	25,599,996	16,070	9.20%	124	12	13.5	1593.0	1513.0	-4.39%	94.98%
2014	1635	24,227,685	14,818	-7.79%	127	11.3	14.2	1635.4	1566.0	2.66%	95.76%
2015	1599	25,671,645	16,055	8.35%	133.5	9.9	14.3	1599.0	1522.7	-2.23%	95.23%

Source: District Records

Manasquan School District
 School Building Information
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Elementary</u>										
Manasquan Elementary School	89,500	89,500	111,800	111,800	111,800	111,800	111,800	111,800	111,800	111,800
Square Feet	537	537	738	738	738	738	738	738	738	738
Capacity (students)	711	686	690	698	711	688	682	659	657	622
Enrollment										
<u>High School</u>										
Manasquan High School	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156
Square Feet	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Capacity (students)	1,083	1,030	1,012	1,014	988	1,009	984	934	978	977
Enrollment										

Source: District Records, ASSA

**Manasquan School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years**

**Undistributed Expenditures - Required
 Maintenance for School Facilities**

Year	School Facilities	Manasquan	Manasquan
	Project # (s)	High School	Elementary School
2006		222,764	6,083
2007		105,647	14,164
2008		359,326	54,936
2009		279,560	84,797
2010		71,550	32,000
2011		305,438	4,291
2012		189,954	24,356
2013		847,925	152,482
2014		46,101	2,705
2015		72,274	27,302
Total School Facilities		2,500,539	403,116

Source: District Records, CAFR Schedule C-1

**Manasquan School District
Insurance Schedule
June 30, 2015**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Multi-Peril Policy (Incl. Boiler & Machinery)	48,235,760	2,500
General Automobile Liability	5,000,000	1,000
School Board Legal Liability	2,000,000	10,000
Catastrophic Excess Liability	5,000,000	-
Workers' Compensation	2,000,000	-
Student Accident Insurance (2)		
Maximum Benefit Blanket Coverage Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Lifetime Benefit Period Disability Plan for All Students	550,000	0
Surety Bonds (3)		
Treasurer	250,000	-
Board Secretary/Business Administrator	250,000	-

- (1) Boynton & Boynton (SAIF, CHUBB, MOCSSIF, NJSBAIG)
- (2) Bollinger, Inc.
- (3) Boynton & Boynton (Selective)

SINGLE AUDIT SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

113.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

Honorable President and Members
of the Board of Education
Manasquan School District
County of Monmouth
Manasquan, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Manasquan Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Manasquan Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Manasquan Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Manasquan Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Manasquan Board of Education, County of Monmouth, State of New Jersey'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes 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 Manasquan Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

December 3, 2015

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

115.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

Honorable President and Members
of the Board of Education
Manasquan School District
County of Monmouth
Manasquan, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's major federal and state programs for the year ended June 30, 2015. The Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey'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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey'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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's, 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 Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey'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 Circular 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 Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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 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 was for the limited purposes 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 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. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

December 3, 2015

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2015	
			From	To							(Accounts Receivable)	Deferred Revenue
U.S. Department of Education:												
Passed Through State Department of Education:												
General Fund:												
Community Disaster Loan	97.030	N/A	9/1/2014	8/31/2015	\$ 890,000	\$ -		890,000	(890,000)			
U.S. Department of Education:												
Passed Through State Department of Education:												
Special Revenue Fund:												
NCLB:												
Title I	84.010	NCLB15	9/1/2014	8/31/2015	87,413			48,249	(87,391)		(39,142)	
Title IIA	84.367A	NCLB15	9/1/2014	8/31/2015	23,688			4,204	(6,303)		(2,099)	
Title III	84.365A	NCLB14	9/1/2013	8/31/2014	2,000	(2,000)		2,000				
Special Education Cluster:												
IDEA:												
Part B - Basic	84.027	FT15	9/1/2014	8/31/2015	302,984			270,961	(295,932)		(24,971)	
Part B - Basic	84.027	FT14	9/1/2013	8/31/2014	217,097	(12,292)		12,292				
Preschool	84.173	FT15	9/1/2014	8/31/2015	7,149			4,468	(6,669)		(2,201)	
Preschool	84.173	FT14	9/1/2013	8/31/2014	6,342	(43)		43				
Total Special Revenue						(14,335)		342,217	(396,295)		(68,413)	
U.S. Department of Agriculture -												
Passed Through State Department of Education:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/2013	6/30/2014	109,885	(32,085)		32,085				
National School Lunch Program	10.555	N/A	7/1/2014	6/30/2015	114,449			91,389	(114,449)		(23,060)	
HHFKA Lunch Program	10.555	N/A	7/1/2013	6/30/2014	4,854	(1,393)		1,393				
HHFKA Lunch Program	10.555	N/A	7/1/2014	6/30/2015	4,612			3,708	(4,612)		(904)	
Food Distribution Program	10.550	N/A	7/1/2014	6/30/2015	14,477	(33,478)		14,477	(14,477)			
Total U.S. Dept. of Agriculture						(33,478)		143,052	(133,538)		(23,964)	
Total Federal Financial Assistance						\$ (47,813)		\$ 1,375,269	(1,419,833)		(92,377)	

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program State Department of Education	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year Balances	Balance at June 30, 2015		MEMO	
										(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Total Cumulative Expenditures
General Fund:													
Extraordinary Aid	15-495-034-5120-044	\$ 149,083	7/1/2014	6/30/2015	-			(149,083)		(149,083)			149,083
Extraordinary Aid	14-495-034-5120-044	160,527	7/1/2013	6/30/2014	(160,527)		160,527						
Extraordinary Aid	14-495-034-5120-044	1,677	7/1/2013	6/30/2014			1,677	(1,677)					1,677
Special Education Categorical Aid	15-495-034-5120-089	505,972	7/1/2014	6/30/2015			505,972	(505,972)				(50,622)	505,972
Transportation Aid	15-495-034-5120-014	23,093	7/1/2014	6/30/2015			23,093	(23,093)				(2,306)	23,093
Security Aid	15-495-034-5120-084	17,267	7/1/2014	6/30/2015			17,267	(17,267)				(1,322)	17,267
Adjustment Aid	15-495-034-5120-085	20,596	7/1/2014	6/30/2015			20,596	(20,596)					20,596
PARCC Readiness Aid	15-495-034-5120-098	9,560	7/1/2014	6/30/2015			9,560	(9,560)				(822)	9,560
Per Pupil Growth Aid	15-495-034-5120-097	9,560	7/1/2014	6/30/2015			9,560	(9,560)				(821)	9,560
Non Public Transportation	15-495-034-5120-014	1,390	7/1/2014	6/30/2015	(1,390)		1,390			(1,392)			1,392
Non Public Transportation	14-495-034-5120-014	1,390	7/1/2013	6/30/2014			810,518	(852,250)		(41,731)			852,250
Reimbursed TPAF S.S. Contr.	15-100-034-5095-002	852,250	7/1/2014	6/30/2015	(40,708)		40,708						
Reimbursed TPAF S.S. Contr.	14-100-034-5095-002	817,214	7/1/2013	6/30/2014	(202,625)		1,600,868	(1,590,450)		(192,206)		(55,893)	1,590,450
Total General Fund													
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Chapter 192:													
Compensatory Education	15-100-034-5120-067	7,166	7/1/2014	6/30/2015			7,166	(3,328)					3,328
Compensatory Education	14-100-034-5120-067	16,264	7/1/2013	6/30/2014	11,128				(11,128)				
Transportation	15-100-034-5120-067	3,366	7/1/2014	6/30/2015			3,366	(3,366)					3,366
Chapter 193:													
Initial Exam and Classification	14-100-034-5120-066	13,368	7/1/2013	6/30/2014	5,570				(5,570)				
Initial Exam and Classification	15-100-034-5120-066	12,599	7/1/2014	6/30/2015			12,599	(7,558)					7,558
Annual Exam and Classification	14-100-034-5120-066	5,106	7/1/2013	6/30/2014	3,191				(3,191)				
Annual Exam and Classification	15-100-034-5120-066	2,888	7/1/2014	6/30/2015			2,888	(2,888)					2,888
Annual Exam and Classification	15-100-034-5120-066	11,486	7/1/2014	6/30/2015			11,486	(7,952)					7,952
Corrective Speech	14-100-034-5120-066	6,250	7/1/2013	6/30/2014	1,563				(1,563)				
Corrective Speech	15-100-034-5120-066	6,278	7/1/2014	6/30/2015			6,278	(6,278)					6,278
Supplementary Instruction	14-100-034-5120-066	9,020	7/1/2013	6/30/2014	2,082				(2,082)				
Supplementary Instruction	15-100-034-5120-066	4,064	7/1/2014	6/30/2015			4,064	(3,994)					3,994
Non-Public Technology	14-100-034-5120-373	3,240	7/1/2013	6/30/2014	15				(15)				
Non-Public Technology	14-100-034-5120-064	8,886	7/1/2013	6/30/2014	1,152				(1,152)				
Non-Public Textbooks	15-100-034-5120-064	7,567	7/1/2014	6/30/2015			7,567	(7,009)					7,009
Non-Public Nursing	14-100-034-5120-070	10,885	7/1/2013	6/30/2014	5				(5)				
Non-Public Nursing	15-100-034-5120-070	12,046	7/1/2014	6/30/2015			12,046	(11,790)					11,790
Total Special Revenue					24,706		67,460	(54,163)	(24,706)				54,163
State Department of Agriculture:													
Enterprise Fund													
National School Lunch Program													
State Share	15-100-034-3360-023	3,601	7/1/2014	6/30/2015			2,892	(3,601)		(709)			
State Share	14-100-034-3360-023	3,969	7/1/2013	6/30/2014	(1,076)		1,076						
Total Enterprise Fund					(1,076)		3,968	(3,601)		(709)			
Total State Financial Assistance					\$ (178,995)		1,672,296	(1,648,214)	(24,706)			(55,893)	1,644,613

BOARD OF EDUCATION

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MANASQUAN SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2015****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Manasquan School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies 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 financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the 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 General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,662) for the general fund and \$(1,660) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented on the following page:

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,590,450	54,163	3,601	1,648,214
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	1,487,818			1,487,818
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(3,662)</u>	_____	_____	<u>(3,662)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 3,074,606</u>	<u>54,163</u>	<u>3,601</u>	<u>3,132,370</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 890,000	396,295	133,538	1,419,833
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(1,160)	_____	(1,160)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 890,000</u>	<u>395,135</u>	<u>133,538</u>	<u>1,418,673</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 under 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 of behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents 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 MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part I - Summary of Auditor's Results

Financial Statement Section

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Significant deficiencies identified that were not considered to be material weaknesses?

_____ Yes x None Reported

(C) Noncompliance material to general purpose financial statements noted?

_____ Yes x No

Federal Awards

Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

_____ Yes x None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

_____ Yes x No

Identification of major programs:

CFDA Number(s)

97.030
84.027
84.173

Name of Federal Program or Cluster

Community Disaster Loan
IDEA Basic (Special Education Cluster)
IDEA Preschool (Special Education Cluster)

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 x Yes _____ No

BOROUGH OF MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part I - Summary of Auditor's Results (Continued)

State Awards Section

- (D) Dollar threshold used to determine Type A programs: \$300,000
- (E) Auditee qualified as low-risk auditee? x Yes No
- (F) Internal control over major programs:
- (1) Material Weakness(es) identified? Yes x No
- (2) Significant Deficiencies identified that were not considered to material weaknesses? Yes x No
- (G) Type of auditor's report on compliance for major programs: Unmodified
- (H) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04? Yes x No
- (I) Identification of major programs:

GMIS Number(s)

15-495-034-5120-089
15-495-034-5120-084
15-495-034-5120-085
15-495-034-5120-097
15-495-034-5120-098
15-495-034-5095-002

Name of State Program

Special Education Categorical Aid (State Aid-Public Cluster)
Security Aid (State Aid-Public Cluster)
Adjustment Aid (State Aid-Public Cluster)
Per Pupil Growth Aid (State Aid - Public Cluster)
PARCC Readiness (State Aid - Public Cluster)
Reimbursed TPAF Social Security Contribution

BOROUGH OF MANASQUAN SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015*Part II - Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 *Government Auditing Standards*.

Finding: No matters were reported.

Criteria or specific requirement: N/A

Condition: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Views of Responsible Officials and Planned Corrective Actions:

BOROUGH OF MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part III - State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

STATE AWARDS

Finding: No matters were reported.

Information on the State Program: N/A

Criteria or specific requirement:

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause:

Recommendation: N/A

Management's response: N/A

BOROUGH OF MANASQUAN SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prior Audit Findings:

None