

**Comprehensive Annual  
Financial Report**

**of the**

**Borough of Manville Board of Education**

**County of Somerset**

**Manville, New Jersey**

**For the Fiscal Year Ended June 30, 2018**

**Prepared by**

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



## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-4
Roster of Officials	5
Consultants and Advisors	6
Organizational Chart	7
Certificate of Excellence	
<b>FINANCIAL SECTION</b>	
Independent Auditor Report	8-10
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART I</b>	11
Management’s Discussion and Analysis (Unaudited)	12-24
<b>BASIC FINANCIAL STATEMENTS</b>	25
A. District-Wide Financial Statements:	26
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Major Fund Financial Statements:	29
Governmental Funds:	
B-1 Balance Sheet	30-31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Other Funds	34
Proprietary Funds:	
B-4 Statement of Net Position	35
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	36
B-6 Statement of Cash Flows	37
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	38
B-8 Statement of Changes in Fiduciary Net Position	39
<b>Notes to the Financial Statements</b>	40-81

## TABLE OF CONTENTS (CONTINUED)

	PAGE
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	82
C. Budgetary Comparison Schedules:	83
C-1 General Fund	84-90
C-2 Special Revenue Fund	91
C-3 Budget to GAAP Reconciliation	92
<b>REQUIRED SUPPLEMENTARY INFORMATION - Part III</b>	93
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	94
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System – Last Ten Years	95
L-2 Schedule of the District’s Contributions – Public Employees Retirement System – Last Ten Years	96
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund – Last Ten Years	97
L-4 Schedules Related to Accounting and Reporting for Pension (GASB 68) Note to RSI III for the Fiscal Year Ended June 30, 2018	98
M. Schedule Related to Accounting and Reporting for Postemployment Benefits Other than Pensions (GASB 75)	99
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios – Last Ten Years	100
<b>OTHER SUPPLEMENTARY INFORMATION</b>	101
D. School Level Schedules	N/A
E. Special Revenue Fund:	102
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	103-104
E-2 Schedule of Preschool Education Aid - Budgetary Basis	N/A
F. Capital Projects Fund	105
F-1 Summary Statement of Project Expenditures – Budgetary Basis	106
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	107
F-2A Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roof Replacement in West Wing of High School	108
F-2B Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Asbestos Abatement at Manville Schools	109
F-2C Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Manville Schools Sidewalk Repair	110
F-2D Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – High School/ABIS Roof Repair	111
F-2E Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – High School Parking Lot	112

## TABLE OF CONTENTS (CONTINUED)

	PAGE
G. Proprietary Funds	N/A
Enterprise Fund:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
H. Fiduciary Fund	113
H-1 Combining Statement of Fiduciary Net Position	114
H-2 Combining Statement of Changes in Fiduciary Net Position	115
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	116
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	117
I. Long Term Debt	118
I-1 Schedule of Serial Bonds	119
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	120

## STATISTICAL SECTION (UNAUDITED)

J-1 Net Position by Component	121
J-2 Changes in Net Position	122-123
J-3 Fund Balances – Governmental Funds	124
J-4 Changes in Fund Balances – Governmental Funds	125
J-5 General Fund Other Local Revenue by Source	126
J-6 Assessed Value and Actual Value of Taxable Property	127
J-7 Direct and Overlapping Property Tax Rates	128
J-8 Principal Property Tax Payers – Current and Nine Years Ago	129
J-9 Property Tax Levies and Collections	130
J-10 Ratios of Outstanding Debt by Type	131
J-11 Ratios of Net Bonded Debt Outstanding	132
J-12 Direct and Overlapping Governmental Activities Debt	133
J-13 Legal Debt Margin Information	134
J-14 Demographic and Economic Statistics	135
J-15 Principal Employers - Current Year and Nine Years Ago	N/A
J-16 Full-Time Equivalent District Employees by Function/Program	136
J-17 Operating Statistics	137
J-18 School Building Information	138
J-19 Schedule of Required Maintenance	139
J-20 Insurance Schedule	140

## TABLE OF CONTENTS (CONTINUED)

	PAGE	
<b>SINGLE AUDIT SECTION</b>		
K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	141-142
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Major Federal and State Financial Assistance Programs and Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	143-144
K-3	Schedule of Expenditures of Federal Awards, Schedule A	145
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	146
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	147-148
K-6	Schedule of Findings and Questioned Costs	149-151
K-7	Schedule of Prior Year Audit Findings	152

**INTRODUCTORY SECTION**



## MANVILLE PUBLIC SCHOOLS

1100 Brooks Boulevard  
Manville, New Jersey 08835

*Robert Beers*  
*Superintendent of Schools*  
*Phone (908) 231-8545/Fax (908) 707-3963*

*Kimberly A. Clelland*  
*Business Administrator*  
*Phone (908) 231-8503/Fax (908) 704-0510*

February 4, 2019

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

Dear Board Members and Constituents:

The comprehensive annual financial report of the Manville School District for the fiscal year ended **June 30, 2018**, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2018 and the government-wide financial statements of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendment of 1996 and the provisions of the Uniform Guidance and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the **2017-2018** fiscal year with an enrollment of approximately 1,489 students. The following details the changes in the student enrollment of the District over the last 5 years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	1,412	.008%
2014-2015	1,415	.009%
2015-2016	1,423	.009%
2016-2017	1,448	.009%
2017-2018	1,489	.009%

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

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

- 1) To implement improvements which will improve the safety and security for all students and employees;
- 2) To upgrade the technological infrastructure for instruction, security and management;
- 3) To implement new instructional programs which will raise the performance of all students in the Manville Public Schools;
- 4) To allow for continuous school improvement as evidenced by assessment data;
- 5) To continue to maintain and complete repairs/replacements of all facilities.
- 6) To seek options for expansion of facilities due to increased student enrollment within the district.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at **June 30, 2018**.

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

7. **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. You should review in detail the management's discussion and analysis for the fiscal year ended **June 30, 2018**, for Financial Summaries.

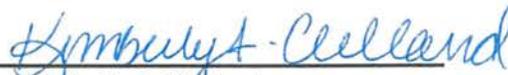
8. **DEBT ADMINISTRATION:** At **June 30, 2018**, the District's outstanding debt included **\$121,000** of general obligation bonds.

8. **DEBT ADMINISTRATION:** At June 30, 2018, the District's outstanding debt included \$121,000 of general obligation bonds.
9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statement" Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and the insurance on property and contents, and fidelity bonds.
11. **OTHER INFORMATION:**
- A) Independent Audit – State statutes require an annual audit by independent certified public accountants or certified municipal accountants. The accounting firm of Suplee, Clooney and Company, CPAs was selected by the Board of Education at the annual Reorganization Meeting. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.
12. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the Members of the Manville School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted:



Robert Beers  
Superintendent



Kimberly A. Clelland  
Business Administrator/Board Secretary

**BOROUGH OF MANVILLE SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2018**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Heidi Alles – President	2020
Jeanne Lombardino – Vice President	2020
Branden Agans	2018
Jennifer Esposito	2019
Kelly Harabin	2019
Sharon Liszczak	2018
Sharon Lukac	2019
Ned Panfile	2018
Louis Petzinger Jr	2020

**Other Officials**

Robert Beers, Superintendent of Schools

Kimberly A. Clelland , Business Administrator

**BOROUGH OF MANVILLE SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
JUNE 30, 2018**

**Audit Firm**

Suplee, Clooney & Company

**Attorney**

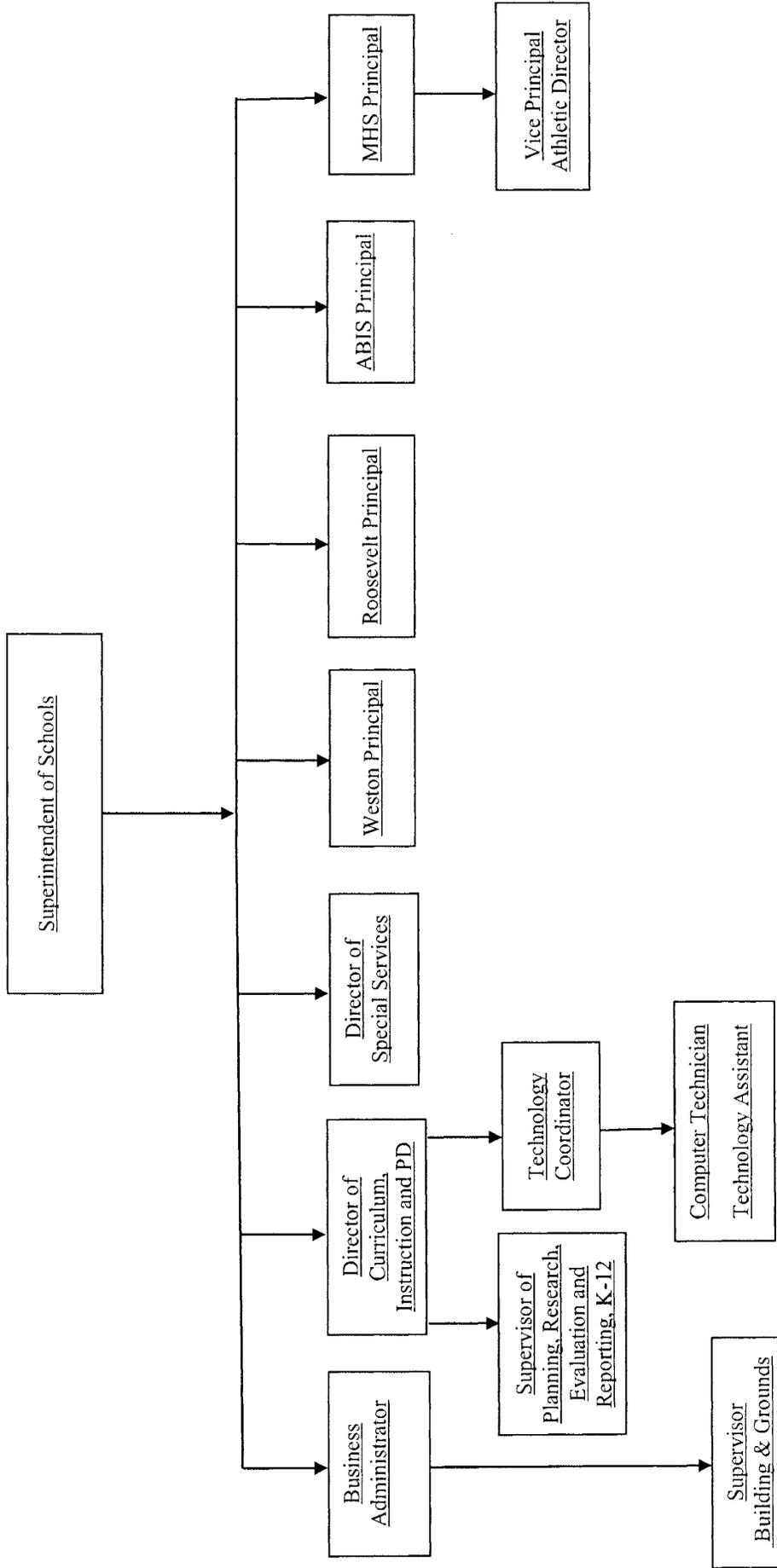
David Rubin

**Official Depository**

TD Bank, NA

**MANVILLE PUBLIC SCHOOLS  
2017-2018**

October 17, 2017 BOE Agenda  
Addendum I





**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Manville School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.'.

**Charles E. Peterson, Jr., SFO, RSBA, MBA**  
President

A handwritten signature in black ink that reads 'John D. Musso'.

**John D. Musso, CAE**  
Executive Director

**THIS PAGE INTENTIONALLY LEFT BLANK**

**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

## **INDEPENDENT AUDITOR REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Manville School District, County of Somerset, New Jersey (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## SUPLEE, CLOONEY & COMPANY

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Manville School District, County of Somerset, New Jersey as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Note 7 to the basic financial statements, during the fiscal year ended June 30, 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedule related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# SUPLEE, CLOONEY & COMPANY

## *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Manville School District's basic financial statements. The accompanying supplementary schedules such as the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated February 4, 2019 on our consideration of the Borough of Manville School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Manville School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS  
  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

This section of The Borough of Manville School District's ("The District") annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year and the prior year is presented in the MD&A. In fiscal year 2018 the District implemented GASB 75 "Accounting and Financial Reporting for Post-Employment Benefits other than Pensions". Information necessary to restate the financial information provided for fiscal year 2017 was not available; therefore, the information has not been restated

### **Financial Highlights**

- At the government-wide financial statements, revenue from governmental activities accounted for \$29,939,650 or 98 percent of total school district revenue. The other 2 percent of revenue was generated by the business type activities.

#### Fund Level Schedules

- The fund balance in the General Fund increased by \$560,308 after an increase of \$375,354 in 2016-2017.
- The Board of Education had limited capital project repairs in 2017-2018 due to a net decrease in capital reserve of \$15,363 in 2017-2018.
- The Board of Education reduced its bonds payable to a balance of \$121,000 at June 30, 2018.

### **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

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

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

The Government-wide financial statements can be found on pages 27-28 of this report.

### **Fund Financial Statements**

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

The District maintains three funds types:

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

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

The basic governmental fund financial statements can be found on pages 30-33 of this report.

**Proprietary funds.** The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program. The basic proprietary fund financial statements can be found on pages 35-37 of this report.

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

The District utilizes trust funds to account for its unemployment compensation insurance fund and private purpose scholarship fund. The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The fiduciary fund financial statements can be found on pages 38-39 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 40-76 of this report.

**Other information.** The combining statements referred to earlier in connection with governmental funds and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 79-113 of this report.

## **Financial Highlights**

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,996,670 at the close of fiscal year 2017. The following table provides a summary of net position at June 30, 2018 and 2017 relating to the District's governmental and business-type activities:

Key financial Highlights for the 2017-2018 fiscal year include the following:

- The State withheld both of the June fiscal year state aid payments until July 2018.
- The State aid awarded in 2017-2018 increased by \$741,616 from 2016-2017.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

**Financial Analysis of the District as a Whole**

The District's statement of net position shown in Table 1 below reflects the District's net position as a whole. Table 2 reflects the changes in net position from operating results.

**Table 1  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	Percentage Change
Current and Other Assets	\$1,629,090	\$1,960,623	\$183,734	\$159,135	\$1,812,824	\$2,119,758	-14%
Capital Assets	8,319,127	8,618,399	14,572	1,474	8,333,699	8,619,873	-3%
<b>Total Assets</b>	<b>9,948,217</b>	<b>10,579,022</b>	<b>198,306</b>	<b>160,609</b>	<b>10,146,523</b>	<b>10,739,631</b>	<b>-6%</b>
Deferred Outflows Related to pensions	1,733,254	2,396,593			1,733,254	2,396,593	-28%
Long-Term Liabilities	6,842,579	8,715,332			6,842,579	8,715,332	-21%
Short-Term Liabilities	452,260	1,078,043	55,248	68,101	507,508	1,146,144	-56%
<b>Total Liabilities</b>	<b>7,294,839</b>	<b>9,793,375</b>	<b>55,248</b>	<b>68,101</b>	<b>7,350,087</b>	<b>9,861,476</b>	<b>-25%</b>
Deferred Inflows Related to pensions	1,389,962	146,877			1,389,962	146,877	846%
Net Position:							
Net Investment In Capital							
Assets	8,198,127	8,382,399	14,472	1,474	8,212,599	8,383,873	-2%
Restricted	1,552,862	1,257,845			1,552,862	1,257,845	23%
Unrestricted (Deficit)	(6,754,319)	(6,604,881)	128,586	91,034	(6,625,733)	(6,513,847)	2%
<b>Total Net Position</b>	<b>\$2,996,670</b>	<b>\$3,035,363</b>	<b>\$143,058</b>	<b>\$92,508</b>	<b>\$3,139,728</b>	<b>\$3,127,871</b>	<b>0%</b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

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

Total assets decreased in fiscal year 2017 as well as total liabilities. Net investment in capital assets decreased due to no capital asset purchases in 2017-2018 to offset the depreciation expense.

Restricted net position increased due to the replenishing of the capital reserve funds. The unrestricted net position deficit continues to grow due to the increased pension liability resulting from the implementation of GASB 68 in fiscal year 2015 and the implementation of GASB 75 in fiscal year 2018.

**Table 2  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total School District	
	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>
Revenue:						
Program Revenue:						
Charges for Services			\$258,064	\$237,581	\$258,064	\$237,581
Operating Grants and Contributions	\$7,866,653	\$7,183,722	450,841	412,262	8,317,494	7,595,984
General Revenue:						
Property Taxes	15,779,678	15,141,795			15,779,678	15,141,795
Federal and State Aid not restricted	6,155,382	5,532,493			6,155,382	5,532,493
Other	137,937	141,935	309	81	138,246	142,016
<b>Total Revenue</b>	<b>29,939,650</b>	<b>27,999,945</b>	<b>709,214</b>	<b>649,924</b>	<b>30,648,864</b>	<b>28,649,869</b>
Expenses:						
Instruction	18,656,853	16,922,833			18,656,853	16,922,833
Student & Instructional Support Services	4,720,541	4,677,502			4,720,541	4,677,502
Administrative and Business	2,843,954	2,947,414			2,843,954	2,947,414
Maintenance & Operations	2,637,081	3,030,518			2,637,081	3,030,518
Transportation	650,984	544,254			650,984	544,254
Other	265,295	270,228	658,664	602,113	923,959	872,341
<b>Total Expenses</b>	<b>29,774,708</b>	<b>28,392,749</b>	<b>658,664</b>	<b>602,113</b>	<b>30,433,372</b>	<b>28,994,862</b>
Canceled Receivable	(203,635)	(61,794)			(203,635)	
<b>Change in net position</b>	<b>(\$38,693)</b>	<b>(\$454,598)</b>	<b>\$50,550</b>	<b>\$47,811</b>	<b>\$11,857</b>	<b>(\$344,993)</b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

**Sources of Revenue**

The District's total government-wide revenue for the 2017-2018 school year was \$30,648,864 as reflected in Table 3. Property taxes and state formula aid accounted for 71 percent of the total revenue with the other 29 percent consisting of other state and federal aid including pension liabilities, federal and state grants, charges for services, and miscellaneous sources.

**Table 3  
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2018</u>		<u>FY 2017</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$15,779,678	51%	\$15,141,795	53%
State Formula Aid	6,090,528	20%	5,312,769	19%
Other State and Federal Aid	7,680,523	25%	7,087,751	24%
Federal and State Grants	693,010	2%	722,932	2%
Charges for Services	258,064	1%	237,581	1%
Other	147,061	1%	147,041	1%
	<u>\$30,648,864</u>	<u>100%</u>	<u>\$28,649,869</u>	<u>99%</u>

The increase in property taxes of \$637,883 is mainly attributable to the use of bank cap allowed under current state regulations.

The decrease of \$777,759 in other state and federal aid is mainly due to an increase in the actuarial postemployment liability paid by the State on behalf of the District offset by a decrease in the actuarial pension liability paid by the State on behalf of the District.

All other sources of revenue remained at a constant level from 2016-2017 to 2017-2018.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

**Expenses for the Fiscal Year 2018 and 2017**

The total expenses for the 2017-2018 fiscal year for all programs and services were \$30,433,372. Table 4 below summarizes these costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 77 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all four school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, depreciation expense and the costs of the business-type activities of the proprietary fund. It is important to note that depreciation expense on capital assets is included in expenses for the year; expenses therefore include \$299,894 for depreciation.

**Table 4  
Expenses for Fiscal Year 2018 and 2017**

<u>Expense Category</u>	<u>FY 2018</u>		<u>FY 2017</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$18,656,853	60%	\$16,922,833	59%
Student & Instruction Services	4,720,541	17%	4,677,502	16%
Administrative and Business	2,843,954	9%	2,947,414	10%
Maintenance & Operations	2,637,081	9%	3,030,518	10%
Transportation	650,984	2%	544,254	2%
Food service operations	658,664	2%	602,113	2%
Other	265,295	1%	270,227	1%
	<u>\$30,433,372</u>	<u>100%</u>	<u>\$28,994,861</u>	<u>101%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

**Governmental Activities**

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

**Table 5  
Net Cost of Governmental Activities**

<u>Expenditure Category</u>	<u>FY 2018</u>		<u>FY 2017</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$12,937,431	60%	\$11,797,830	56%
Student & Instruction Services	3,138,903	14%	3,129,570	15%
Administrative and Business	2,293,295	10%	2,451,561	12%
Maintenance & Operations	2,637,081	12%	3,030,518	13%
Transportation	636,050	3%	529,320	3%
Other	215,054	1%	222,498	1%
	<u>\$21,857,814</u>	<u>100%</u>	<u>\$21,161,297</u>	<u>100%</u>

**Financial Analysis of the District's Funds**

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

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

*General Fund.* The general fund is the main operating fund of the District. At the end of the current fiscal year, restricted fund balance was \$621,911 and assigned fund balance was \$905,919. The net change in total fund balance for the General Fund was an increase of \$560,308.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

*Special Revenue Fund.* The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue and expenditures for the current fiscal year were comparable to the prior fiscal year, with a decrease in federal grants of \$26,132. There were no non-public state grants in the current fiscal year with the closing of the non-public school in the Borough. IDEA Basic and Title I continue to be the largest grants in the special revenue fund with expenditures in the current fiscal year of \$350,134 and \$373,881 respectively.

*Capital Projects Fund.* The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other assets (other than those financed by the proprietary funds). There was only \$59,277 in capital projects fund expenditures in the current fiscal year. There were no new capital projects or capital state grants awarded in the 2017-2018 year.

*Debt Service Fund.* The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$1,856, which is attributable to interest earned in the capital projects fund during the current fiscal year and prior fiscal years as well as unused funds in prior years.

**General Fund Budgeting Highlights**

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

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

**Expenditures**

The modified budget for general administration decreased from the original budget by \$48,000 as a result of a decrease in legal fees.

The modified budget for other operations and maintenance of plant decreased from the original budget by \$107,108 as a result of a decrease in salaries and energy costs.

The modified budget for instruction-tuition increased from the original budget by \$465,256 as a result of increased costs of tuition to other areas within the state for special education and tuition to private schools for handicapped within the state.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

There was a decrease in unemployment costs and while health benefit costs increased, the increase wasn't as large as anticipated due to retirements and employee offsets refunded against the cost.

While undistributed expenditures remained relatively the same from the prior, there was an increase in the on-behalf pension and post retirement contributions made by the state and an increase in reimbursed social security contributions.

**Revenues**

Extraordinary aid was at \$106,221 as a result of the fact that the final award amount is calculated by the State of New Jersey. This was about the same as the amount in the prior year.

Unrestricted miscellaneous revenue was in excess of the modified budget by \$35,930 mainly due to an increase in rental income and interest earned on deposits.

**Capital Assets**

During the fiscal year 2017-2018, there were no capital acquisitions by the District to offset the depreciation expense in governmental activities. There were capital acquisitions in business-type activities. Table 6 reflects the comparative balances of capital assets net of depreciation as of June 30, 2018 and 2017, respectively. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	
Land and Site Improvements	\$5,360,200	\$5,360,200			\$5,360,200	\$5,360,200	0%
Building and Building Improvements	2,895,465	3,186,978			2,895,465	3,186,978	-9%
Machinery and Equipment	<u>63,462</u>	<u>71,222</u>	<u>\$14,572</u>	<u>\$1,473</u>	<u>78,034</u>	<u>72,695</u>	<u>7%</u>
<b>Total Assets</b>	<b><u>\$8,319,127</u></b>	<b><u>\$8,618,400</u></b>	<b><u>\$14,572</u></b>	<b><u>\$1,473</u></b>	<b><u>\$8,333,699</u></b>	<b><u>\$8,619,873</u></b>	<b><u>3%</u></b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

**Debt Administration**

At June 30, 2018 the District had \$6,963,579 of outstanding long-term liabilities, consisting of bonds payable, compensated absences and net pension liability. The District will continue to pay down its debt and liabilities, as the obligations are due. Table 7 reflects the comparison of outstanding long-term liabilities for the past two fiscal years. More information of the District's long-term liabilities is presented in Note 4 to the financial statements.

**Table 7  
Outstanding Long-term Liabilities**

	Total School Debt		Total Percentage Change
	FY 2018	FY 2017	
Compensated Absences Payable	\$466,024	\$480,494	-3%
Net Pension Liability Payable	6,376,555	8,113,838	-21%
Bonds Payable	121,000	236,000	-49%
	<u>\$6,963,579</u>	<u>\$8,830,332</u>	<u>-22%</u>

**The District's Future**

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

A major concern for the community is that state aid is being held at the same level or minimally increased; therefore, the burden of the rising cost of education is focused on taxpayers to support their local schools. The District has settled with the teachers union and has made all retro payments due as per the settled contract. The District will begin new negotiations with the teachers union.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
UNAUDITED**

**Contacting the District's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2018.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$784,238	\$85,314	\$869,552
Internal balances	(57,201)	57,201	-
Receivables, net	280,142	34,470	314,612
Inventory		6,749	6,749
Restricted assets:			
Restricted cash and cash equivalents	621,911		621,911
Capital assets:			
Non-depreciable	5,360,200		5,360,200
Depreciable	2,958,927	14,572	2,973,499
Total assets	<u>9,948,217</u>	<u>198,306</u>	<u>10,146,523</u>
DEFERRED OUTFLOWS:			
Related to pensions	1,733,254		1,733,254
Total Deferred Outflows	<u>1,733,254</u>		<u>1,733,254</u>
LIABILITIES:			
Accounts payable	311,397	49,462	360,859
Payable to state government	11,731		11,731
Unearned revenue	5,692	5,786	11,478
Accrued interest payable	2,440		2,440
Noncurrent liabilities:			
Due within one year	121,000		121,000
Due beyond one year:			
Net Pension Liability	6,376,555		6,376,555
Compensated absences payable	466,024		466,024
Total liabilities	<u>7,294,839</u>	<u>55,248</u>	<u>7,350,087</u>
DEFERRED INFLOWS:			
Related to pensions	1,389,962		1,389,962
Total Deferred Outflows	<u>1,389,962</u>		<u>1,389,962</u>
NET POSITION:			
Net investment in capital assets	8,198,127	14,472	8,212,599
Restricted for:			
Capital projects fund	647,527		647,527
Other purposes	905,335		905,335
Unrestricted (Deficit)	<u>(6,754,319)</u>	<u>128,586</u>	<u>(6,625,733)</u>
	<u>\$2,996,670</u>	<u>\$143,058</u>	<u>\$3,139,728</u>

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Governmental Activities:						
Instruction:						
Regular	\$5,898,760	\$3,845,551		\$2,684,198	(\$7,060,113)	(\$7,060,113)
Special education	4,305,971	1,961,235		1,353,120	(4,914,086)	(4,914,086)
Other	802,877	421,131		260,776	(963,232)	(963,232)
Support services:						
Student and instruction related services	2,804,250	1,561,028		1,226,375	(3,138,903)	(3,138,903)
General administrative services	461,193	88,040			(549,233)	(549,233)
School administrative services	903,850	649,401		402,415	(1,150,836)	(1,150,836)
Central services	338,287	116,657			(454,944)	(454,944)
Administration information technology	120,783	17,499			(138,282)	(138,282)
Plant operations and maintenance	2,209,433	427,648			(2,637,081)	(2,637,081)
Student transportation services	650,984				(636,050)	(636,050)
Unallocated benefits	9,048,684	(9,048,684)		14,934		
Unallocated Depreciation	299,273	(39,506)			(259,767)	(259,767)
Interest on long term debt	5,528				(5,528)	(5,528)
Total governmental activities	27,849,873			5,941,818	(21,908,055)	(21,908,055)
Business-type activities:						
Food service	658,664			\$258,064		50,241
Total business-type activities	658,664			258,064		50,241
Total primary government	\$28,508,537			\$258,064	(\$21,908,055)	(\$21,857,814)
General Revenues:						
Taxes:						
Property taxes - general					\$15,656,881	\$15,656,881
Property taxes - debt service					122,797	122,797
Federal and state aid not restricted					6,155,382	6,155,382
Miscellaneous income					137,937	138,246
Total general revenues					22,072,997	22,073,306
Cancel Receivable					(203,635)	(203,635)
Change in net position					(38,693)	11,857
Net Position - beginning					3,035,363	3,127,871
Net Position ending					\$2,996,670	\$3,139,728

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

**MAJOR FUND FINANCIAL STATEMENTS**

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Assets:					
Cash and cash equivalents	\$756,766		\$25,616	\$1,856	\$784,238
Capital reserve account	621,911				621,911
Accounts receivable:					
Federal		\$140,901			140,901
State	139,241				139,241
Interfund	115,163				115,163
<b>Total assets</b>	<b>\$1,633,081</b>	<b>\$140,901</b>	<b>\$25,616</b>	<b>\$1,856</b>	<b>\$1,801,454</b>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$48,050	\$8,315			\$56,365
Intergovernmental payable:					
State		11,731			11,731
Interfunds payable	57,201	115,163			172,364
Unearned revenue		5,692			5,692
<b>Total liabilities</b>	<b>105,251</b>	<b>140,901</b>			<b>246,152</b>
Fund balances:					
Restricted for:					
Capital reserve account	\$621,911				\$621,911
Capital projects fund			\$25,616		25,616
Debt service fund				\$1,856	1,856
Assigned for:					
Year end encumbrances	655,919				655,919
Designated for subsequent years expenditures	250,000				250,000
<b>Total fund balances</b>	<b>1,527,830</b>		<b>25,616</b>	<b>1,856</b>	<b>1,555,302</b>
<b>Total liabilities and fund balances</b>	<b>\$1,633,081</b>	<b>\$140,901</b>	<b>\$25,616</b>	<b>\$1,856</b>	

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

Total Fund Balances (Brought Forward)		\$1,555,302
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$38,032,574	
Accumulated Depreciation	<u>(29,713,447)</u>	8,319,127
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Net pension liability	(6,376,555)	
Serial bonds payable	(121,000)	
Compensated absences payable	<u>(466,024)</u>	(6,963,579)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related		1,733,254
Deferred Inflows:		
Pension related		(1,389,962)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related	(255,032)	
Accrued Interest Payable	<u>(2,440)</u>	<u>(257,472)</u>
Net Position of Governmental Activities		<u><u>\$2,996,670</u></u>

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$15,656,881			\$122,797	\$15,779,678
Interest earned on capital reserve funds	1,946				1,946
Miscellaneous	135,930	\$8,815	\$61		144,806
Total revenues-local sources	15,794,757	8,815	61	122,797	15,926,430
State sources	8,856,248				8,856,248
Federal sources	79,788	693,010			772,798
Total revenues	24,730,793	701,825	61	122,797	25,555,476
<b>EXPENDITURES:</b>					
Current expense:					
Instruction:					
Regular	5,551,570	302,055			5,853,625
Special education	2,589,255	137,776			2,727,031
Other instruction	753,412				753,412
Support services:					
Tuition	1,673,540				1,673,540
Student and instruction related services	2,470,583	261,994			2,732,577
General administrative services	461,193				461,193
School administrative services	903,850				903,850
Central services	338,287				338,287
Administrative technology	120,783				120,783
Plant operations and maintenance	2,209,433				2,209,433
Student transportation services	650,984				650,984
Employee benefits	6,435,199				6,435,199
Capital outlay	12,396		59,277		71,673
Debt service:					
Principal				115,000	115,000
Interest				7,797	7,797
Total expenditures	24,170,485	701,825	59,277	122,797	25,054,384
Excess (deficiency) of revenues over (under) expenditures	560,308		(59,216)		501,092
Other financing sources (uses):					
Canceled receivable			(203,635)		(203,635)
Transfers in				61	61
Transfers out			(61)		(61)
Total financing sources (uses):			(203,696)	61	(203,635)
Net change in fund balances	560,308		(262,912)	61	297,457
Fund balances, July 1, 2017	967,522		288,528	1,795	1,257,845
Fund balances, June 30, 2018	\$1,527,830	-	\$25,616	\$1,856	\$1,555,302

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total net change in fund balances - governmental funds (from B-2)		\$297,457
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation expense	(\$299,273)	
Capital outlays	71,673	
Capital outlays not capitalized	<u>(71,673)</u>	(299,273)
Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position and is not reported in the statements of activities.		
Payment of bonds		115,000
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		2,269
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	265,226	
Less: Pension expense	<u>(433,841)</u>	(168,615)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>14,469</u>
Change in net position of governmental activities		<u><u>(\$38,693)</u></u>

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

**OTHER FUNDS**

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018

BUSINESS-TYPE ACTIVITIES  
ENTERPRISE FUND  
FOOD SERVICE FUND

## ASSETS:

## Current assets:

Cash and cash equivalents	\$85,314
Accounts receivable:	
State	614
Federal	29,506
Other	4,350
Interfund	57,201
Inventory	6,749

Total current assets	183,734
----------------------	---------

## Noncurrent assets:

Furniture, machinery & equipment	121,447
Less accumulated depreciation	(106,875)

Total noncurrent assets	14,572
-------------------------	--------

Total assets	198,306
--------------	---------

## LIABILITIES:

## Current liabilities:

Accounts payable	49,462
Unearned revenue	5,786

Total current liabilities	55,248
---------------------------	--------

## NET POSITION:

Net investment in capital assets	14,572
Unrestricted	128,486
Total net position	\$143,058

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE FUND</u>
<b>OPERATING REVENUES:</b>	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$169,286
Daily sales non-reimbursable programs	83,236
Daily sales- other	5,542
	258,064
<b>Total operating revenue</b>	<b>258,064</b>
<b>OPERATING EXPENSES:</b>	
Salaries	203,206
Employee benefits	48,910
Management fee	36,855
Repairs and other	95,765
Depreciation	621
Cost of sales- reimbursable programs	250,144
Cost of sales- non-reimbursable programs	23,163
	658,664
<b>Total operating expenses</b>	<b>658,664</b>
<b>Operating (loss)</b>	<b>(400,601)</b>
<b>Nonoperating revenues:</b>	
State sources:	
State school lunch program	7,965
Federal sources:	
National school lunch program	324,270
National school breakfast program	53,980
Food distribution program	64,626
Interest revenue	309
	451,150
<b>Total nonoperating revenues</b>	<b>451,150</b>
<b>Change in net position</b>	<b>50,550</b>
<b>Total net position - beginning</b>	<b>92,508</b>
<b>Total net position - ending</b>	<b>\$143,058</b>

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
	FOOD SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$259,500
Payments to employees	(203,206)
Payments to employee benefits	(48,910)
Payment to suppliers	(379,525)
	(372,141)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State sources	7,949
Federal sources	443,538
	451,487
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	309
	309
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of capital assets	(13,720)
	(13,720)
Net decrease in cash and cash equivalents	65,935
Cash and cash equivalents- July 1	19,379
Cash and cash equivalents- June 30	\$85,314
Operating (loss)	(400,601)
Adjustments to reconcile operating (loss)	
to cash provided (used for) by operating activities:	
Depreciation	621
Change in assets and liabilities:	
Increase (Decrease) in unearned revenue	5,786
(Increase) Decrease in inventory	8,234
(Increase) Decrease in interfunds	36,807
(Increase) Decrease in accounts receivable	(4,350)
Increase (Decrease) in accounts payable	(18,639)
Net cash (used for) operating activities	(\$372,141)

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	TRUST FUNDS		
	STATE UNEMPLOYMENT INSURANCE	PRIVATE PURPOSE SCHOLARSHIP	AGENCY FUNDS
ASSETS:			
Cash and cash equivalents	\$19,230	\$56,540	\$655,229
Total assets	19,230	56,540	655,229
LIABILITIES:			
Payroll deductions and withholdings			559,914
Due to student groups			95,315
Total liabilities			\$655,229
NET POSITION:			
Held in trust for unemployment claims	19,230		
Held in trust for scholarships		56,540	
Total net position	\$19,230	\$56,540	

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	STATE UNEMPLOYMENT INSURANCE FUND	PRIVATE PURPOSE SCHOLARSHIP FUND
ADDITIONS:		
Contributions:		
Donations		\$28,843
Payroll deductions	\$33,418	
Interest earned	105	142
	<hr/>	<hr/>
Total additions	33,523	28,985
	<hr/>	<hr/>
DEDUCTIONS:		
Unemployment claims	54,941	
Scholarships awarded		24,750
	<hr/>	<hr/>
Total deductions	54,941	24,750
	<hr/>	<hr/>
Change in net position	(21,418)	4,235
Net position - July 1	40,648	52,305
	<hr/>	<hr/>
Net position - June 30	<u>\$19,230</u>	<u>\$56,540</u>

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The Manville School District is a Type II District located in Somerset County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a 9 member board elected to three-year terms and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

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

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

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

*Fund Financial Statements:* The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

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

**Capital Projects Fund** - The capital projects fund is used to account for and report all financial resources that are restricted, committed, or assigned to an expenditure for capital outlay, including the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds and state grants that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund**

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

**Fiduciary Fund Types**

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

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

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

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting – Measurement Focus**

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

*District-Wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transactions can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. All budget amendments and transfers must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

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

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

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

**Interfunds**

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

**Inventories**

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

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

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

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

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

**Compensated Absences**

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (continued)**

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 and contracts.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

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

**Fund Balance and Net Position**

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

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

**Unearned Revenue**

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balances**

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balances (Continued)**

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

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

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

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

**Revenues – Exchange and Non-Exchange Transactions**

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues – Exchange and Non-Exchange Transactions (Continued)**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the revenue is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**Operating Revenues and Expenses**

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

**Allocation of Indirect Expenses**

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

In the district-wide financial statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements the year end pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect both a revenue and expense for this pension contribution.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has one item that qualifies in this category, deferred amounts related to pension.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

**Deposits**

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Deposits (Continued)**

The Borough of Manville School District had the following cash and cash equivalents at June 30, 2018.

	<u>Cash in Bank</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Governmental Funds	\$1,754,464	\$348,314	\$1,406,149
Proprietary Fund	85,314		85,314
Fiduciary Fund	766,654	35,655	730,999
	<u>\$2,606,432</u>	<u>\$383,969</u>	<u>\$2,222,463</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2018, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000 was covered by Federal Depository Insurance and \$2,343,906 was covered by NJGUDPA. The New Jersey Asset and Rebate Management (NJARM) Fund is an investment pool and is not insured by either FDIC or GUDPA. The amount in NJARM is \$12,526.

**Investments**

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

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Investments (Continued)**

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

As of June 30, 2018, the Board had \$12,526 on deposit with the NJARM. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land and Improvements	\$5,360,200			\$5,360,200
Total capital assets that are not depreciated	<u>5,360,200</u>			<u>5,360,200</u>
Capital assets being depreciated:				
Building and building improvements	30,889,480			30,889,480
Machinery and equipment	1,782,894			1,782,894
Total capital assets being depreciated	<u>32,672,374</u>			<u>32,672,374</u>
Total capital assets	38,032,574			38,032,574
Less: accumulated depreciation for:				
Building and building improvements	(27,702,502)	(\$291,513)		(27,994,015)
Machinery and equipment	(1,711,672)	(7,760)		(1,719,432)
	<u>(29,414,174)</u>	<u>(299,273)</u>		<u>(29,713,447)</u>
Governmental activities capital assets, net	<u>8,618,400</u>	<u>(299,273)</u>		<u>8,319,127</u>
Business type activities:				
Machinery and equipment	107,727	13,720		121,447
Less: accumulated depreciation	<u>(106,254)</u>	<u>(621)</u>		<u>(106,875)</u>
Business type activities capital assets, net	<u>\$1,473</u>	<u>\$13,099</u>	-	<u>\$14,572</u>

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	(\$13,037)
Special	(5,926)
Other	(1,580)
Support Services:	
Student and instruction related services	(9,482)
General administration	(1,185)
School administration	(1,975)
Central services	(790)
Administration Info Technology	(395)
Plant operations and maintainance	(5,136)
Direct Expense of Various Functions	<u>(259,767)</u>
	<u>(\$299,273)</u>

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 4: LONG-TERM LIABILITIES**

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

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

At June 30, 2018, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in governmental activities long-term liabilities that effect other long-term obligations for the year ended June 30, 2018.

	<b><u>Net Pension Liability</u></b>	<b><u>Bonds Payable</u></b>	<b><u>Compensated Absences Payable</u></b>	<b><u>Total</u></b>
Balance, July 1, 2017	\$8,113,838	\$236,000	\$480,494	\$8,830,332
Additions/Issued			46,585	46,585
Reductions	<u>1,737,283.00</u>	<u>115,000</u>	<u>61,055</u>	<u>1,913,338</u>
Balance, June 30, 2018	<u>\$6,376,555</u>	<u>\$121,000</u>	<u>\$466,024</u>	<u>\$6,963,579</u>
Amounts Due Within One Year		<u>\$121,000</u>		<u>\$121,000</u>

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Bonds Payable**

The annual requirements to amortize all debt outstanding as of June 30, 2018, with interest payments on issued debt, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	<u>\$121,000</u>	<u>\$2,662</u>	<u>\$123,662</u>
	<u>\$121,000</u>	<u>\$2,662</u>	<u>\$123,662</u>

Under New Jersey Statutes, the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the calendar year ended December 31, 2017, the District's borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation</u> <u>of Real Property</u>
2017	\$892,989,672
2016	891,269,141
2015	890,447,497
	<u>2,674,706,310</u>
Average equalized valuation of property	<u>891,568,770</u>
School borrowing margin (4% of average equalized valuation of property)	35,662,751
Net bonded school debt as of December 31, 2017	<u>121,000</u>
School borrowing power available	<u>\$35,541,751</u>

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 5: PENSION PLANS**

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

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

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

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

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

**Pension Plan Design Changes**

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

**Funding Changes**

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

**COLA Suspension**

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

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

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

**PERS Contribution Requirements**

**Three-Year Trend Information for PERS**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2018	\$253,763	100%	\$253,763
6/30/2017	243,380	100%	243,380
6/30/2016	238,691	100%	238,691

During the fiscal years ended June 30, 2018, 2017 and 2016, the State of New Jersey contributed \$1,269,219, \$897,903 and \$684,430 respectively to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66, during the years ended June 30, 2018, 2017 and 2016, the State of New Jersey reimbursed the District \$674,106, \$637,393 and \$677,125, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Public Employees Retirement System (PERS)**

At June 30, 2018, the District reported a liability of \$6,376,555 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.0273925801 percent, which was a decrease of 0.0000031778 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$243,380 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$150,146
Changes of assumptions	1,279,946	1,284,656
Net difference between projected and actual earnings on pension plan investments		43,420
Changes in proportion and differences between District contributions and proportionate share of contributions	110,016	
District contributions subsequent to the measurement date		<u>255,032</u>
	<u>\$1,389,962</u>	<u>\$1,733,254</u>

The \$255,032 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Public Employees Retirement System (PERS) (Continued)**

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

Year Ended	Amount
<u>June 30</u>	
2019	\$112,556
2020	188,966
2021	110,013
2022	(190,156)
2023	(133,120)
	<u>\$88,259</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

**Mortality Rates**

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions(Continued)**

Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Rate of Return (Continued)**

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, 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.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate (Continued)**

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 contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employer contributed 100% of their actuarially determined 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
District's proportionate share of the pension liability	\$7,910,549	\$6,376,555	\$5,098,548

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Teachers Pensions and Annuity Fund (TPAF)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2018 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	\$53,822,613
	\$53,822,613

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the proportion of the TPAF net pension liability associated with the District was .0798275498% which was a decrease of .0056579204 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue of \$3,728,558 for contributions provided by the State. This pension expense and revenue was based on the pension plan's June 30, 2017 measurement date.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Teachers Pensions and Annuity Fund (TPAF) (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

**Mortality Rate**

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.65% at June 30, 2017 and June 30, 2016 respectively) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Teachers Pensions and Annuity Fund (TPAF) (continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, 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 contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

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

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

**Pension Plan Fiduciary Net Position.**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	142,331
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>366,078</u>

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Total Nonemployer OPEB Liability**

The portion of the Total Nonemployer OPEB Liability that was associated with the District at June 30, 2018 was as follows:

Nonemployer OPEB Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$41,677,272</u>
	<u><u>\$41,677,272</u></u>

The Total Nonemployer OPEB Liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

The Total Nonemployer OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2018, the District recognized on-behalf post-employment expense and revenue of \$2,744,596 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2017 measurement date.

At June 30, 2017, the District's proportion was 0.0776983499 percent, which was an increase of .0001381386 percent from its proportion measured as of June 30, 2016.

The State, a Nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Imputes**

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.5 percent

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases			
Through 2026	1.55-4.55%	2.15-4.15%	2.10-8.98%
	Based on years Of Service	Based on Age	Based of Age
Thereafter	2.00-5.45%	3.15-5.15%	3.10-9.98
	Based on years Of Service	Based on Age	Based of Age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2014 Headcount- Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Pan B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount Rate**

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Changes in the Total Nonemployer OPEB Liability**

Shown below are details regarding the Total Nonemployer OPEB Liability for the Measurement Period from June 30, 2016 to June 30, 2017.

Balance at 6/30/16		\$44,854,454
Changes for the year:		
Service cost	\$1,993,933	
Interest	1,322,023	
Changes in assumptions or other inputs	(5,563,350)	
Benefit payments	(965,334)	
Contributions from Members	35,546	
Net change in OPEB Liability		(3,177,182)
Balance at 6/30/17		\$41,677,272

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate**

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	<u>1.00% Decrease (2.58%)</u>	<u>At Discount Rate (3.58%)</u>	<u>1.00% Increase (4.58%)</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$49,473,929	\$41,677,272	\$35,492,890

**Sensitivity of the Total Nonemployer OPEB Liability to Changes in Healthcare Trends**

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$34,275,527	\$41,677,272	\$51,506,702

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

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

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions	\$4,929,004	-
Changes in proportion	-	\$63,126
	<u>\$4,929,004</u>	<u>\$63,126</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	(\$564,542)
2020	(\$564,542)
2021	(\$564,542)
2022	(\$564,542)
2023	(\$564,542)
Total Thereafter	<u>(\$2,043,170)</u>
	<u>(\$4,865,878)</u>

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>

**NOTE 8: LITIGATION**

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

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2017-2018 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 10: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

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

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

<u>Fiscal Year</u>	<u>Interest and Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$33,523	\$54,941	\$19,230
2016-2017	37,553	25,582	40,648
2015-2016	39,136	29,754	28,677

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$115,163	\$57,201
Special Revenue Fund		115,163
Enterprise Fund	57,201	
	\$172,364	\$172,364

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

All interfunds are expected to be repaid within one year.

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$1,527,830 General Fund fund balance at June 30, 2018, \$717,649 is assigned for year-end encumbrances however only \$655,919 is reflected on the balance sheet as assigned since the unassigned balance would be negative; \$621,911 has been restricted in the Capital Reserve Account; and \$250,000 is unassigned fund balance designated for subsequent year's expenditures.

**NOTE 13: CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based on this calculation, the Manville School District has \$-0- excess fund balance resulting from the year ended June 30, 2018.

General Fund Expenditures Fiscal Year Ended June 30, 2018	\$24,170,485
Less:	
On-Behalf TPAF Pension and Social Security Reimbursement	2,765,720
Adjusted General Fund Expenditures	21,404,765
Excess Surplus Percentage	2%
2% of Adjusted 2017-18 General Fund Expenditures	428,095
Greater of Line Above of \$250,000.00	428,095
Add: Allowable Adjustments	106,221
Maximum Unreserved/Undesignated Fund Balance	534,316
Actual Unreserved/Undesignated Fund Balance	534,316
Excess Surplus	-

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 14: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Manville Board of Education by the inclusion of \$540,510 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the year ending June 30, 2018 year is as follows:

The activity of the capital reserve for the year ending June 30, 2018 year is as follows:

Beginning balance, July 1, 2017		\$637,273
Add: Interest earnings	\$1,946	
Add: Transfer per Board Resolution	255,249	
		257,195
		\$894,468
Less: Budgeted Withdrawal		272,557
Ending balance, June 30, 2018		\$621,911

**NOTE 15: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2018

**Borough of Manville School District**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 16: INVENTORY**

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food and Supplies	<u>\$6,749</u>
-------------------	----------------

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 17: RESTRICTED ASSETS**

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

**NOTE 18: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 4, 2019 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BUDGETARY COMPARISON SCHEDULES**

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$15,656,881		\$15,656,881	\$15,656,881	
Interest earned on capital reserve funds	3,000		3,000	1,946	(\$1,054)
Unrestricted miscellaneous	100,000		100,000	135,930	35,930
<b>Total revenues-local sources</b>	<b>15,759,881</b>		<b>15,759,881</b>	<b>15,794,757</b>	<b>34,876</b>
State sources:					
Equalization aid	4,370,369	\$641,268	5,011,657	5,011,657	
Categorical special education aid	831,911		831,911	831,911	
Categorical security aid	86,779		86,779	86,779	
Categorical transportation aid	14,934		14,934	14,934	
Under adequacy aid	66,006		66,006	66,006	
PARCC readiness aid	13,970		13,970	13,970	
Per pupil growth aid	13,970		13,970	13,970	
Professional learning community aid	14,810		14,810	14,810	
Host District Support Aid	348		348	348	
Extraordinary aid				106,221	106,221
On-behalf TPAF pension - post retirement medical (non budgeted)				819,761	819,761
On-behalf TPAF pension - non contributory insurance (non budgeted)				30,071	30,071
On-behalf TPAF pension contribution (non-budgeted)				1,239,148	1,239,148
On-behalf TPAF long term disability insurance (non-budgeted)				2,634	2,634
Reimbursed TPAF social security cont. (non-budgeted)				674,106	674,106
<b>Total - state sources</b>	<b>5,413,117</b>	<b>641,268</b>	<b>6,054,385</b>	<b>8,926,326</b>	<b>2,871,941</b>
Federal sources:					
Semi medical	40,497		40,497	79,788	39,291
<b>Total - federal sources</b>	<b>40,497</b>		<b>40,497</b>	<b>79,788</b>	<b>39,291</b>
<b>Total revenues</b>	<b>\$21,213,495</b>	<b>\$641,268</b>	<b>\$21,854,763</b>	<b>\$24,800,871</b>	<b>\$2,946,108</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:	301,365	51,840	353,205	352,957	248
Preschool/kindergarten	1,847,995	78,179	1,926,174	1,924,343	1,831
Grades 1-5	1,204,977	2,252	1,207,229	1,206,403	826
Grades 6-8	1,624,307	(28,600)	1,595,707	1,586,672	9,035
Grades 9-12					
Home instruction - regular programs:	15,000	(10,000)	5,000	4,710	290
Salaries of teachers					
Regular programs - undistributed instruction:					
Other purchased services	157,400	(58,640)	98,760	86,986	11,774
General supplies	130,000	97,199	227,199	224,532	2,667
Textbooks	86,562	76,800	163,362	163,149	213
Other objects	500	1,500	2,000	1,817	183
<b>Total regular programs</b>	<b>\$5,368,106</b>	<b>\$210,530</b>	<b>\$5,578,636</b>	<b>\$5,551,570</b>	<b>\$27,066</b>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$158,909	\$18,145	\$177,054	\$177,053	\$1
Other salaries for instruction	147,563	38,910	186,473	186,011	462
Total language and/or language disabilities	306,472	57,055	363,527	363,064	463
Behavioral disabilities:					
Salaries of teachers	62,717	203	62,920	62,920	836
Other salaries for instruction	50,545		49,709	49,709	836
Total behavioral disabilities	113,262	203	113,465	112,629	836
Multiple disabilities:					
Salaries of teachers	276,818	(16,000)	260,818	259,894	925
Other salaries for instruction	222,285	(8,000)	214,285	214,272	13
Total multiple disabilities	499,103	(24,000)	475,103	474,166	937
Resource room/resource center:					
Salaries of teachers	1,138,299	(16,341)	1,121,958	1,116,113	5,845
Other salaries for instruction	243,015	1,450	244,465	244,455	10
Total resource room/resource center:	1,381,314	(14,891)	1,366,423	1,360,569	5,854
Preschool disabilities - full-time:					
Salaries of teachers	136,644		136,644	135,720	924
Other salaries for instruction	146,311		146,311	143,108	3,203
Total preschool disabilities - full-time	282,955		282,955	278,828	4,127
Total special education	2,583,106	18,367	2,601,473	2,589,255	12,218
Basic skills/remedial:					
Other Salaries for Instruction	26,370	43	26,413	26,413	
General supplies	5,000		5,000	5,000	
Total basic skills/remedial	\$31,370	\$43	\$31,413	\$31,413	

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education:					
Salaries of teachers	\$184,756		\$184,756	\$184,110	\$646
General supplies	1,000		1,000	1,000	
Total bilingual education	185,756		185,756	185,110	646
School sponsored cocurricular activities:					
Salaries	112,000		112,000	106,122	5,878
Other purchased services	20,025	(\$1,174)	18,851	14,400	4,451
Supplies and materials	17,200	2,474	19,674	14,268	5,406
Other objects	15,441	(6,165)	9,276	8,035	1,241
Total school sponsored cocurricular activities	164,666	(4,865)	159,801	142,825	16,976
School sponsored athletics:					
Salaries	281,000	(32,700)	248,300	238,933	9,367
Other purchased services	50,400		50,400	46,326	4,074
Supplies and Materials	80,350	5,000	85,350	84,681	669
Other objects	24,370		24,370	24,123	247
Total school sponsored athletics	436,120	(27,700)	408,420	394,064	14,356
Total other instructional programs	817,912	(32,522)	785,390	753,412	31,978
Total - instruction	8,769,124	196,375	8,965,499	8,894,237	71,262
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	489,639	128,528	618,167	618,167	
Tuition to county vocational school district-regular	19,836	25,300	45,136	45,135	1
Tuition for private schools for handicapped within the state	675,000	290,963	965,963	960,773	5,190
Tuition for private state facilities		35,465	35,465	35,465	
Tuition - other	29,000	(15,000)	14,000	14,000	
Total instruction - tuition	1,213,475	465,256	1,678,731	1,673,540	5,191
Health services:					
Salaries	256,068	550	256,618	256,589	29
Purchased professional & technical services	75,000	(895)	74,105	68,920	5,185
Other purchased services	500		500	500	
Supplies and materials	3,000		3,000	888	2,112
Other expenses	12,000	23,815	35,815	28,602	7,213
Total - health services	346,568	23,470	370,038	354,999	15,039
Speech, o,pt and related services:					
Salaries	201,679		201,679	201,678	1
Purchased profession & educational services	10,000	(615)	9,385	9,385	
Total speech, o,pt and related services	\$211,679	(\$615)	\$211,064	\$211,063	\$1

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Guidance:					
Salaries of other professional staff	\$292,965	\$3,000	\$295,965	\$292,775	\$3,190
Salaries of secretarial and clerical assistants	56,585	(3,000)	53,585	53,585	
Purchased professional educational services	10,000	(10,000)			
Other purchased professional and technical services		12,665	12,665	12,665	
Other purchased services	250		250	250	
Supplies and materials	3,000	(1,300)	1,700	1,700	
Other Objects	8,500	(5,594)	2,906	2,906	
Total guidance	371,300	(4,229)	367,071	363,881	3,190
Child study team:					
Salaries of other professional staff	666,691	(28,000)	638,691	638,177	514
Salaries of secretarial and clerical assistants	57,231		57,231	57,231	
Other purchased professional and technical services	2,000	1,360	3,360	3,360	
Other purchased services	5,000	(4,265)	735	735	
Total child study team	730,922	(30,905)	700,017	699,502	514
Improvement of instructional services:					
Salaries of supervisors of instruction	241,755	(4,000)	237,755	235,859	1,896
Salaries of secretarial and clerical assistants	57,231		57,231	57,231	
Other purchased professional and technical services	10,000	(7,173)	2,827	2,827	
Other Objects	50,000	(23,903)	26,097	25,603	494
Total improvement of instructional services	358,986	(35,076)	323,910	321,520	2,390
Educational media/school library:					
Salaries	262,003		262,003	261,459	544
Purchased professional and technical services	110,000		110,000	109,999	1
Supplies and materials	25,400	(2,000)	23,400	20,153	3,247
Miscellaneous expenditures	142,512	(20,000)	122,512	103,650	18,862
Total educational media/school library	539,915	(22,000)	517,915	495,261	22,654
Instructional staff training services:					
Purchased Professional - Educational Services	13,500	4,775	18,275	18,275	
Other purchased services	4,515		4,515	2,562	1,953
Other objects	10,000	(6,000)	4,000	3,520	480
Total instructional staff training services	\$28,015	(\$1,225)	\$26,790	\$24,357	\$2,433

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Support services general administration:					
Salaries	\$229,186	(\$990)	\$228,196	\$224,142	\$4,054
Legal services	75,000	(62,000)	13,000	12,839	161
Audit fees	32,000		32,000	31,875	125
Architectural / engineering services	10,000	(1,000)	9,000	9,000	
Other purchased professional services	45,000	34,092	79,092	79,092	
Purchased technical services	33,400	(10,102)	23,298	19,828	3,470
Communications/telephone	50,000	(4,643)	45,357	40,461	4,896
BOE Other Purchased Services	4,000	3,643	7,643	6,854	789
Other purchased services	13,000	(1,000)	12,000	11,284	716
General supplies	10,000		10,000	7,518	2,482
Miscellaneous expenditures	10,000		10,000	9,308	692
	15,000	(6,000)	9,000	8,992	8
<b>Total support services general administration</b>	<b>526,586</b>	<b>(48,000)</b>	<b>478,586</b>	<b>461,193</b>	<b>17,393</b>
Support services school administration:					
Salaries of principals/assistant principals	573,939	(2,000)	573,939	572,614	1,325
Salaries of secretarial and clerical assistants	287,967		285,967	284,720	1,247
Other purchased services	900		900	494	406
Supplies and materials	50,392	(6,457)	43,935	26,212	15,723
Other objects	14,949	3,294	18,243	17,810	434
<b>Total support services school administration</b>	<b>928,147</b>	<b>(5,163)</b>	<b>922,985</b>	<b>903,850</b>	<b>19,135</b>
Central services:					
Salaries	326,998	(24,000)	302,998	299,010	3,988
Purchased professional services	20,000	(5,000)	15,000	12,973	2,028
Purchased technical services	20,000	(10,000)	10,000	10,000	
Purchased Svs- rental bd		5,252	5,252	5,252	
Misc purchased services	1,000	(1,000)			
Supplies and materials	10,000	1,000	11,000	10,671	329
Miscellaneous expenditures	8,882	(8,500)	382	382	
<b>Total central services</b>	<b>386,880</b>	<b>(42,249)</b>	<b>344,632</b>	<b>338,287</b>	<b>6,345</b>
Administration information technology:					
Salaries	44,141	(1)	44,140	44,140	
Purchased technical services	46,000	(2,752)	43,248	29,543	13,706
Supplies and materials	47,878	2,800	50,678	47,100	3,578
Other objects	500		500	500	
<b>Total administration information technology</b>	<b>\$138,519</b>	<b>\$48</b>	<b>\$138,567</b>	<b>\$120,783</b>	<b>\$17,784</b>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Required maintenance for school facilities:					
Salaries	\$314,328	(\$42,000)	\$272,328	\$263,574	\$8,754
Cleaning, repair, and maintenance services	493,461	101,953	595,414	485,076	110,338
General supplies	79,100	(25,900)	53,200	51,339	1,861
Other objects	3,000		3,000	2,327	673
<b>Total required maintenance for school facilities</b>	<b>889,889</b>	<b>34,053</b>	<b>923,942</b>	<b>802,316</b>	<b>121,626</b>
Other operations & maintenance of plant:					
Salaries	895,537	(30,000)	865,537	817,273	48,264
Other purchased property services	42,000	(5,000)	37,000	22,955	14,045
Insurance	200,000	345	200,345	200,345	
General supplies	64,000	(15,800)	48,200	30,273	17,927
Energy (electricity)	343,507	(58,653)	284,854	282,594	2,260
Other objects	2,000	2,000	4,000	2,567	1,433
<b>Total other operations &amp; maintenance of plant</b>	<b>1,547,044</b>	<b>(107,108)</b>	<b>1,439,936</b>	<b>1,356,006</b>	<b>83,929</b>
Security:					
Salaries	9,500		9,500	9,500	
Purchased professional and technical services	30,000	17,000	47,000	41,611	5,389
<b>Total security</b>	<b>39,500</b>	<b>17,000</b>	<b>56,500</b>	<b>51,111</b>	<b>5,389</b>
<b>Total operations &amp; maintenance of plant services</b>	<b>2,476,432</b>	<b>(56,055)</b>	<b>2,420,377</b>	<b>2,209,433</b>	<b>210,944</b>
Student transportation services:					
Contracted services (other than between home and school) - vendors	84,700	(6,400)	78,300	77,791	509
Contracted services (special education students) - ESCs & CTSAs	475,000	96,193	573,193	573,193	
<b>Total student transportation services</b>	<b>559,700</b>	<b>91,793</b>	<b>651,493</b>	<b>650,984</b>	<b>509</b>
Unallocated benefits:					
Social security contributions	270,000	25,300	295,300	285,253	47
Other retirement contributions - PERS	270,000	29,358	299,358	293,905	5,452
Unemployment Compensation	83,253	(54,693)	28,560	28,032	528
Workmen's compensation	170,000		170,000	170,000	
Health benefits	2,997,267	(154,540)	2,842,727	2,833,010	9,717
Tuition Reimbursement	40,000		40,000	27,056	12,944
Other employee benefits	50,000	(24,850)	25,150	22,222	2,928
Unused Sick Payment to Retired Staff	50,000	(27,000)	23,000		23,000
<b>Total unallocated benefits</b>	<b>3,930,520</b>	<b>(206,425)</b>	<b>3,724,095</b>	<b>3,669,479</b>	<b>54,616</b>
On-behalf TPAF pension - post retirement medical (non budgeted)				819,761	(819,761)
On-behalf TPAF pension - non contributory insurance (non budgeted)				30,071	(30,071)
On-behalf TPAF pension contribution (non-budgeted)				1,239,148	(1,239,148)
On-behalf TPAF long term disability insurance (non-budgeted)				2,634	(2,634)
Reimbursed TPAF social security contributions (non-budgeted)				674,106	(674,106)
<b>Total on-behalf contributions</b>				<b>2,765,720</b>	<b>(2,765,720)</b>
Total undistributed expenditures	12,747,645	128,625	12,876,270	15,263,852	(2,387,582)
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>\$21,516,769</b>	<b>\$325,000</b>	<b>\$21,841,769</b>	<b>\$24,158,089</b>	<b>(\$2,316,320)</b>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>CAPITAL OUTLAY:</b>					
Interest deposit to capital reserve	\$3,000		\$3,000		\$3,000
Facilities Acquisition and Construction Services:					
Construction Svs Abis	11,571	\$568,825	588,825	825	588,000
Assessment for debt service on SDA funding			11,571	\$11,571	
Total Facilities Acquisition	14,571	588,825	603,396	12,396	591,000
Equipment Instruction - Grades 1-5	13,720		13,720		13,720
<b>TOTAL CAPITAL OUTLAY:</b>	28,291	588,825	617,116	12,396	604,720
<b>CHARTER SCHOOLS:</b>					
Transfer of Funds to Charter Schools	8,318		8,318		8,318.00
<b>SPECIAL SCHOOLS:</b>					
Salaries of Teachers	2,500		2,500		2,500
<b>TOTAL SPECIAL SCHOOLS:</b>	2,500		2,500		2,500
<b>GENERAL FUND GRAND TOTAL</b>	21,555,878	913,825	22,469,703	24,170,485	(1,700,782)
Excess (deficiency) of revenues over (under) expenditures	(342,383)	(272,557)	(614,940)	630,386	1,245,326
Fund balances, July 1	1,493,490		1,493,490	1,493,490	
Fund balances, June 30	\$1,151,107	(\$272,557)	\$878,550	\$2,123,876	\$1,245,326
Reconciliation:				\$621,911	
Restricted for:					
Capital reserve				250,000	
Assigned for:				717,649	
Designated for subsequent year's expenditures				534,316	
Year end encumbrances					
Unassigned fund balance				\$2,123,876	
Reconciliation to Government Fund Statements				(596,046)	
Last State Aid payment not recognized on GAAP basis				\$1,527,830	
Fund Balance per Governmental Funds (GAAP)					

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR FISCAL YEARS ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Federal sources	\$335,000	\$501,803	\$836,803	\$767,375	(\$69,428)
Other sources		10,831	10,831	8,815	(2,016)
<b>Total revenues</b>	<u>335,000</u>	<u>512,634</u>	<u>847,634</u>	<u>776,190</u>	<u>(71,444)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	265,000	10,093	275,093	265,443	9,650
Tuition	20,000	100,000	120,000	120,000	
General supplies	10,000	104,534	114,534	75,342	39,192
<b>Total instruction</b>	<u>295,000</u>	<u>215,627</u>	<u>510,627</u>	<u>460,785</u>	<u>49,842</u>
Support services:					
Other salaries	2,000	4,527	6,527	3,527	3,000
Personal services - employee benefits	15,000	50,560	65,560	65,560	
Purchased professional services	15,000	218,500	233,500	221,999	11,501
Other purchased services	3,000	4,928	7,928	1,180	6,748
Supplies and materials	5,000	18,492	23,492	23,139	353
<b>Total support services</b>	<u>40,000</u>	<u>297,007</u>	<u>337,007</u>	<u>315,405</u>	<u>21,602</u>
<b>Total expenditures</b>	<u>\$335,000</u>	<u>\$512,634</u>	<u>\$847,634</u>	<u>\$776,190</u>	<u>\$71,444</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$24,800,871	\$776,190
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		(74,365)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	525,968	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(596,046)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>24,730,793</u>	<u>701,825</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	24,158,089	776,190
Difference - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		<u>(74,365)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$24,158,089</u>	<u>\$701,825</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0285357437%	\$ 5,453,748	2,022,018	269.72%	48.72%
2014	0.0281146355%	5,263,829	1,899,636	277.10%	52.08%
2015	0.0277634256%	6,232,333	1,893,091	329.21%	47.92%
2016	0.0273957579%	8,113,838	1,896,924	427.74%	40.14%
2017	0.2431162057%	6,376,555	1,881,086	338.98%	48.10%

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

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

Fiscal Year Ending June 30.	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 215,011	\$ 215,011	\$ -0-	1,899,636	11.32%
2015	231,773	231,773	-0-	1,893,091	12.24%
2016	238,691	238,691	-0-	1,896,924	12.58%
2017	243,380	243,380	-0-	1,881,086	12.94%
2018	253,763	253,763	-0-	1,785,240	14.21%

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

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

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0798124559%	\$ -0-	\$ 8,039,275	-0-	33.76%
2014	0.0809190624%	-0-	8,335,361	-0-	33.64%
2015	0.0848042843%	-0-	8,083,866	-0-	28.71%
2016	0.0854854702%	-0-	8,498,351	-0-	22.33%
2017	0.0798275498%	-0-	8,889,997	-0-	25.41%

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)  
NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The discount rate changed from 3.98% to 5.00% as of  
June 30, 2017.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The discount rate changed from 3.22% to 4.25% as of  
June 30, 2017.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)**

BOROUGH OF MANVILLE SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE TOTAL  
OPEB LIABILITY AND RELATED RATIOS  
LAST TEN YEARS

	Fiscal Year Ended June <u>30, 2018</u>
Changes for the year:	
Service cost	\$1,993,933
Interest	1,322,023
Changes in assumptions or other inputs	(5,563,350)
Benefit payments	(965,334)
Contributions from Members	35,546
Net changes	(3,177,182)
Beginning Balance	\$44,854,454
Ending Balance	\$41,677,272
Covered Employee Payroll	\$10,771,083
Total OPEB Liability as a percentage of Covered Employee Payroll	-0-

## Change of Benefit Terms:

No Change in Benefits terms between the June 30, 2016 actuarial valuation and the June 30, 2017 actuarial valuation.

## Change of Assumptions:

The Discount Rate Changed from 2.85% at the June 30, 2016 measurement date to 3.58% at the 6/30/2017 measurement date.

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

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	TITLE I	TITLE II PART A	TITLE III	TITLE III - IMMIGRANT
REVENUES:				
Federal sources	\$335,541	\$46,607	\$20,085	\$3,376
Other sources				
Total revenues	<u>335,541</u>	<u>46,607</u>	<u>20,085</u>	<u>3,376</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	239,697	16,677	9,069	3,376
General supplies	35,931		9,106	
Total instruction	<u>275,628</u>	<u>16,677</u>	<u>18,175</u>	<u>3,376</u>
Support services:				
Other salaries	1,500	2,027		
Personal services - employee benefits	58,413	6,237	910	
Purchased professional services		13,502		
Other purchased services		180	1,000	
Supplies and materials		7,984	0	
Total support services	<u>59,913</u>	<u>29,930</u>	<u>1,910</u>	
Total expenditures	<u>\$335,541</u>	<u>\$46,607</u>	<u>\$20,085</u>	<u>\$3,376</u>

BOROUGH OF MAMVILLE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	IDEA PART B BASIC	IDEA PART B PRESCHOOL	LOCAL PROGRAMS	TOTAL 2018
<b>REVENUES:</b>				
Federal sources	\$349,356	\$12,410	\$8,815	\$767,375
Other sources				\$8,815
<b>Total revenues</b>	<b>349,356</b>	<b>12,410</b>	<b>8,815</b>	<b>776,190</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of teachers	120,000			265,443
Tuition	17,134	1,135	8,660	120,000
General supplies				75,342
<b>Total instruction</b>	<b>137,134</b>	<b>1,135</b>	<b>8,660</b>	<b>460,785</b>
Support services:				
Other salaries				3,527
Personal services - employee benefits				65,560
Purchased professional services	197,222	11,275		221,999
Other purchased services				1,180
Supplies and materials	15,000		155	23,139
<b>Total support services</b>	<b>212,222</b>	<b>11,275</b>	<b>155</b>	<b>315,405</b>
<b>Total expenditures</b>	<b>\$349,356</b>	<b>\$12,410</b>	<b>\$8,815</b>	<b>\$776,190</b>

**CAPITAL PROJECTS FUND DETAIL STATEMENTS**

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>ISSUE / PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATION</u>	<u>CANCELED/ ADJUSTMENTS</u>	<u>EXPENDITURES TO DATE</u>	<u>UNEXPENDED BALANCE</u>
				<u>PRIOR YEARS</u>	<u>JUNE 30, 2018</u>
				<u>CURRENT YEAR</u>	
Roof Replacement in West Wing of High School	03/28/14	\$1,071,686	(\$484,454)	\$587,232	
Asbestos Abatement- Manville Schools	On Going	183,729	(17,973)	140,215	\$25,541
Sidewalk Repair - All Schools	On Going	100,000	(25,541)	27,805	33,736
High School and ABIS Roof Repair	04/01/15	481,600	(11,777)	457,125	12,698
High School Parking Lot	On Going	45,000	(14,266)	30,734	
		<u>\$1,882,015</u>	<u>(\$554,011)</u>	<u>\$1,243,111</u>	<u>\$59,277</u>
					<u>\$25,616</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

## REVENUES AND OTHER FINANCING SOURCES:

Transfer from capital reserve	
Interest earned	\$61

Total revenues and other financing sources	61
--	----

## EXPENDITURES AND OTHER FINANCING USES:

Construction services	\$59,277
Canceled Receivable	265,429
Transfer out - debt service fund	61

Total expenditures and other financing uses	324,767
---	---------

Excess of revenues and other financing sources over expenditures and other financing uses	(324,706)
---	-----------

Fund balance - July 1	350,322
-----------------------	---------

Fund balance - June 30	\$25,616
------------------------	----------

Reconciliation to GAAP Basis:

Fund Balance June 30 - Budgetary Basis (Exhibit F-2)	25,616
--	--------

Add: Encumbrances - current year	
----------------------------------	--

Less: Unrealized revenue SDA grant	
------------------------------------	--

Fund Balance June 30 - GAAP Basis (Exhibit B-2)	\$25,616
---	----------

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - ROOF REPLACEMENT IN WEST WING OF HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$265,429	(\$265,429)		
Transfer to other capital project		87,232	\$87,232	\$87,232
Transfer from capital reserve	<u>500,000</u>		<u>500,000</u>	<u>500,000</u>
Total revenues and other financing sources	<u>765,429</u>	<u>(178,197)</u>	<u>587,232</u>	<u>587,232</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	49,632		49,632	49,632
Construction services	<u>537,600</u>		<u>537,600</u>	<u>537,600</u>
Total expenditures and other financing uses	<u>587,232</u>		<u>587,232</u>	<u>587,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$178,197</u>	<u>(\$178,197)</u>		
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-050-14-1003			
Grant date	3/28/14			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$1,264,453			
Additional authorized cost	(\$677,221)			
Revised authorized cost	\$587,232			
Percentage increase over original authorized cost	N/A			
Percentage completion	100%			
Original target completion date	6/30/16			
Completion date	9/30/18			

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - ASBESTOS ABATEMENT AT MANVILLE SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$192,998		\$192,998	\$192,998
Transfer to other capital project	8,405	(35,648)	(27,243)	(27,243)
Total revenues and other financing sources	<u>201,403</u>	<u>(35,648)</u>	<u>165,755</u>	<u>165,755</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	41,566		41,566	41,566
Construction services	98,648	25,541	124,189	124,189
Total expenditures and other financing uses	<u>140,214</u>	<u>25,541</u>	<u>165,755</u>	<u>165,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$61,189</u>	<u>(\$61,189)</u>	<u></u>	<u></u>
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-090-10-1001			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$119,400			
Additional authorized cost	46,355			
Revised authorized cost	\$165,755			
Percentage increase over original authorized cost	39%			
Percentage completion	100%			
Original target completion date	7/1/14			
Revised target completion date	6/30/17			

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - MANVILLE SCHOOLS SIDEWALK REPAIR  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$100,000		\$100,000	\$100,000
Transfer to other capital project		(\$25,541)	(25,541)	(\$25,541)
Total revenues and other financing sources	<u>100,000</u>	<u>(25,541)</u>	<u>74,459</u>	<u>74,459</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	<u>27,805</u>	<u>33,736</u>	<u>61,541</u>	<u>74,459</u>
Total expenditures and other financing uses	<u>27,805</u>	<u>33,736</u>	<u>61,541</u>	<u>74,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$72,195</u>	<u>(\$59,277)</u>	<u>\$12,918</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$100,000			
Additional authorized cost	(25,541)			
Revised authorized cost	\$74,459			
Percentage increase over original authorized cost		N/A		
Percentage completion				
Original target completion date		6/30/13		
Revised target completion date		6/30/19		

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - HIGH SCHOOL/ ABIS ROOF REPAIR  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$450,000		\$450,000	\$450,000
Transfer to other capital project	31,600	(\$11,777)	19,823	19,823
	<u>481,600</u>	<u>(11,777)</u>	<u>469,823</u>	<u>469,823</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	31,600		31,600	31,600
Construction services	425,525		425,525	438,223
	<u>457,125</u>		<u>457,125</u>	<u>469,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$24,475</u>	<u>-</u>	<u>\$12,698</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-65-15-1000			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$450,000			
Additional authorized cost	19,823			
Revised authorized cost	\$469,823			
Percentage increase over original authorized cost	4%			
Percentage completion	95%			
Original target completion date	9/1/16			
Revised target completion date	9/30/18			

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - HIGH SCHOOL PARKING LOT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$45,000		\$45,000	\$45,000
Transfer to other capital project		(\$14,266)	(14,266)	(14,266)
Total revenues and other financing sources	<u>45,000</u>	<u>(14,266)</u>	<u>30,734</u>	<u>30,734</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	<u>30,734</u>		<u>30,734</u>	<u>30,734</u>
Total expenditures and other financing uses	<u>30,734</u>		<u>30,734</u>	<u>30,734</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$14,266</u>	<u>(\$14,266)</u>		
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$45,000			
Additional authorized cost	(14,266)			
Revised authorized cost	\$30,734			
Percentage increase over original authorized cost		-32%		
Percentage completion		100%		
Original target completion date		7/1/17		
Revised target completion date		7/1/17		

## FIDUCIARY FUND DETAIL STATEMENTS

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

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
 FIDUCIARY FUND  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2018

	TRUST FUNDS		TRUST FUND		AGENCY FUND		TOTAL
	STATE UNEMPLOYMENT INSURANCE	PRIVATE PURPOSE SCHOLARSHIP	TOTAL TRUST FUND	STUDENT ACTIVITIES	PAYROLL	AGENCY FUND	AGENCY FUND
ASSETS:							
Cash and cash equivalents	\$ 19,230	\$ 56,540	\$ 75,770	\$ 95,315	\$ 559,914		\$ 655,229
Total assets	19,230	56,540	75,770	95,315	559,914		655,229
LIABILITIES:							
Payroll deductions and withholdings Due to student groups				95,315	559,914		559,914
Total liabilities				\$ 95,315	\$ 559,914		\$ 655,229
NET POSITION:							
Held in trust for state unemployment Held in trust for scholarships	19,230	56,540	19,230 56,540				
Total net position	\$ 19,230	\$ 56,540	\$ 75,770				

BOROUGH OF MANVILLE SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	STATE UNEMPLOYMENT INSURANCE TRUST FUND	PRIVATE PURPOSE SCHOLARSHIP TRUST FUND	TOTAL
ADDITIONS:			
Donations		\$28,843	\$28,843
Payroll deductions	\$33,418		33,418
Interest earned	105	142	247
	<u>33,523</u>	<u>28,985</u>	<u>62,508</u>
Total additions			
	<u>33,523</u>	<u>28,985</u>	<u>62,508</u>
DEDUCTIONS:			
Unemployment Claims	54,941		54,941
Scholarships awarded		24,750	24,750
	<u>54,941</u>	<u>24,750</u>	<u>79,691</u>
Total deductions			
	<u>54,941</u>	<u>24,750</u>	<u>79,691</u>
Change in net position	(21,418)	4,235	(17,183)
Net position - July 1	<u>40,648</u>	<u>52,305</u>	<u>92,953</u>
Net position - June 30	<u>\$19,230</u>	<u>\$56,540</u>	<u>\$75,770</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
FIDUCIARY FUND  
STUDENT ACTIVITY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
ASSETS:				
Cash and cash equivalents	\$78,753	\$238,972	\$222,410	\$95,315
Total assets	<u>78,753</u>	<u>238,972</u>	<u>222,410</u>	<u>95,315</u>
LIABILITIES:				
Due Student Groups				
Student activities	78,217	186,137	171,072	93,282
Athletic activities	536	52,835	51,339	2,033
Total assets	<u>\$78,753</u>	<u>\$238,972</u>	<u>\$222,410</u>	<u>\$95,315</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
FIDUCIARY FUND  
PAYROLL AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BALANCE JUNE 30, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
ASSETS:				
Cash and cash equivalents	\$421,553	\$6,927,125	\$6,788,765	\$559,914
Total assets	<u>421,553</u>	<u>6,927,125</u>	<u>6,788,765</u>	<u>559,914</u>
LIABILITIES:				
Payroll deductions and withholdings	421,553	6,927,125	6,788,765	559,914
Total liabilities	<u>\$421,553</u>	<u>\$6,927,125</u>	<u>\$6,788,765</u>	<u>\$559,914</u>

## **LONG-TERM DEBT SCHEDULES**

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2018

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2017</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2018</u>
Capital improvements	07/01/02	\$1,371,000	07/15/18	121,000	4.40%	\$236,000	\$115,000	\$121,000
						<u>\$236,000</u>	<u>\$115,000</u>	<u>\$121,000</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:			
Local sources:			
Local tax levy	\$122,797	\$122,797	
	<u>122,797</u>	<u>122,797</u>	
Total regular debt service-revenues	<u>122,797</u>	<u>122,797</u>	
EXPENDITURES:			
Regular debt service:			
Interest	7,797	7,797	
Redemption of principal	115,000	115,000	
	<u>122,797</u>	<u>122,797</u>	<u>        </u>
Total regular debt service-expenditures	<u>122,797</u>	<u>122,797</u>	<u>        </u>
Excess of revenues over expenditures	-		
Other financing sources:			
Transfers in		61	61
		<u>61</u>	<u>61</u>
Excess of revenues & other financing sources over expenditures	-	61	61
Fund balance, July 1		1,795	1,795
		<u>1,795</u>	<u>1,795</u>
Fund balance, June 30	-	<u>\$1,856</u>	<u>\$1,856</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

BOROUGH OF MANVILLE SCHOOL DISTRICT  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand provides and the activities it performs.	J-16 to J-20

Sources

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental activities</b>										
Net investment in capital assets	\$8,198,127	\$8,382,399	\$8,571,973	\$8,308,588	\$7,909,824	\$7,151,634	\$7,172,178	\$7,005,797	\$6,584,704	\$6,806,053
Restricted	1,552,862	1,253,138	944,226	1,526,474	1,824,512	2,517,933	2,372,114	1,899,909	2,038,160	1,600,674
Unrestricted (Deficit)	(6,754,319)	(6,600,174)	(6,026,238)	(5,314,118)	(114,810)	(119,593)	21,463	422,182	(351,080)	(120,555)
Total governmental activities net position	2,996,670	3,035,363	3,489,961	4,520,945	9,619,525	9,549,974	9,565,755	9,327,888	8,251,784	8,286,172
<b>Business-type activities</b>										
Net investment in capital assets	14,472	1,474	3,296	5,909	8,735	20,436	27,619	35,661	32,519	28,045
Unrestricted	128,586	91,034	41,401	11,359	23,889	(4,410)	(4,431)	19,051	9,160	36,413
Total business-type activities net position	143,058	92,508	44,697	17,268	32,624	16,026	23,188	54,712	41,679	64,458
<b>Government-wide</b>										
Net investment in capital assets	8,212,599	8,383,873	8,575,269	8,314,497	7,918,558	7,172,070	7,199,797	7,041,459	6,597,223	6,834,098
Restricted	1,552,862	1,253,138	944,226	1,526,474	1,824,512	2,517,933	2,372,114	1,899,909	2,038,160	1,600,674
Unrestricted (Deficit)	(6,625,733)	(6,509,140)	(5,984,837)	(5,302,759)	(90,921)	(124,004)	17,032	441,232	(341,920)	(84,142)
Total net position	\$3,139,728	\$3,127,871	\$3,534,658	\$4,538,212	\$9,652,149	\$9,566,000	\$9,588,943	\$9,382,600	\$8,293,463	\$8,350,630

Source: CAFR Schedule A-1

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>EXPENSES</b>										
Governmental activities										
Instruction:										
Regular	\$10,621,857	\$9,824,709	\$9,544,675	\$8,788,581	\$7,623,701	\$7,756,296	\$7,402,206	\$6,852,014	\$8,091,524	\$7,770,013
Special education	6,714,921	5,748,680	5,171,776	4,138,797	3,664,974	3,477,860	3,266,457	3,214,147	3,123,250	2,373,037
Other instruction	1,320,075	1,349,444	1,290,370	1,052,997	930,224	856,060	937,155	886,974	820,493	706,350
Support Services:										
Student & instruction related services	4,720,541	4,677,502	4,116,044	3,896,269	3,455,663	3,394,734	3,372,142	2,858,248	2,285,838	2,265,866
General administrative services	549,233	631,640	581,937	684,660	604,444	530,388	555,081	423,851	423,851	486,693
School administrative services	1,701,495	1,604,754	1,399,656	1,341,327	1,147,879	1,057,925	1,086,838	943,712	1,160,428	1,169,806
Central services	454,944	555,916	476,077	465,312	485,156	478,103	479,241	428,084	419,524	434,964
Administration information technology	138,282	155,104	137,189	142,388	111,550	96,275	43,468	42,454	43,985	131,803
Plant operations and maintenance	2,637,061	3,030,518	2,804,432	2,620,204	2,784,755	3,055,790	2,537,133	2,404,712	2,812,472	2,428,484
Student transportation services	850,984	544,254	503,227	511,404	418,257	432,358	481,026	316,950	304,770	452,485
Interest on long-term debt	5,528	10,461	15,076	19,574	23,766	31,332	39,506	47,538	55,249	53,588
Unallocated depreciation	259,767	259,767	260,680	236,911	207,595	166,383	199,727	126,219	288,640	297,752
Total governmental activities expenses	29,774,708	28,392,748	26,401,149	23,898,424	21,467,984	21,333,543	20,419,980	18,752,388	19,830,023	18,570,910
Business-type activities:										
Food Service	658,664	602,113	588,684	572,918	514,889	458,046	468,091	442,884	480,058	448,938
Total business-type activities expense	658,664	602,113	588,684	572,918	514,889	458,046	468,091	442,884	480,058	448,938
Total district expenses	30,433,372	28,994,861	26,990,033	24,471,341	21,982,872	21,791,589	20,888,071	19,195,272	20,310,081	19,019,848
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Operating grants and contributions	7,866,653	7,183,722	5,558,275	4,435,829	2,447,716	2,514,368	2,298,326	2,049,317	2,261,002	1,938,523
Total governmental activities program revenues	7,866,653	7,183,722	5,558,275	4,435,829	2,447,716	2,514,368	2,298,326	2,049,317	2,261,002	1,938,523
Business-type activities:										
Charges for services										
Food Service	258,064	237,581	231,921	220,574	216,418	203,605	196,934	226,096	243,819	258,444
Operating grants and contributions	450,841	412,262	384,288	336,927	315,012	297,233	236,640	228,786	213,349	199,089
Total business-type activities program revenues	708,905	649,843	616,209	557,501	531,430	450,838	433,774	454,882	457,168	457,543
Total district program revenues	8,575,558	7,833,565	6,174,484	4,993,330	2,979,146	2,965,206	2,732,100	2,504,179	2,718,171	2,396,066
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	(21,908,055)	(21,209,027)	(20,842,874)	(19,462,595)	(19,020,268)	(18,819,175)	(18,121,654)	(16,703,071)	(17,569,020)	(16,632,387)
Business-type activities	50,241	47,730	27,325	(15,417)	(6,542)	(7,208)	(34,317)	11,977	(22,890)	8,605
Total district-wide net expense	(\$21,857,814)	(\$21,161,297)	(\$20,815,549)	(\$19,478,012)	(\$19,026,810)	(\$18,826,383)	(\$18,155,971)	(\$16,691,093)	(\$17,591,910)	(\$16,623,782)

BOROUGH OF MANVILLE SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$15,656,881	\$15,019,215	\$14,736,481	\$13,859,295	\$13,587,543	\$13,321,121	\$13,059,923	\$12,803,846	\$12,484,467	\$12,148,455
Taxes levied for debt service	122,797	122,580	127,144	126,500	54,352	193,235	197,282	199,456	195,011	201,092
Unrestricted grants and contributions	6,155,382	5,932,493	5,401,152	5,608,488	5,255,651	5,156,042	5,054,896	4,620,647	4,814,409	4,721,309
Miscellaneous income	137,937	141,335	147,114	223,499	192,273	132,996	47,420	155,225	40,745	294,206
Canceled receivable	(203,635)	(61,794)								
Total governmental activities	21,869,362	20,754,429	19,811,891	19,817,762	19,089,819	18,803,393	18,359,521	17,779,175	17,534,633	17,325,063
<b>Business-type activities:</b>										
Miscellaneous income	309	81	104	61	57	45	2,793	1,055	111	305
Total business-type activities	309	81	104	61	57	45	2,793	1,055	111	305
Total government-wide	21,869,671	20,754,510	19,811,995	19,817,823	19,089,876	18,803,439	18,362,315	17,780,230	17,534,744	17,325,367
<b>CHANGE IN NET POSITION</b>										
Governmental activities	(38,693)	(454,598)	(1,030,983)	355,167	69,551	(15,781)	237,867	1,076,104	(34,388)	692,675
Business-type activities	50,550	47,811	27,429	(15,356)	16,598	(7,162)	(31,524)	13,033	(22,778)	8,910
Total change in net position	\$11,857	(\$406,787)	(\$1,003,554)	\$339,811	\$86,150	(\$22,943)	\$206,343	\$1,089,136	(\$57,166)	\$701,585

Source: CAFR Schedule A-2

BOROUGH OF MANVILLE SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Restricted	\$621,911	\$637,273	\$365,254	\$732,045	\$1,208,555	\$1,843,497	\$1,604,459	\$1,072,723		
Assigned	905,919	330,249	226,914	774,796	472,712	426,549	499,114	886,329		
Reserved										
Unreserved		967,522	592,168	1,506,842	1,681,268	2,270,046	2,103,573	1,959,052	\$1,996,469	\$1,731,976
Total general fund	1,527,830								(87,770)	(37,366)
									1,908,698	1,694,610
All Other Governmental Funds										
Restricted	27,472	290,323	352,058	523,013	365,957	424,437	522,886	479,275		
Committed				8,800			9,875	115,400	71,248	85,145
Capital projects fund									1,689	1,657
Debt service fund										
Total all other governmental funds	\$27,472	\$290,323	\$352,058	\$531,813	\$365,957	-	\$0	\$0	\$72,937	\$86,803

Source: CAFR Schedule B-1

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Tax levy	\$15,779,678	\$15,141,795	\$14,263,625	\$13,985,795	\$13,641,895	\$13,514,356	\$13,257,205	\$13,003,302	\$12,679,478	\$12,349,547
Interest earnings - capital reserve fund	1,946	732	846	1,182	1,535	1,443	1,190	1,860	2,785	3,789
Miscellaneous	144,806	7,698,893	152,446	231,290	205,596	141,679	56,057	187,885	51,759	250,417
State sources	8,856,248	7,468,215	7,468,215	7,423,993	6,827,796	6,920,188	6,333,994	5,838,269	5,348,133	6,176,248
Federal sources	772,798	857,425	868,705	742,633	860,713	740,095	1,009,405	797,176	1,712,479	483,564
Total revenue	25,555,476	23,845,073	22,781,837	22,384,893	21,537,635	21,317,762	20,857,847	19,828,492	19,795,634	19,263,586
<b>Expenditures</b>										
Instruction										
Regular instruction	5,853,625	5,433,866	5,856,331	5,412,559	5,410,491	5,525,207	5,382,988	5,064,314	5,887,805	5,475,727
Special education instruction	2,727,031	2,486,478	2,448,344	2,171,815	2,167,453	2,185,635	1,974,216	1,933,486	2,062,789	1,529,158
Other instruction	753,412	785,813	783,508	699,448	684,005	649,618	702,617	637,724	687,307	581,960
Support Services:										
Tuition	1,673,540	1,167,177	1,169,211	973,652	899,540	643,424	751,929	769,486	635,075	652,829
Student & instruction related services	2,732,577	2,833,866	2,724,326	2,673,089	2,629,281	2,616,616	2,428,769	2,324,769	1,699,679	1,747,342
General administrative services	461,193	499,786	503,068	617,468	501,358	426,293	453,543	443,499	318,631	391,801
School administrative services	903,850	864,340	842,567	824,757	811,546	744,607	769,761	701,951	833,124	858,313
Central services	338,287	371,716	366,690	371,390	364,951	352,532	355,981	320,726	319,123	341,810
Administration information technology	120,783	129,727	122,584	129,664	111,053	95,641	43,468	42,454	43,985	131,803
Plant operations and maintenance	2,209,433	2,345,080	2,378,857	2,207,446	2,224,839	2,531,088	2,016,173	1,942,051	2,321,070	1,995,624
Student transportation services	650,984	544,254	503,227	511,404	418,257	432,350	481,026	316,950	304,770	452,485
Employee benefits	6,435,199	5,863,387	5,510,080	5,163,536	4,892,114	4,803,974	4,748,188	4,073,344	4,244,364	3,967,462
Capital outlay	12,396	11,571	538,359	610,735	944,307	65,831	255,461	448,857	17,900	107,740
Special Schools			2,000				2,000	2,000	2,400	2,000
Debt service:										
Principal	115,000	110,000	110,000	105,000	100,000	173,000	170,000	165,000	160,000	155,000
Interest and other charges	7,797	12,579	17,144	21,499	25,599	33,789	41,889	49,789	57,489	64,814
Total expenditures	24,995,107	23,469,660	23,876,266	22,393,462	22,184,793	21,259,614	20,575,240	19,256,400	19,595,411	18,455,867
Excess (Deficiency) of revenues over (under) expenditures	560,369	375,413	(1,094,429)	(8,570)	(647,258)	58,148	82,607	572,092	200,223	807,719
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)										
Transfers in	61	58	683,421	501,273	1,016,752	50,003	961,929	961,192	13,929	37,278
Transfers out	(61)	(58)	(683,421)	(501,273)	(1,016,752)	(50,003)	(961,929)	(961,192)	(13,929)	(37,278)
Canceled receivable	(262,912)	(61,794)	0	0	0	0	0	0	0	0
Total other financing sources (uses)	(262,912)	(61,794)	0	0	0	0	0	0	0	0
Net change in fund balances	\$297,457	\$313,619	(\$1,094,429)	(\$8,570)	(\$647,258)	\$58,148	\$82,607	\$572,092	\$200,223	\$807,719
Debt service as a percentage of noncapital expenditures	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Source: CAFR Schedule B-2

EXHIBIT "J-5"

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Rental Income</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Total</u>
2018		\$10,169	\$23,311	\$22,694	\$79,758	\$135,931
2017	\$47,106	3,344	10,925	34,535	45,235	141,145
2016	17,150	2,275	28,800	46,968	57,254	152,446
2015	38,893	1,574	37,800	35,044	107,734	221,044
2014	46,555	1,941	12,200	22,119	107,921	190,736
2013	43,205	3,083		26,494	58,768	131,550
2012	2,059	3,185		36,080	4,903	46,227
2011	12,646	5,218		28,779	106,710	153,353
2010	18,758	8,436			10,734	37,928
2009	25,710	21,977			192,343	240,030

Source: District Records

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

Fiscal Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2018	\$7,614,600	\$727,564,150	\$87,610,900	\$32,845,600	\$11,729,300	\$867,364,550	\$1,993,914	\$869,358,464	\$895,004,762	1.82
2017	7,909,200	728,313,850	88,081,000	32,845,600	11,729,300	868,878,950	2,015,091	870,894,041	893,281,020	1.77
2016	8,432,500	732,544,900	88,551,500	32,845,600	11,871,400	874,245,900	2,011,879	876,257,779	892,474,858	1.68
2015	8,161,600	933,615,455	98,594,835	36,813,580	12,989,400	1,090,174,870	2,027,361	1,092,202,231	873,247,816	1.29
2014	9,143,200	948,410,950	100,425,835	37,013,580	13,084,400	1,108,077,965	1,980,349	1,110,058,314	914,732,274	1.24
2013	7,937,400	966,773,870	103,317,235	37,013,580	13,383,600	1,128,425,685	2,209,482	1,130,635,167	973,175,435	1.20
2012	8,815,500	980,474,130	103,321,615	36,803,240	13,383,600	1,142,798,085	2,316,472	1,145,114,557	1,100,393,769	1.17
2011	9,485,200	986,319,950	109,858,300	36,862,400	13,404,600	1,155,930,450	2,435,515	1,158,365,965	1,096,814,669	1.13
2010	10,373,300	985,944,100	109,995,300	36,862,400	13,404,600	1,156,579,700	3,225,694	1,159,805,394	1,153,321,046	1.11
2009	8,790,100	986,461,000	110,324,700	37,093,200	13,404,600	1,156,073,600	1,623,895	1,157,697,495	1,162,284,777	1.08

\* revaluation

Source: District records Tax list summary & Municipal Tax Assessor  
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.  
 Reassessment occurs when ordered by the County Board of Taxation  
 (a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

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

Fiscal Year Ended December 31,	Borough of Manville Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Manville	Somerset County	
2018	\$1.81	\$0.01	\$1.82	\$1.04	\$0.41	\$3.27
2017	1.76	0.01	1.77	1.02	0.42	3.21
2016	1.67	0.01	1.68	1.02	0.40	3.10
2015	1.28	0.01	1.29	0.81	0.32	2.42
2014	1.24	0.00	1.24	0.80	0.32	2.37
2013	1.18	0.02	1.20	0.76	0.33	2.29
2012	1.15	0.02	1.17	0.75	0.34	2.27
2011	1.11	0.02	1.13	0.73	0.31	2.17
2010	1.09	0.02	1.11	0.71	0.30	2.12
2009	1.06	0.02	1.08	0.69	0.30	2.07

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

(b) Rates for debt service are based on each year's requirements.

\* revaluation

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

<u>Taxpayer</u>	2018			2009		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
National Retail Resources, LP	\$33,068,400	1	3.81%	\$41,302,500	1	3.57%
Adesa Auctions Corp.	20,622,200	2	2.37%	25,000,000	2	2.16%
Amsdell Storage Vetures	2,874,400	3	0.33%			
Owners Association	2,175,400	4	0.25%	2,810,000	4	0.24%
Rosalie Main Street LLC	2,123,400	5	0.24%	2,203,100	5	0.19%
Manhil, LLC	1,478,900	6	0.17%	1,693,000	7	0.15%
Ketusky Funeral Home	1,363,900	7	0.16%	1,590,500	9	0.14%
Riverview Park, LLC	1,295,500	8	0.15%	1,629,600	8	0.14%
Readington Investments	1,138,200	9	0.13%			
GAPP Real Estate, LLC	992,700	10	0.11%			
Rustic Mall, LLC				4,447,100	3	0.38%
J.A.G. Propertis LLC				2,031,500	6	0.18%
Residential Taxpayer #1				1,304,700	10	0.11%
<b>Total</b>	<b>\$67,133,000</b>		<b>7.73%</b>	<b>\$84,012,000</b>		<b>7.27%</b>

Source: Municipal Tax Assessor

BOROUGH OF MANVILLE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2018	\$15,779,678	\$15,779,678	100%	-
2017	15,141,795	15,141,795	100%	-
2016	14,263,625	14,263,625	100%	-
2015	13,985,754	13,985,754	100%	-
2014	13,641,895	13,641,895	100%	-
2013	13,514,356	13,514,356	100%	-
2012	13,257,205	13,257,205	100%	-
2011	13,003,302	13,003,302	100%	-
2010	12,679,478	12,679,478	100%	-
2009	12,349,547	12,349,547	100%	-

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

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

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities		Total <u>District</u>	Percentage of Personal <u>Income (a)</u>	<u>Per Capita (a)</u>
	General Obligation <u>Bonds (b)</u>	Capital <u>Leases</u>			
2018	\$121,000		\$121,000	75%	\$12
2017	236,000		236,000	38%	23
2016	346,000		346,000	26%	33
2015	456,000		456,000	19%	44
2014	561,000		561,000	15%	54
2013	661,000		661,000	12%	63
2012	834,000		834,000	9%	80
2011	1,004,000		1,004,000	7%	96
2010	1,169,000	\$19,268	1,188,268	6%	115
2009	1,329,000	50,567	1,379,567	5%	133

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2018	\$121,000	\$1,856	\$119,144	0.01%	\$11
2017	236,000	1,795	234,205	0.03%	22
2016	346,000	1,736	344,264	0.04%	33
2015	456,000		456,000	0.04%	44
2014	561,000		561,000	0.05%	54
2013	661,000		661,000	0.06%	63
2012	834,000		834,000	0.07%	80
2011	1,004,000		1,004,000	0.09%	96
2010	1,169,000		1,169,000	0.10%	113
2009	1,329,000		1,329,000	0.11%	128

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

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

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2017  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Manville Borough	\$5,306,459	100%	\$5,306,459
Other debt			
Somerset County	206,591,021	2%	3,155,452
Somerset-Raritan Valley Sewage Authority	19,387,552	7%	<u>1,339,680</u>
Subtotal, overlapping debt			9,801,591
Manville Borough School District Direct Debt			<u>121,000</u>
Total direct and overlapping debt			<u><u>\$9,922,591</u></u>

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

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

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2017:

Equalized Valuation Basis	Calendar Year Ending December 31,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Calendar Year										
2017			\$892,989,672							
2016			891,269,141							
2015			890,447,497							
			<u>2,674,706,310</u>							
Average Equalized Valuation of Taxable Property			891,568,770							
Debt Limit (4% of average equalization value)			35,662,751							
Total Net Debt Applicable to Limit			(121,000)							
Legal Debt Margin			<u>\$35,541,751</u>							
Debt Limit	\$35,662,751	\$35,373,121	\$35,656,503	\$36,728,656	\$39,751,200	\$42,165,416	\$44,576,592	\$45,421,451	\$46,160,863	\$45,315,657
Total Net Debt Applicable To Limit	121,000	236,000	346,000	456,000	561,000	739,000	914,000	1,084,000	1,249,000	1,404,000
Legal Debt Margin	<u>\$35,541,751</u>	<u>\$35,137,121</u>	<u>\$35,310,503</u>	<u>\$36,272,656</u>	<u>\$39,190,200</u>	<u>\$41,426,416</u>	<u>\$43,662,592</u>	<u>\$44,337,451</u>	<u>\$44,911,863</u>	<u>\$43,911,657</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	0.34%	0.67%	0.97%	1.24%	1.41%	1.75%	2.05%	2.39%	2.71%	3.10%

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2017	10,414	*	*	5%
2016	10,441	\$942,488,188	\$90,268	5%
2015	10,412	915,527,160	87,930	6%
2014	10,440	863,033,040	82,666	7%
2013	10,467	824,401,854	78,762	11%
2012	10,450	790,835,100	75,678	8%
2011	10,419	749,324,061	71,919	8%
2010	10,362	721,298,820	69,610	8%
2009	10,381	680,775,599	65,579	8%
2008	10,273	756,688,634	73,658	3%

## Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality was computed using Census Bureau midyear population estimates.  
Estimates for 2008-2017 reflect county population.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

\* not available

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Instruction:</b>										
Regular	112	100	100	101	101	101	102	100	100	100
Special education	30	29	29	28	28	28	27	26	25	25
Other special education	26	28	28	26	24	23	23	21	21	20
<b>Support Services:</b>										
Student & instruction related services	15	14	14	14	14	14	14	14	14	14
General administrative services	10	10	10	10	10	10	10	10	10	10
School administrative services	7	7	7	7	7	7	7	7	6	7
Plant operations and maintenance	17	17	17	17	17	17	17	17	18	18
Central services	5	5	5	5	5	5	5	5	5	6
Administration information technology	2	2	2	2	2	2	3	3	3	2
Special Schools	10	10	10	10	10	10	9	9	8	9
Food Service	8	8	8	8	8	8	8	8	8	8
<b>Total</b>	<b>242</b>	<b>230</b>	<b>230</b>	<b>228</b>	<b>226</b>	<b>225</b>	<b>225</b>	<b>220</b>	<b>219</b>	<b>219</b>

Source: District Personnel Records

BOROUGH OF MANVILLE SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2018	1,490	\$24,859,914	\$16,685	4%	147	1/18	1/20	1/15	1,454	1,445	1%	99%
2017	1,448	23,335,510	16,116	-1%	136	1/20	1/17	1/14	1,435	1,426	1%	99%
2016	1,423	23,210,763	16,311	7%	136	1/20	1/17	1/14	1,423	1,411	1%	99%
2015	1,415	21,656,229	15,305	2%	135	1/20	1/17	1/14	1,413	1,368	0%	97%
2014	1,412	21,114,887	14,954	-7%	135	1/20	1/17	1/14	1,411	1,338	8%	95%
2013	1,307	20,986,994	16,057	5%	135	1/20	1/17	1/14	1,304	1,242	0%	95%
2012	1,316	20,107,890	15,280	8%	134	1/19	1/17	1/11	1,305	1,276	1%	98%
2011	1,318	18,592,754	14,107	-4%	134	1/19	1/17	1/11	1,296	1,284	0%	99%
2010	1,318	19,359,380	14,688	7%	133	1/19	1/17	1/11	1,294	1,284	0%	99%
2009	1,319	18,128,313	13,744	-1%	133	1/19	1/17	1/11	1,295	1,235	0%	95%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>District Buildings</u>										
<u>Elementary School(s):</u>										
Weston School										
Square Feet	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	525	519	506	501	503	456	472	392	392	392
Roosevelt School										
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	230	227	230	225	217	215	189	195	300	195
<u>Middle School(s):</u>										
Alexander Batcho Intermediate School										
Square Feet	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	335	314	307	303	302	276	283	309	309	309
<u>High School(s):</u>										
Manville High School										
Square Feet	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500
Capacity (students)	770	770	770	770	770	770	770	770	770	770
Enrollment	400	383	380	386	390	360	379	395	395	395

Number of Schools at June 30, 2018  
Elementary = 2  
Middle School = 1  
High School = 1

Source: District records

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

BOROUGH OF MANVILLE SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
UNAUDITED

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

School Facilities * Project #(s)	Total	Weston	Roosevelt	ABIS	High School
2018	\$802,316	\$138,760	\$131,573	\$176,786	\$355,197
2017	871,484	165,582	78,434	217,871	409,597
2016	781,263	151,980	142,642	157,353	329,288
2015	805,216	152,991	72,469	201,304	378,452
2014	788,553	275,994	157,711	105,247	249,601
2013	1,065,570	202,459	95,901	266,392	500,817
2012	609,819	121,964	54,884	152,455	280,517
2011	608,143	140,741	121,954	130,308	215,140
2010	1,701,756	416,593	413,968	435,068	436,127
2009	713,420	140,019	63,371	176,578	333,451
Total School Facilities	\$8,747,539	\$1,907,083	\$1,332,906	\$2,019,363	\$3,488,187

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

Source: District records

BOROUGH OF MANVILLE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2018  
UNAUDITED

	<u>Coverage Amount</u>	<u>Deductible</u>
Multi Peril Policy - Diploma Joint Insurance Fund		
Property Coverage:		
Blanket Real & Personal Property	\$500,000,000	\$5,000
Blanket Valuable Papers & Records	within blanket limits	
Newly Acquired Property:		
Property	25,000,000 per occurrence	
Flood (Zone A or V)	25,000,000 per occurrence	
Flood (All other zones)	10,000,000 per occurrence	
Comprehensive General Liability and Automotive Coverage:		
Liability	5,000,000 per occurrence 100,000,000 aggregate	
Workers Compensation Policy	5,000,000	
Excessive School Leaders Professional Liability	5,000,000	5,000
Crime Coverage:		
Public Official Bond Limit - Board Secretary/Business Administrator	100,000	
Employee Dishonesty	500,000	

Source: District Records

**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300 Fax 908-789-8535

E-mail info@scnco.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, 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 Borough of Manville School District, in the County of Somerset, State of New Jersey (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 4, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Manville School District's internal control.

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

## SUPLEE, CLOONEY & COMPANY

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

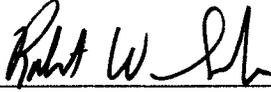
### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300 Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

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

We have audited the Borough of Manville School District's compliance with the types of compliance requirements described in the federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Manville School District's major federal and state programs for the year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Manville School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) and New Jersey *OMB 15-08*. Those standards, the *Uniform Guidance* and New Jersey *OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Manville School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

# SUPLEE, CLOONEY & COMPANY

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

In our opinion, the Borough of Manville School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

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

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

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

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

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019

BOROUGH OF MANVILLE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2017	ADJUSTMENT/ CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2018	
										(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
<b>General Fund</b>											
U.S. Department of Education Medicaid Assistance Program (SEM)	93.778	1805NJSWAP	N/A	\$71,426			\$71,426	(\$71,426)			
Medicaid Assistance Program (MAC)	93.778	1805NJSWAP	N/A	8,362			8,362	(8,362)			
<b>Total General Fund</b>											
<b>Enterprise Fund</b>											
U.S. Department of Agriculture Passed Through State Department of Education Child Nutrition Cluster:											
National School Lunch Program	10.555	171NJ304N1099	N/A	317,083	(26,114)		26,114				
National School Lunch Program	10.555	181NJ304N1099	N/A	324,270			299,563	(324,270)			(\$24,687)
National School Lunch Program - commodities	10.555	171NJ304N1099	N/A	64,626			64,626	(64,626)			
National School Breakfast Program	10.553	171NJ304N1099	N/A	50,560	(4,054)		4,054				
National School Breakfast Program	10.553	181NJ304N1099	N/A	53,981			49,161	(53,980)			(4,819)
<b>Total Child Nutrition Cluster</b>											
<b>Total Enterprise Fund</b>											
<b>Special Revenue Fund</b>											
U.S. Department of Education Passed Through State Department of Education N.C.L.B.											
Title I	84.010	S010A160030	NCLB300017	7/1/16 - 6/30/17	372,648		214,048				
Title I	84.010	S010A170030	NCLB300018	7/1/17 - 6/30/18	373,881	(214,048)	190,199	(335,541)			(145,342)
Title II - Part A	84.367	S367A160029	NCLB300017	7/1/16 - 6/30/17	70,718	(25,599)	25,599				
Title II - Part A	84.367	S367A170029	NCLB300018	7/1/16 - 6/30/18	66,924		23,599	(46,607)			(23,008)
Title III	84.365	S365A160030	NCLB300017	7/1/16 - 6/30/17	24,985	(11,546)	11,546				
Title III	84.365	S365A170030	NCLB300018	7/1/17 - 6/30/18	25,177		8,317	(20,085)			(11,768)
Title III - Immigrant	84.365	S365A160030	NCLB300017	7/1/16 - 6/30/17	5,436	(1,789)	1,789				
Title III - Immigrant	84.365	S365A170030	NCLB300018	7/1/17 - 6/30/18	3,376	(252,982)	475,057	(405,609)			(3,376)
<b>Total N.C.L.B.</b>											
<b>Special Education Cluster:</b>											
I.D.E.A. Part B Basic	84.027	H027A160100	IDEA300017	7/1/16 - 6/30/17	343,604	(61,156)	61,156				
I.D.E.A. Part B Basic	84.027	H027A160100	IDEA300018	7/1/17 - 6/30/18	350,134		305,477	(349,356)			(43,879)
I.D.E.A. Part B Preschool	84.173	H173A160114	IDEA300017	7/1/16 - 6/30/17	12,573	(1,203)	1,203				
I.D.E.A. Part B Preschool	84.173	H173A160117	IDEA300018	7/1/17 - 6/30/18	12,635	(62,359)	376,151	(12,410)			(4,095)
<b>Total Special Education Cluster:</b>											
<b>Total Special Revenue Fund</b>											
<b>Total Federal Financial Assistance</b>											
							\$1,374,574	(\$1,290,039)			(\$260,874)

See accompanying notes to schedules of financial assistance.

BOROUGH OF MANVILLE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2018 UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
General Fund													
State Department of Education													
Equalization Aid	18-495-034-5120-078	07/01/17 - 06/30/18	\$5,011,657		\$4,518,250	(\$5,011,657)	\$493,407					\$493,407	\$5,011,657
Special Education Categorical Aid	18-495-034-5120-089	07/01/17 - 06/30/18	831,911		750,914	(831,911)	81,897					81,897	831,911
Security Categorical Aid	18-495-034-5120-094	07/01/17 - 06/30/18	86,779		78,266	(86,779)	8,523					8,523	86,779
Under Adversity Aid	18-495-034-5120-096	07/01/17 - 06/30/18	66,006		59,009	(66,006)	6,997					6,997	66,006
Pre-Pup Growth Aid	18-495-034-5120-097	07/01/17 - 06/30/18	13,070		12,889	(13,070)	1,371					1,371	13,070
PARCC Readiness Aid	18-495-034-5120-098	07/01/17 - 06/30/18	13,970		12,999	(13,970)	1,371					1,371	13,970
Professional Learning Community Aid	18-495-034-5120-101	07/01/17 - 06/30/18	14,510		13,380	(14,510)	1,430					1,430	14,510
Post-District Support Aid	18-495-034-5120-102	07/01/17 - 06/30/18	348		268	(348)	80					80	348
Total State Aid Cluster					5,444,855	(6,038,451)	584,556					584,556	6,039,451
Transportation Categorical Aid	18-495-034-5120-014	07/01/17 - 06/30/18	14,534		13,444	(14,534)	1,490					1,490	14,534
Extraordinary Aid	17-100-034-5120-473	07/01/16 - 06/30/17	107,170	(107,170)	107,170				(\$106,221)			106,221	107,170
Extraordinary Aid	18-100-034-5120-473	07/01/17 - 06/30/18	106,221										106,221
On-behalf TPAF pension - post retirement medical	18-495-034-5094-001	07/01/17 - 06/30/18	819,761		819,761	(819,761)							819,761
On-behalf TPAF non contributory insurance	18-495-034-5094-004	07/01/17 - 06/30/18	30,071		30,071	(30,071)							30,071
On-behalf TPAF pension contribution	18-495-034-5094-002	07/01/17 - 06/30/18	1,239,148		1,239,148	(1,239,148)							1,239,148
On-behalf TPAF long term disability insurance	N/A		2,634		2,634	(2,634)							2,634
Reimburse TPAF Social Security Contributions	17-495-034-5094-003	07/01/16 - 06/30/17	637,393	(31,229)	31,229				(33,020)			33,020	637,393
Reimburse TPAF Social Security Contributions	18-495-034-5094-003	07/01/17 - 06/30/18	674,106		641,086	(674,106)							674,106
Total General Fund				(138,389)	8,329,438	(6,926,326)	696,046		(338,241)			736,287	9,670,869
Special Revenue Fund													
Non-Public Aid													
Textbook Aid	15-100-034-5120-064	07/01/14 - 06/30/15	7,865	5,167							5,167		2,698
Nursing Services	15-100-034-5120-070	07/01/14 - 06/30/15	12,520	2,552							2,552		9,968
Technology Initiative	15-100-034-5120-373	07/01/14 - 06/30/15	4,224	4,013							4,013		211
Total Special Revenue Fund				11,731							11,731		12,878
Capital Projects Fund													
Roof Replacement in West Wing	3000-050-014-1003	3/28/14 - 6/30/16	571,688	(265,429)			265,429						306,257
Total Capital Projects Fund				(265,429)			265,429						306,257
Enterprise Fund													
Child Nutrition Cluster													
National School Lunch Program (State Share)	17-100-010-3350-023	07/01/16 - 06/30/17	7,231	(598)	598								7,231
National School Lunch Program (State Share)	18-100-010-3350-023	07/01/17 - 06/30/18	7,965		7,965	(7,965)			(614)			614	7,965
Total Child Nutrition Cluster				(598)	7,965	(7,965)			(614)			614	15,196
Total Enterprise Fund				(598)	7,965	(7,965)			(614)			614	15,196
Total State Financial Assistance				(4,352,695)	\$6,337,387	(\$8,934,291)	\$861,475		(\$139,655)		\$11,731	\$335,901	\$10,005,270
Less On-Behalf amounts not utilized for determination of Major Programs													
On-behalf TPAF Pension - post retirement medical	18-495-034-5094-001	07/01/17 - 06/30/18	819,761		819,761	(819,761)							819,761
On-behalf TPAF non contributory insurance	18-495-034-5094-004	07/01/17 - 06/30/18	30,071		30,071	(30,071)							30,071
On-behalf TPAF pension contribution	18-495-034-5094-002	07/01/17 - 06/30/18	1,239,148		1,239,148	(1,239,148)							1,239,148
On-behalf TPAF long term disability insurance	N/A		2,634		2,634	(2,634)							2,634
Total State Financial Subject to Single Audit					\$6,245,773	(\$6,642,677)							

See accompanying notes to schedules of financial assistance

**Borough of Manville School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2018**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, 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. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Borough of Manville School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2018**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$70,078) for the general fund and (\$74,365) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$79,788	\$8,926,326	\$9,006,114
Special Revenue Fund	767,375		767,375
Food Service Fund	442,876	7,965	450,841
	<u>1,290,039</u>	<u>8,934,291</u>	<u>10,224,330</u>
GAAP Adjustment - General		(70,078)	(70,078)
GAAP Adjustment - Special Revenue	<u>(74,365)</u>		<u>(74,365)</u>
Total Awards and Financial Assistance	<u>\$1,215,674</u>	<u>\$8,864,213</u>	<u>\$10,224,330</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2018.

**Borough of Manville School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2018**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

**Federal Program(s)**

- |     |   |            |
|-----|---|------------|
| (1) | Internal Control Over Major Federal Programs:   |            |
|     | (a) Material weakness identified?   | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?  | No         |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?   | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance and listed in Section III of this schedule? | No         |

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>
----------------	---------------------

Child Nutrition Cluster:

National School Lunch Program	10.555
National School Breakfast Program	10.553

- |     |   |     |
|-----|---|-----|
| (5) | Program Threshold Determination:<br>Type A Federal Program Threshold > \$750,000<br>Type B Federal Program Threshold <= \$750,000 |     |
| (6) | Auditee qualified as a low-risk auditee under the Uniform Guidance?   | Yes |

**Borough of Manville School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2018**

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

**State Program(s)**

- (1) Internal Control Over Major State Programs:
  - (a) Material weakness identified? No
  - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08 and listed in Section III of this schedule? No

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
State Aid Cluster:	
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Under Adequacy Aid	495-034-5120-096
PARCC Readiness	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-097
Equalization Aid	495-034-5120-078
Professional Learning Aid	495-034-5120-101
Host District Support Aid	495-034-5120-102
Reimbursed TPAF Social Security Contributions	
	495-034-5094-003

- (5) Program Threshold Determination:
  - Type A State Program Threshold > \$750,000
  - Type B State Program Threshold <= \$750,000
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

**Borough of Manville School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2018**

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

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

**Borough of Manville School District**  
**Schedule of Prior Year Audit Findings**

Not Applicable



