

**SCHOOL DISTRICT**

**OF**

**MANASQUAN**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**MANASQUAN BOARD OF EDUCATION**

**MANASQUAN, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**PREPARED BY**

**MANASQUAN BOARD OF EDUCATION  
FINANCE DEPARTMENT**

# MANASQUAN SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1 to 10.
Organizational Chart	11.
Roster of Officials	12.
Consultants & Advisors	13.
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	14 to 16.
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	17 to 24.
<b><u>Basic Financial Statements</u></b>	
<b>A. District-wide Financial Statements</b>	
A-1 Statement of Net Position	25.
A-2 Statement of Activities	26 & 27.
<b>B. Fund Financial Statements</b>	
Governmental Funds:	
B-1 Balance Sheet	28.
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	29 & 30.
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	31.
Proprietary Funds:	
B-4 Statement of Net Position	32.
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	33.
B-6 Statement of Cash Flows	34.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	35.
B-8 Statement of Changes in Fiduciary Net Position	36.
Notes to Financial Statements	37 to 54.

# **MANASQUAN SCHOOL DISTRICT**

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Required Supplementary Information – Part II</b>	
<b>C. <u>Budgetary Comparison Schedules</u></b>	
C-1 Budgetary Comparison Schedule – General Fund	55 to 67.
C-1a Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	68.
<b>Notes to the Required Supplementary Information</b>	
C-3 Required Supplementary Information Budgetary Comparison Schedule Note to RSI	69.
<b>Other Supplementary Information</b>	
<b>D. <u>School Level Schedules</u></b>	
N/A	
<b>E. <u>Special Revenue Fund</u></b>	
E-1 Combining Schedule of Revenues and Expenditures – Special Revenue Fund – Budgetary Basis	70 & 71.
E-2 Demonstrable Effective Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
<b>F. <u>Capital Projects Fund</u></b>	
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A
F-1a Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis, Addition to Elementary School from Inception	N/A

# MANASQUAN SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>G.     <u>Proprietary Funds</u></b>	
G-1     Combining Statement of Net Position	72.
G-2     Combining Statement of Revenues, Expenses and Changes in Net Position	73.
G-3     Combining Statement of Cash Flows	74.
<b>H.     <u>Fiduciary Fund</u></b>	
H-1     Combining Statement of Fiduciary Net Position	75.
H-2     Statement of Changes in Fiduciary Net Position	76.
H-3     Student Activity Agency Fund – Schedule of Receipts and Disbursements	77.
H-4     Payroll Agency Fund - Schedule of Receipts and Disbursements	78.
<b>I.     <u>Long-Term Debt</u></b>	
I-1     Schedule of Long-Term Debt Group	79.
I-2     Schedule of Obligations Under Capital Leases	80.
I-3     Debt Service Fund Budgetary Comparison Schedule	81.

## **STATISTICAL SECTION**

**(Unaudited)**

J-1     Net Position by Component	82.
J-2     Changes in Net Position	83 & 84.
J-3     Fund Balances, Governmental Funds	85.
J-4     Changes in Fund Balance, Governmental Funds	86.
J-5     General Fund Other Local Revenue by Source	87.
J-6     Assessed Value and Actual Value of Taxable Property	88.
J-7     Direct and Overlapping Property Tax Rates	89.
J-8     Principal Property Taxpayers	90.
J-9     Property Tax Levies and Collections	91.
J-10    Ratios of Outstanding Debt by Type	92.
J-11    Ratios of Net General Bonded Debt Outstanding	93.
J-12    Direct and Overlapping Governmental Activities Debt	94.
J-13    Legal Debt Margin Information	95.
J-14    Demographic and Economic Statistics	96.
J-15    Principal Employers	97.
J-16    Full-Time Equivalent District Employees by Function/Program	98.
J-17    Operating Statistics	99.
J-18    School Building Information	100.
J-19    Schedule of Required Maintenance	101.
J-20    Insurance Schedule	102.

**MANASQUAN SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<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 Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	103 & 104.
K-2     Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	105 to 107.
K-3     Schedule of Federal Financial Assistance, Schedule A	108.
K-4     Schedule of State Financial Assistance, Schedule B	109.
K-5     Notes to Schedules of Financial Assistance	110 to 112.
K-6     Schedule of Findings and Questioned Costs	113 to 116.
K-7     Summary Schedule of Prior Audit Findings	117.

## **INTRODUCTORY SECTION**

# Manasquan Board of Education

---

Central Administrative Offices, 169 Broad Street, Manasquan, New Jersey 08736  
Margaret M. Hom, Business Admin./Board Secy.  
(732) 528-8803 / Fax: (732) 223-7422

December 3, 2013

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

Dear Board Members/Citizens:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Manasquan School District for the fiscal year ended June 30, 2013. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. The District adopted this financial reporting model as required by the State in 2003. This model is supposed to provide the users of this document with more useful financial and statistical information relying on and including all disclosures made by the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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



independent auditor's report on the internal control and compliance with applicable laws, regulation, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

# **1. REPORTING ENTITY AND ITS SERVICES:**

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

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

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

The Board of Education is comprised of twelve members. Manasquan holds nine positions on the Board, these members are usually elected for three year terms. We currently have 9 three year term members. The Sending Districts fill the other three positions and are appointed to one year terms according to the agreement filed with the County Office. The Manasquan Board of Education usually meets on the third Thursday of each month except when district functions or holidays interfere with that schedule. The actual schedule is posted on our website for the year. During its action meetings the Board determines district goals and priorities and conducts the business of the Board of Education. These meetings begin at 7:00 p.m.

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

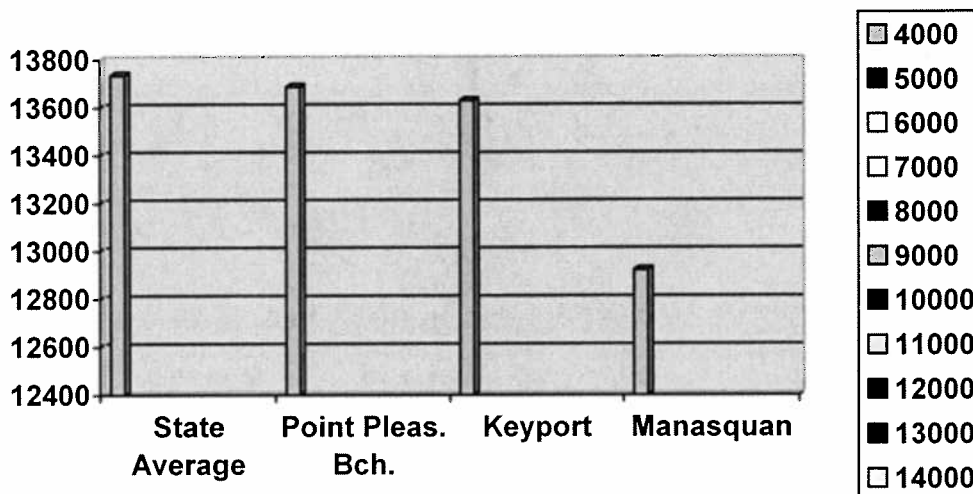
To maintain effective communications, the District has a website that is updated frequently. Information about the budget is posted on the website during the budget review process. Meetings are held and offers to present materials on the budget are extended to all community and civic groups within the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

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

The New Jersey Department of Education released its 2013 Taxpayers' Guide to Education Spending, formally the Comparative Spending Guide, for all school districts in

the State. The guide compares districts with those who are similar in enrollment/configuration. The information on expenditures was taken from certified budgets on file with the State Department of Education. This report shows that the district spent \$12,921 per pupil (certified costs for 2011-12) while the average cost for similar districts was \$13,735. According to the report of the 47 other K-12 school districts in the state with enrollments between 0 and 1800 children, Manasquan was ranked the 22nd lowest in total cost per pupil.

**Per Pupil Comparative Spending 2013 (Certified 2011-12 Costs)**



***Manasquan Elementary School***

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

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

With regards to technology, ActivBoards have been installed in every regular education classroom, as well as several special education classrooms and special subject area classrooms. Every classroom is now equipped with at least one desktop computer for the teacher to fully utilize the ActivBoard. Most classrooms are also equipped with at least

two thin client workstations or additional student desktop computers for student computer centers.

The district is a Windows 7 Microsoft Active Directory computer environment using Microsoft Office 2010 among many other educational software titles. In the spring of 2013, a significant data rewiring project was completed for major sections of the building. New data wiring and network switching equipment was added to support additional devices, increase reliability of network connections, and increase network capacity. A mobile iPad cart, holding 30 iPad 2 tablets, was added this year, funded by a donation from the PTO, in addition to 11 iPad 2 tablets for ELL classes, funded by Title III.

Additional technological advances include increased usage of our Genesis Student Data Management System and our school website, hosted by Schoolwires. The district subscribes to Discovery Education and teachers continue to incorporate the web-based streaming video service which gives them access to more than 75,000 content-specific video clips aligned directly to state and national standards. A mobile I-Pad cart containing thirty I-Pad 2s was also added for the first time for use in the classrooms. Four document scanners were also purchased for utilization by teachers in their classrooms. The guidance program, Naviance was implemented in the prior year to provide a learning style inventory and career awareness activities for middle school students. Eighth grade students continue to participate in Digital Storytelling, in which they had an opportunity to participate in this project-based learning experience utilizing video- and sound-editing software. Teachers continued to incorporate lessons in mathematics and language arts from the Skills Tutor Program. Skills Tutor, in addition to classroom assessment and instructional utilization, also provides a skills review program for use at home over the summer months. The Genesis Parent Portal, opened during the 2010-2011 school year for attendance only, was expanded to include real-time gradebook access and electronic report card distribution, significantly reducing postal mailings. Furthermore, in order to provide teachers with more opportunities to assess individual student skills and track their academic progress, the on-line testing program, MAP (Measurement of Academic Progress) was purchased for K-8 student assessment in language arts and mathematics.

Several new instructional programs were implemented this past year, including a new K-5 science program, A Closer Look, published by Macmillan McGraw-Hill. A new K-5 language arts program, Houghton-Mifflin's Journeys, was also selected for implementation to assist teachers in curriculum alignment to the Common Core State Standards. In order to enhance differentiation of instruction, more time has been designated for guided reading lessons with the assistance of the school's Reading Specialist, who worked collaboratively with the classroom teachers. The language arts program was further expanded by the implementation of additional formative assessment opportunities using the Fountas & Pinnell Benchmark Assessment Program. A new Financial Literacy class was created for students in Grade 5 and a new Creative Writing class was developed for students in Grade 6. In addition, the Basic Skills pull-out program and the Gifted and Talented pull-out program for students in grades 5-8 in the

subject areas of language arts and mathematics were both maintained. The school's Second Step Character Education Program was continued in grades 3-8, with new assembly programs relating to tolerance, respect, and anti-bullying initiatives. A new middle school Cyberbullying curriculum was also implemented, as well as the NJ CAP Program, "No More Bullies, No More Victims". Each grade level participated in an educational field trip aligned with the curriculum and a walking trip to see a live performance at our community theater, The Algonquin Arts. In addition to our Field Day for grades 5-7, a successful K-4 field day program was implemented once again this year. Furthermore, the students participated in an Interactive Art Show in which student art work was displayed and students dressed in costume, playing the role of famous artists. Students also demonstrated various art techniques at several stations, allowing parents to participate in creating art projects. Fifth grades once again did an outstanding job with their Wax Museum, portraying famous people in history.

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

### ***Manasquan High School***

Manasquan High School is a traditional, older building that is maintained very well. Maintenance on the interior and exterior of the building is continual, and upgrades are scheduled (carpeting, painting, etc.) on a regular basis.

Manasquan High School continues to perform well on the 11<sup>th</sup> grade, state-mandated HSPA (High School Proficiency Assessment). MHS had 37% of its students score in the Advanced Proficient range in Math and 35% score in the Advanced Proficient range in Language Arts.

Manasquan High School students continue to perform well on Advanced Placement exams. In 2012-13, MHS was recognized by the College Board which placed the school on its 3<sup>rd</sup> Annual District Honor Roll, a distinction achieved by only 5% of all school districts in the United States.

The high school also continued its partnership with UMDNJ (University of Medicine and Dentistry of New Jersey) to offer college credit through courses offered in the area of health and sciences, and we continue to explore an "academy model". Over 30 students received college credit in 2012-13.

Manasquan High School's Academy of Finance continues to be a centerpiece of the high school program. Through our affiliation with the National Academy Foundation (NAF) Manasquan offers a comprehensive curriculum (Introduction to Business,

Entrepreneurship, Accounting, etc.) along with an internship with a local business to all students who qualify to enter the academy. In 2013, the Academy of Finance graduated over 35 students.

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

With regards to technology, continued training was provided for staff and administrators related to the Genesis student information system and for teachers’ web pages development. The Genesis Parent Portal, opened during the 2010-2011 school year for attendance only, was expanded to include real-time gradebook access and electronic report card distribution, significantly reducing postal mailings. 11 iPad 2 tablets were also purchased for the ELL program using Title III funds. MHS also added a scheduling component to the Parent Portal in 2012-13.

### ***Special Education***

The Special Education program is an integral part of each school. In the 2012-2013 school year the number of educationally disabled students in the district was 149 High School Students, 114 Elementary School Students, 6 Pre-School Disabled Students and 44 (11 Manasquan, 33 Sending Districts) other students were sent to facilities outside the district. Most of the 263 students were placed in general education classes with in class resource services. In addition Manasquan has two Learning Language Disabled teachers instructing two classes in the high school and two teachers assigned to Multiply Disabled classes in the elementary school. There is also an in-house Preschool Disabled program operating in the Elementary School.

### ***Core Curriculum Content Standards***

Our district curriculum is aligned to the New Jersey Core Curriculum Content Standards and the State Common Core Standards. Collaborating with the sending districts, new curriculum has been developed in the UbD design for grades K-8 in Mathematics and Language Arts. In grades K-8 all courses have been revised to align with the NJCCCS 2009. In grades 9-12 most courses in each discipline have been revised to align with the NJCCCS 2009 or the State Common Core Standards. Each summer teachers from all grade levels and disciplines spend many hours collaborating and writing curriculum.

### ***Staff Development***

The Manasquan School District provides its teaching staff with many opportunities for professional development. In the beginning of the school year on two days in September

and one in October the district provided extensive in-service programs for the staff. The district also provided an in-service day in January. Staff members are permitted and encouraged to attend workshops outside the district in addition to the in-house services already provided.

### ***Technology***

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

The district possesses more than 700 computers, all of which are connected to the Internet via a high-speed broadband connection. Each classroom is equipped with a desktop computer that interfaces with the other classroom multimedia technology (e.g. projector, ActivBoard, audio system). The district also implemented the use of over 70 IPAD2's for instruction and teacher evaluation.

Through the purchase of VMWare server virtualization software, the district is now taking advantage of virtual servers to provide more services on less physical machines saving management and electrical resources.

The district is an entirely wireless campus, with network connections accessible from all locations. All administrators, teachers and support staff have access to computers, printers, networked copiers, e-mail, work-order systems, and the Internet within their work areas. The district has and will continue to emphasize technology training in district in-service programs for all staff.

### ***Personnel***

The district employed 207 people during the 2012-2013 school year. The certificated staff numbered 161 and educational support personnel 46.

### ***Pupil Enrollment***

The district completed the 2012-2013 fiscal year with an Average Daily Enrollment of 1593.0 which is 73.1 students less than 2011-2012 enrollment. The following details the changes in the student enrollment of the district over the last 20 years. The table presents the actual historical pupil enrollment as of June 30 of each year:

<b>FISCAL YEAR</b>	<b>ENROLLMENT JUNE 30</b>	<b>PERCENTAGE CHANGE</b>
------------------------	-------------------------------	------------------------------

1994-95	1489.1	6.883%
1995-96	1534.8	3.069%
1996-97	1577.1	2.756%
1997-98	1573.0	-0.260%
1998-99	1576.1	0.197%
1999-00	1595.9	1.256%
2000-01	1587.5	-0.526%
2001-02	1664.5	4.850%
2002-03	1726.3	3.713%
2003-04	1726.5	0.012%
2004-05	1723.1	-0.197%
2005-06	1720.6	-0.145%
2006-07	1712.3	-0.482%
2007-08	1702.0	-0.602%
2008-09	1712.3	0.605%
2009-10	1698.6	-0.800%
2010-11	1696.8	-0.106%
2011-12	1666.1	-1.809%
2012-13	1593.0	-4.388%

## 2. **ECONOMIC CONDITION AND OUTLOOK:**

The population of families with school age children is relatively stable in Manasquan; however, the total school enrollment has declined by 73.1 students. Any future changes in the population served will be largely due to continued home sales with only small changes resulting from expansion and/or development in Manasquan. It appears that any differences in the High School enrollment will most likely be due to our Sending/Receiving relationships with the seven surrounding towns, either through development, population shifts or both.

## 3. **MAJOR INITIATIVES:**

- A.) The teachers and administrators will continue to incorporate technology into all area of instruction.
- B.) The staff will continue their work on UbD design and PLC's.
- C.) The district will continue to follow its Long Range Facility Plan and Technology Plan.

D.) The district will continue to focus on Community Relations within the district and sending districts.

E.) The district will continue to focus on maximizing student achievement.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

#### **5. BUDGETARY CONTROLS:**

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

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

#### **6. CASH MANAGEMENT:**



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

**7. RISK MANAGEMENT:**

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


**8. OTHER INFORMATION:**


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

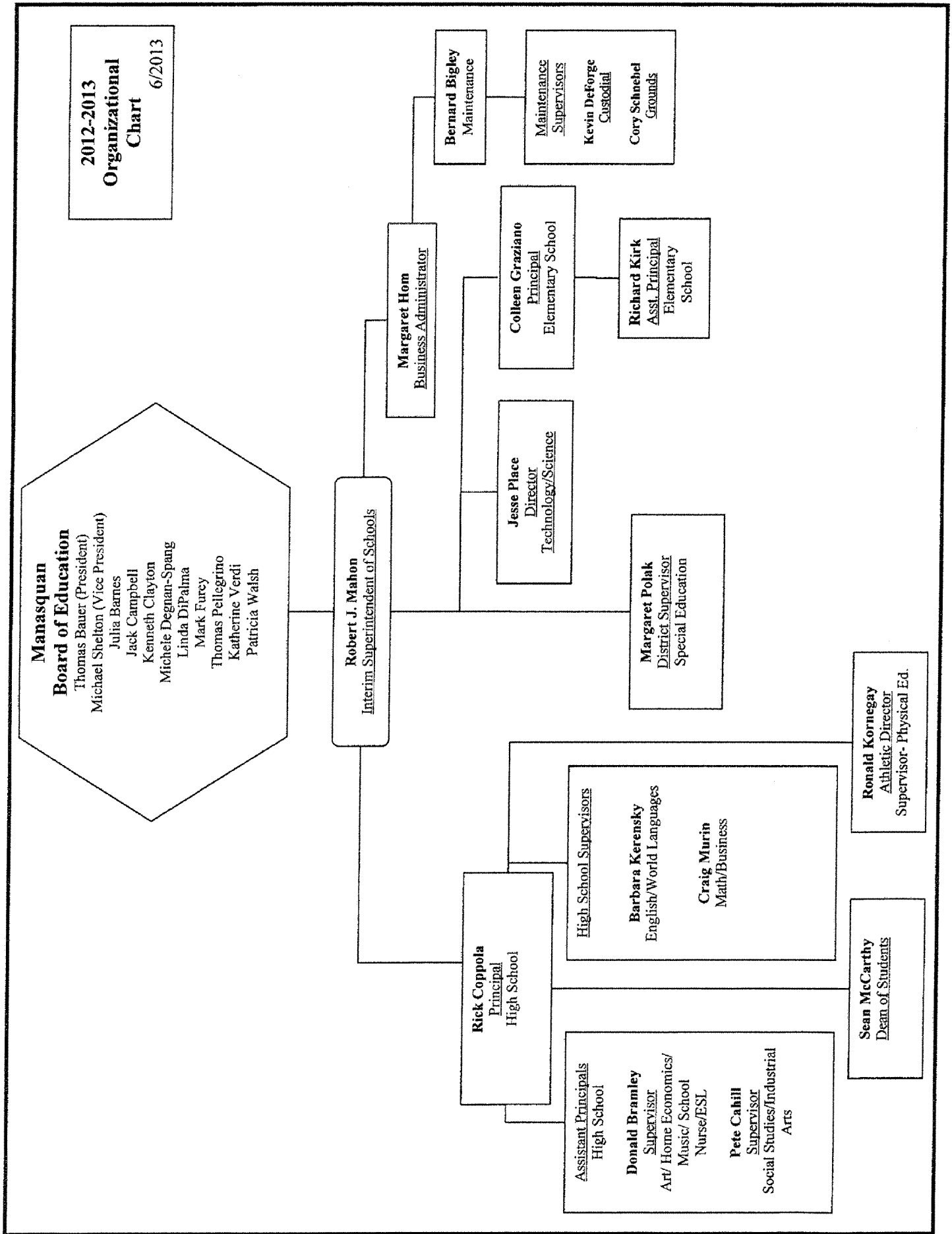
**9. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

  
Robert Mahon  
Superintendent

  
Margaret Moran Hom  
Business Admin./Bd. Secy.



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

**ROSTER OF OFFICIALS  
JUNE 30, 2013**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Thomas B. Bauer, President	2013
Michael Shelton, Vice President	2013
Julia Barnes (Brielle)	2013
Jack Campbell	2014
Ken Clayton	2015
Linda DiPalma	2014
Michael J. Forrester (SLH)	2013
Mark Furey (Belmar)	2012
Thomas Pellegrino	2015
Patricia T. Walsh	2015
Michelle LaSala/James Walsh	2013
Katherine Verdi	2013

**Other Officials**

Geraldine Margin, Superintendent/Robert J. Mahon, Interim Superintendent

Margaret Moran Hom, Business Administrator/Board Secretary

Joanne S. Madden, Treasurer

**MANASQUAN BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

McOmber & McOmber  
54 Shrewsbury Avenue  
Red Bank, New Jersey 07701

**OFFICIAL DEPOSITORY**

Wells Fargo Bank  
Allaire Plaza  
Wall, New Jersey 07719

## **FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Telecopier:  
 (732) 280-8888

e-mail:  
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
 P.O. Box 1409  
 Wall, New Jersey 07719-1409  
 (732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Manasquan School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditors Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Manasquan School District, in the County of Monmouth, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2013 on our consideration of the Manasquan's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Manasquan Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

---

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

December 3, 2013



**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**MANASQUAN PUBLIC SCHOOL DISTRICT  
BOROUGH OF MANASQUAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**UNAUDITED**

The discussion and analysis of Manasquan Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2013 are as follows:

- ◆ General revenues accounted for \$25,174,982 in revenue or 93% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,979,473 or 7% to total revenues of \$27,154,455.
- ◆ Total position of governmental activities increased by \$282,321 as cash and cash equivalents, and receivables decreased by \$974,872, accounts payable and long-term liabilities decreased by \$646,015 and capital assets increased by \$611,178.
- ◆ The School District had \$27,859,925 in expenses; only \$1,979,473 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$25,174,982 were adequate to provide for these programs.
- ◆ The General Fund had \$24,899,164 revenues and \$26,043,667 in expenditures. The General Fund's balance decreased \$1,144,503 from 2012. This decrease was anticipated by the Board of Education.

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

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

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

## **Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

### **Enterprise Fund**

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

## The School District as a Whole

Table 1 provides a summary of the School District's net assets for 2012 and 2013.

<b>Table 1</b>		
<b>Net Position</b>		
	<u><b>2012</b></u>	<u><b>2013</b></u>
<b>Assets</b>		
Current and other assets	\$ 2,433,187	\$ 1,462,008
Capital assets, net	<u>19,450,701</u>	<u>20,061,263</u>
<b>Total Assets</b>	<u><b>\$21,883,888</b></u>	<u><b>\$ 21,523,271</b></u>
<b>Liabilities</b>		
Long-term liabilities	\$ 8,111,189	\$ 7,886,539
Other liabilities	<u>1,102,011</u>	<u>438,646</u>
<b>Total Liabilities</b>	<u><b>\$ 9,213,200</b></u>	<u><b>\$ 8,325,185</b></u>
<b>Net Position</b>		
Invested in capital assets, net of debt	\$11,041,184	\$12,570,855
Restricted	1,595,238	528,550
Unrestricted	<u>34,266</u>	<u>98,681</u>
<b>Total Net Position</b>	<u><b>\$12,670,688</b></u>	<u><b>\$13,198,086</b></u>

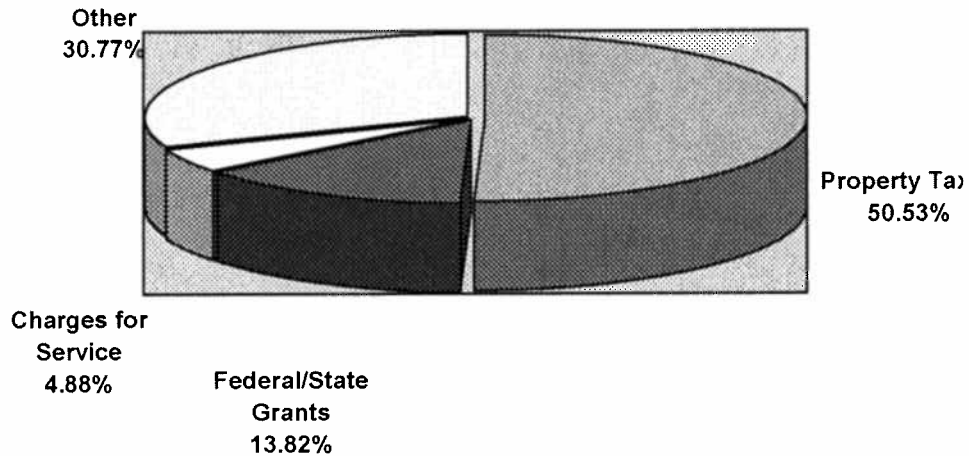
Table 2 shows the changes in net assets from fiscal year 2012 to 2013.

<b>Table 2</b>		
<b>Changes in Net Position</b>		
	<u><b>2012</b></u>	<u><b>2013</b></u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 542,265	\$ 1,326,331
Operating grants and contributions	604,838	653,142
General revenues		
Property taxes	13,237,482	13,719,834
Grants and entitlements	2,607,265	3,100,959
Other	<u>10,144,074</u>	<u>8,354,189</u>
<b>Total Revenues</b>	<u><b>27,135,924</b></u>	<u><b>27,154,455</b></u>
<b>Program Expenses</b>		
Instruction	10,168,117	10,055,591
Support services		
Pupils and instructional staff	3,942,332	3,759,864
General administration, school		
administration, business	8,511,060	9,239,895
Operations and maintenance of		
Facilities	2,019,036	2,698,669
Pupil Transportation	392,692	392,999
Interest on debt	333,738	244,608
Food service/Surf Team	639,095	649,877
Other	<u>827,188</u>	<u>818,422</u>
<b>Total Expenses</b>	<u><b>26,833,258</b></u>	<u><b>27,859,925</b></u>
<b>Inc./Dec. in Net Position</b>	<u><b>302,666</b></u>	<u><b>705,470</b></u>

### Governmental Activities

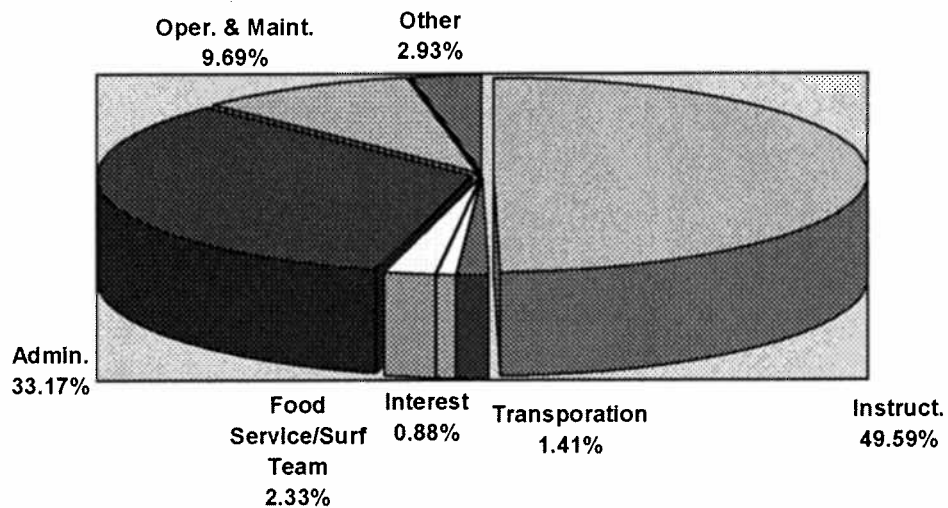
Property taxes made up 50.53% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2013. The District's total revenues were \$27,154,455 for the fiscal year ended June 30, 2013. Federal, state and local grants accounted for another 13.82%. Tuition, interest revenue and miscellaneous income make up 30.77% and charges for services equal 4.88 %.

**Sources of Revenues for Fiscal Year 2013**



The total cost of all programs and services was \$27,859,925. Instruction comprised 49.59% of District expenses. Administration equaled 33.17% and the balance of 17.24% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

**Expenses for Fiscal Year 2013**



### Business-Type Activities

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

- ◆ Food service revenue lagged expenditures by \$5,636.
- ◆ Charges for services represent \$528,258 of revenue. This represents amount paid by patrons for daily food services.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$113,147.
- ◆ The Surf Team is partially supported by a parent group. The current year revenues and expenditures plus the beginning balance left positive net assets of \$8,565.

### Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Comparisons to 2012 have been shown below.

Table 3

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2013	Net Cost of Services 2013
Instruction	\$ 10,168,117	\$ 9,976,735	\$10,055,591	\$9,839,195
Support services				
Pupils and instructional staff	3,942,332	3,627,315	3,759,864	2,648,192
General administration, school administration, business	8,511,060	8,511,060	9,239,895	9,239,895
Operation and maintenance of facilities	2,019,036	2,019,036	2,698,669	2,698,669
Pupil transportation	392,692	392,692	392,999	392,999
Interest and fiscal charges	333,738	333,738	244,608	244,608
Other	<u>827,188</u>	<u>827,188</u>	<u>818,422</u>	<u>818,422</u>
<b>Total Expenses</b>	<b><u>\$ 26,194,163</u></b>	<b><u>\$ 25,687,764</u></b>	<b><u>27,210,048</u></b>	<b><u>25,881,980</u></b>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

### **The School District's Funds**

Information about the School District's major funds starts with Schedule B-2. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$26,503,042 and expenditures of \$27,647,897. The net change in fund balance for the year was in the General Fund, a decrease of \$1,144,503. The debt service fund balance decreased by \$352.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>
Local Sources	\$22,915,979	86.47%	\$(497,202)
State Sources	3,162,312	11.93%	527,447
Federal Sources	<u>424,751</u>	<u>1.60%</u>	<u>(41,139)</u>
<b>Total Revenue</b>	<b><u>\$26,503,042</u></b>	<b><u>100.00%</u></b>	<b><u>\$(10,894)</u></b>

The decrease in Local Sources of \$497,202 was attributed to an increase in the local general fund tax levy, a decrease in the debt service tax levy and a decrease in tuition revenues.

The increase in State Sources of \$527,447 was attributed to changes in state aid revenues.

The decrease in Federal Sources of \$41,139 was attributed to a decrease in grant awards.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2013.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase/ (Decrease) from 2012</b>
Current:			
Instruction	\$10,048,564	36.34%	\$ (98,640)
Undistributed expenditures	16,091,427	58.20%	1,191,716
Capital outlay	443,671	1.61%	262,682
Debt service:			
Principal	745,000	2.70%	25,000
Interest	319,235	1.15%	(26,775)
<b>Total Expenditures</b>	<b>\$27,647,897</b>	<b>100.00%</b>	<b>\$ 1,353,983</b>

The decrease in Current - Instruction of \$98,640 was attributed to a decrease in supplies and textbooks.

The increase in Current-Undistributed Expenditures of \$1,191,716 was primarily attributed to an increase in employee benefits, the TPAF non-paid pension contribution and maintenance and repair.

The increase of \$262,682 in capital outlay was based on requested expenditures.

The decrease in debt service of \$1,775 is in accordance with the districts bond schedule.

#### **General Fund Budgeting Highlights**

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

During the course of the fiscal year 2013, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.

The District's final budget for the general fund used \$ 1,133,827 from surplus.

- ◆ Actual revenues were \$1,113,827 less than expenses. The original budget projected the use of \$1,349,844 from surplus. The actual general fund expenditures were \$26,043,667.

#### **Capital Assets**

At the end of the fiscal year 2013, the School District had \$19,891,977 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2013 balances compared to 2012 and 2011.

**Table 4**



**Capital Assets (Net of Depreciation) at June 30**

	2011	2012	2013
Land	\$ 1,068,680	\$1,068,680	\$1,068,680
Construction in Progress	0	0	0
Site Improvements	318,176	281,920	246,721
Buildings	16,978,284	16,960,563	17,809,219
Machinery and Equipment	730,267	969,636	767,357
<b>Totals Capital Assets</b>	<b>\$19,095,407</b>	<b>\$19,280,799</b>	<b>\$19,891,977</b>

Overall capital assets increased \$611,178 from fiscal year 2012 to fiscal year 2013. This increase was due primarily due to building improvements.

**Debt Administration**

At June 30, 2013, the School district had \$7,886,539 outstanding debt. Of this amount \$467,820 is for compensated absences, \$7,405,000 for bonds payable and \$13,719 for capital leases.

**For the Future**

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

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

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

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

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

## **BASIC FINANCIAL STATEMENTS**

MANASQUAN SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 507,515	46,095	553,610
Receivables, Net	351,135	24,459	375,594
Inventory		5,289	5,289
Restricted Assets:			
Cash and Cash Equivalents	446,790		446,790
Capital Reserve Account - Cash	80,725		80,725
Capital Assets Not Depreciated	1,068,680		1,068,680
Capital Assets, Net	<u>18,823,297</u>	<u>169,286</u>	<u>18,992,583</u>
Total Assets	<u>\$ 21,278,142</u>	<u>245,129</u>	<u>21,523,271</u>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 400,587		400,587
Deferred Revenue	38,059		38,059
Noncurrent Liabilities:			
Due Within One Year	825,102		825,102
Due Beyond One Year	<u>7,061,437</u>		<u>7,061,437</u>
Total Liabilities	<u>\$ 8,325,185</u>	<u>-</u>	<u>8,325,185</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	12,401,569	169,286	12,570,855
Restricted For:			
Debt Service	1,035		1,035
Other Purposes	527,515		527,515
Unrestricted	<u>22,838</u>	<u>75,843</u>	<u>98,681</u>
Total Net Position	<u>\$ 12,952,957</u>	<u>245,129</u>	<u>13,198,086</u>

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

STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$7,316,046			(7,316,046)		(7,316,046)
Special Education	1,916,118		216,396	(1,699,722)		(1,699,722)
Other Special Instruction	112,527			(112,527)		(112,527)
Other Instruction	710,900			(710,900)		(710,900)
Support Services:						
Tuition	788,073	788,073		-		-
Student & Instruction Related Services	2,971,791		323,599	(2,648,192)		(2,648,192)
General Administrative Services	651,981			(651,981)		(651,981)
School and Business Administrative Services	1,622,452			(1,622,452)		(1,622,452)
Plant Operations and Maintenance	2,698,669			(2,698,669)		(2,698,669)
Pupil Transportation	392,999			(392,999)		(392,999)
Unallocated Benefits	6,965,462			(6,965,462)		(6,965,462)
Interest on Long-Term Debt	244,608			(244,608)		(244,608)
Unallocated Depreciation	818,422			(818,422)		(818,422)
Total Government Activities	27,210,048	788,073	539,995	(25,881,980)	-	(25,881,980)
Business-Type Activities:						
Food Service	647,049	528,258	113,147		(5,644)	(5,644)
Surf Team	2,828	10,000			7,172	7,172
Total Business-Type Activities	649,877	538,258	113,147	-	1,528	1,528
Total Primary Government	27,859,925	1,326,331	653,142	(25,881,980)	1,528	(25,880,452)

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

MANASQUAN SCHOOL DISTRICT

Exhibit A-2  
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		
			Governmental Activities	Business-Type Activities	Total
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purpose, Net			\$ 12,655,951		12,655,951
Taxes Levied for Debt Service			1,063,883		1,063,883
Federal and State Aid Not Restricted			3,100,959		3,100,959
Tuition			8,187,640		8,187,640
Miscellaneous Income			166,541	8	166,549
Total General Revenues, Special Items, Extraordinary Items and Transfers			25,174,974	8	25,174,982
Change in Net Position			(707,006)	1,536	(705,470)
Adjustment for Fixed Assets				1,541	1,541
Net Position - Beginning			13,659,963	242,052	13,902,015
Net Position - Ending			\$ 12,952,957	245,129	13,198,086

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

**FUND FINANCIAL STATEMENTS – B**

**BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2013**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Assets</u></b>				
Cash and Cash Equivalents-Restricted	\$ 918,150		1,035	919,185
Cash and Cash Equivalents-Unrestricted	115,845			115,845
Interfund Receivable	1,841			1,841
Accounts Receivable	14,544	105,559		120,103
Receivables from Other Governments	231,032			231,032
Total Assets	<u>\$ 1,281,412</u>	<u>105,559</u>	<u>1,035</u>	<u>1,388,006</u>
<b><u>Liabilities and Fund Balance</u></b>				
Liabilities:				
Accounts Payable	\$ 263,239	65,659		328,898
Interfund Payable		1,841		1,841
Due to New Jersey		34,559		34,559
Deferred Revenue		3,500		3,500
Total Liabilities	<u>263,239</u>	<u>105,559</u>	<u>-</u>	<u>368,798</u>
Fund Balance:				
Restricted For:				
Tuition Reserve	100,000			100,000
Emergency Reserve	50,000			50,000
Capital Reserve Account	81,087			81,087
Maintenance Reserve	10,000			10,000
Assigned To:				
Designated for Subsequent Years Expenditures:				
Tuition Reserve	125,500			125,500
Excess Surplus	63,879			63,879
Designated by the Board of Education for Subsequent Year's Expenditures	92,158		1,035	93,193
Committed To:				
Encumbrances	4,891			4,891
Unassigned:				
General Fund	490,658			490,658
Debt Service Fund				-
Total Fund Balances	<u>1,018,173</u>	<u>-</u>	<u>1,035</u>	<u>1,019,208</u>
Total Liabilities and Fund Balance	<u>\$ 1,281,412</u>	<u>105,559</u>	<u>1,035</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$31,297,763 and the accumulated depreciation is \$11,405,786

19,891,977

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(7,886,539)

Accrued Interest

(71,689)

Net Position of Governmental Activities

\$ 12,952,957

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-2  
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>				
Local Sources:				
Local Tax Levy	\$ 12,655,951		1,063,883	13,719,834
Tuition Charges	8,975,713			8,975,713
Shared Services/Athletic Jointure	47,600			47,600
Miscellaneous	118,941	53,891		172,832
Total Local Sources	21,798,205	53,891	1,063,883	22,915,979
State Sources	3,100,959	61,353		3,162,312
Federal Sources		424,751		424,751
Total Revenues	24,899,164	539,995	1,063,883	26,503,042
<b>Expenditures</b>				
Current:				
Regular Instruction	7,309,019			7,309,019
Special Education Instruction	1,699,722	216,396		1,916,118
Other Special Instruction	112,527			112,527
Other Instruction	710,900			710,900
Support Services and Undistributed Costs:				
Tuition	788,073			788,073
Student and Instruction Related Services	2,648,192	323,599		2,971,791
General Administrative Services	651,981			651,981
School and Other Administrative Services	1,622,452			1,622,452
Plant Operations and Maintenance	2,698,669			2,698,669
Pupil Transportation	392,999			392,999
Unallocated Benefits	6,965,462			6,965,462
Debt Service:				
Principal			745,000	745,000
Interest and Other Charges			319,235	319,235
Capital Outlay	443,671			443,671
Total Expenditures	26,043,667	539,995	1,064,235	27,647,897



MANASQUAN SCHOOL DISTRICT

Exhibit B-2  
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	(1,144,503)	-	(352)	(1,144,855)
Net Change in Fund Balances	(1,144,503)	-	(352)	(1,144,855)
Fund Balance - July 1	2,162,676		1,387	2,164,063
Fund Balance - June 30	\$ 1,018,173	-	1,035	1,019,208

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

MANASQUAN SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Exhibit B-3TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (1,144,855)
---	----------------

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(818,422)	
Capital Outlays	<u>443,671</u>	(374,751)

Capital Leases

Liquidation of noncurrent liabilities are reflected in this fund's financial statements as an expense (use of current financial resources) but are not reported in the statement of activities.	745,000
---	---------

Generally expenditures recognized in this fund's financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.	(7,027)
--	---------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	<u>74,627</u>
--	---------------

Change in Net Position of Governmental Activities (A-2)	<u><u>\$ (707,006)</u></u>
---	----------------------------

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF NET POSITIONPROPRIETARY FUNDSJUNE 30, 2013

	<u>Enterprise Funds Totals</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 46,095
Accounts Receivable:	
Federal	21,511
State	732
Other	2,216
Inventories	5,289
Total Current Assets	<u>75,843</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	445,006
Less: Accumulated Depreciation	<u>(275,720)</u>
Total Noncurrent Assets	<u>169,286</u>
Total Assets	<u><u>\$ 245,129</u></u>
<b><u>Net Position</u></b>	
Invested in Capital Assets net of Related Debt	\$ 169,286
Unrestricted	<u>75,843</u>
Total Net Position	<u><u>\$ 245,129</u></u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2013

	<u>Enterprise Funds Totals</u>
Operating Revenues:	
Charge for Services:	
Daily Sales	\$ 520,237
Miscellaneous	10,000
Catering	8,021
Total Operating Revenues	<u>538,258</u>
Operating Expenses:	
Cost of Sales	279,302
Salaries	215,376
Employee Benefits	31,773
Worker's Compensation	6,580
Cost of Supplies	16,187
General Liability Insurance	32,776
Management Fees	18,000
Repairs	2,939
Miscellaneous	23,774
Depreciation	23,170
Total Operating Expenses	<u>649,877</u>
Operating Income (Loss)	(111,619)
Nonoperating Revenues (Expenses):	
Interest Revenue	8
State Sources:	
State School Lunch Program	3,553
Federal Sources:	
National School Lunch Program	95,689
HHFKA Lunch Program	4,225
Food Distribution Program	9,680
Total Nonoperating Revenues (Expenses)	<u>113,155</u>
Change in Net Position	1,536
Adjustments for Fixed Assets	1,541
Total Net Position - Beginning	<u>242,052</u>
Total Net Position - Ending	<u>\$ 245,129</u>

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

STATEMENT OF CASH FLOWSPROPRIETARY FUNDS

Exhibit B-6

JUNE 30, 2013

	<u>Enterprise Funds Totals</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 538,258
Payments to Employees	(215,376)
Payments to Suppliers	(421,906)
Net Cash Provided (Used by) Operating Activities	<u>(99,024)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	3,553
Federal Sources	99,914
Net Cash Provided (Used by) Noncapital Financing Activities	<u>103,467</u>
Cash Flows from Capital Financing Activities:	
Fixed Assets	<u>(20,000)</u>
Net Cash Provided (Used by) Capital Financing Activities	<u>(20,000)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>8</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(15,549)
Balances - Beginning of Year	<u>61,644</u>
Balances - End of Year	<u>\$ 46,095</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (111,619)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities	
Depreciation	22,157
Federal Commodities	9,680
(Increase)/Decrease in Accounts Receivable	(18,666)
(Increase)/Decrease in Inventories	<u>(576)</u>
Net Cash Provided (Used by) Operating Activities	<u>\$ (99,024)</u>

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

MANASQUAN SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	<u>\$ 77,220</u>	<u>74,947</u>
Total Assets	<u><u>\$ 77,220</u></u>	<u><u>74,947</u></u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 77,220</u>	<u>74,947</u>
Reserved for Scholarships	<u>                    </u>	<u>                    </u>
Total Net Position	<u><u>\$ 77,220</u></u>	<u><u>74,947</u></u>

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

MANASQUAN SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSFOR THE YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b><u>Additions</u></b>		
Contributions:		
Plan Member	\$ 20,867	
Other		27,077
Total Contributions	<u>20,867</u>	<u>27,077</u>
Investment Earnings:		
Interest	18	16
Net Investments Earnings	<u>18</u>	<u>16</u>
Total Additions	<u>20,885</u>	<u>27,093</u>
<b><u>Deductions</u></b>		
Unemployment Claims	57,867	
Scholarships Awarded		30,405
Total Deductions	<u>57,867</u>	<u>30,405</u>
Change in Net Position	<u>(36,982)</u>	<u>(3,312)</u>
Net Position - Beginning of Year	<u>114,202</u>	<u>78,259</u>
Net Position - End of the Year	<u>\$ 77,220</u>	<u>74,947</u>

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

## **NOTES TO FINANCIAL STATEMENTS**



**BOARD OF EDUCATION**  
**MANASQUAN SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1:      Summary of Significant Accounting Policies**

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

**A.      Reporting Entity:**

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

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

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

**B.      Government-Wide Financial Statements**

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements (Continued)**

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

**Fund Financial Statements**

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

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

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

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

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

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

**NOTE 1:      Summary of Significant Accounting Policies (Continued)**

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

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

**D.      Fund Accounting:**

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

**Governmental Fund Types**

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

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Proprietary Fund Type**

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

**Fiduciary Fund Types**

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

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

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2013 were insignificant.

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**E. Budgets/Budgetary Control (Continued):**

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

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

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

**F. Encumbrances:**

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

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

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

**G. Short-Term Interfund Receivables/Payables:**

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

**H. Inventories and Prepaid Expenses**

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

**NOTE 1:      Summary of Significant Accounting Policies (Continued)****H.      Inventories and Prepaid Expenses (Continued)**

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

**I.      Capital Assets and Depreciation**

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

The District contracted with an outside service company during the 2013 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2012-2013 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2013, fiscal year 2013 depreciation expense, total accumulated depreciation and book values were also provided. The district upgraded for subsequent years with its in-house system. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:					
Land	\$ 1,068,680	_____	_____	_____	<u>1,068,680</u>
Depreciable Assets:					
Site Improvements	1,108,547				1,108,547
Buildings	24,715,923	1,328,270			26,044,193
Equipment	<u>2,997,722</u>	<u>67,482</u>	<u>11,139</u>	_____	<u>3,076,343</u>
Total	<u>28,822,192</u>	<u>1,395,752</u>	<u>11,139</u>	_____	<u>30,229,083</u>

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

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2013</u>
Less: Accumulated Depreciation:					
Sites	826,627	35,199			861,826
Buildings	7,755,360	507,936	(28,322)		8,234,974
Equipment	<u>2,028,086</u>	<u>275,287</u>	<u>5,613</u>		<u>2,308,986</u>
Total Accumulated Depreciation	<u>10,610,073</u>	<u>818,422</u>	<u>(22,709)</u>		<u>11,405,786</u>
Net Depreciable Assets	<u>18,212,119</u>	<u>577,330</u>	<u>33,848</u>		<u>18,823,297</u>
Governmental Activities Capital Assets (Net)	<u>\$ 19,280,799</u>	<u>577,330</u>	<u>33,848</u>		<u>19,891,977</u>
Business-Type Activities:					
Equipment	\$ 423,465	20,000	1,541		445,006
Less: Accumulated Depreciation:					
Equipment	<u>253,563</u>	<u>22,157</u>			<u>275,720</u>
Business-Type Capital Assets (Net)	<u>\$ 169,902</u>	<u>(2,157)</u>	<u>1,541</u>		<u>169,286</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Adjustments</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Unallocated	<u>\$ 10,610,073</u>	<u>818,422</u>	<u>(22,709)</u>	<u>11,405,786</u>

**NOTE 1:      Summary of Significant Accounting Policies (Continued)****J.      Compensated Absences**

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

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

**K.      Deferred Revenue**

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents monies received for fiscal year 2013. See Note 1(F) regarding the special revenue fund.

**L.      Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 14).

**NOTE 2:      Cash and Cash Equivalents and Investments**

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

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

**Deposits**

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

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

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

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



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

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

**Investments**

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

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

As of June 30, 2013, cash and cash equivalents and investments of the District consisted of the following:

	<b><u>Cash and Cash Equivalents</u></b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 1,517,578</u>

During the period ended June 30, 2013, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2013 was \$1,517,578 and the bank balance was \$2,039,969. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,789,969 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Credit Risk Categories**

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

FDIC	\$ 250,000
GUDPA	<u>1,789,969</u>
	<u>\$ 2,039,969</u>

**NOTE 3:      General Long-Term Debt**

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Long-Term</u> <u>Portion</u>	<u>2013-14</u> <u>Payment</u>
Compensated						
Absences Payable	\$ 460,793	7,027		467,820	467,820	
Capital Leases	17,117		3,398	13,719	3,617	10,102
Bonds Payable	<u>8,392,000</u>	<u>      </u>	<u>987,000</u>	<u>7,405,000</u>	<u>6,590,000</u>	<u>815,000</u>
	<u>\$ 8,869,910</u>	<u>7,027</u>	<u>990,398</u>	<u>7,886,539</u>	<u>7,061,437</u>	<u>825,102</u>

**A.      Bonds Payable**

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

1. Addition to the high school refunding on 1-1-04 for \$3,180,000 at interest from 2.00% to 4.25% with a balance of \$955,000 maturing on January 15, 2016.
2. Addition to the elementary school on 2-23-05 for \$9,652,000 at interest from 3.375% to 4.00% with a balance of \$900,000 maturing January 15, 2015.
3. 2013 refunding bonds for an addition to the elementary school for \$5,550,000 at interest from 2% to 5% with a balance of \$5,550,000 maturing on January 15, 2025.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2013-2014	\$ 815,000	216,569	1,031,569
2014-2015	785,000	247,425	1,032,425
2015-2016	770,000	218,325	988,325
2016-2017	475,000	191,350	666,350
2017-2018	490,000	177,100	667,100
2018-2019 to 2022-2023	2,790,000	602,700	3,392,700
2023-2024 to 2024-2025	<u>1,280,000</u>	<u>57,450</u>	<u>1,337,450</u>
	<u>\$ 7,405,000</u>	<u>1,710,919</u>	<u>9,115,919</u>

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

<u>Description</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2013</u>
High School Addition	01-01-04	2% to 4.25%	\$ 955,000
Elementary School Addition	02-23-05	3.375% to 4%	900,000
Refunding Bonds	04-30-13	2% to 5%	<u>5,550,000</u>
			<u>\$ 7,405,000</u>

**B.      Bonds Authorized But Not Issued**

As of June 30, 2013, the Board had no authorized but not issued bonds.

**C.      Capital Leases Payable:**

The District has a lease from Konica Copiers for copying machines. These capital leases are for a term of five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012.

<u>Year Ended June 30</u>	<u>Amount</u>
2014	\$ 4,380
2015	4,380
2016	4,380
2017	<u>2,190</u>
	15,330
Less: Amount Representing Interest	<u>1,611</u>
Present Value of Net Minimum Lease Payments	<u>\$ 13,719</u>

**Summary of Leases**

Konica copier lease at 5.40% maturing 12-28-16 with a balance of \$15,330 at 6-30-13.

**NOTE 4:      Pension Plans**

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

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

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

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

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

**NOTE 4:      Pension Plans (Continued)**

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

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

During the year ended June 30, 2013, the State of New Jersey contributed \$1,553,083 to the TPAF for normal and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$799,703 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/11	\$ 206,934	100%	0
6/30/12	221,101	100%	0
6/30/13	226,075	100%	0

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

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/11	\$ 711,080	100%	0
6/30/12	1,051,355	100%	0
6/30/13	1,553,083	100%	0

**NOTE 5: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**NOTE 6: Compensated Absences**

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

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

**NOTE 6:      Compensated Absences (Continued)**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the Food Service Fund.

**NOTE 7:      Capital Reserve Account**

A capital Reserve account was established by the Borough of Manasquan Board of Education by inclusion of \$508 on July 1, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Fund placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 4,628
Added 2012-2013	<u>76,459</u>
Balance June 30, 2013	<u>\$ 81,087</u>

**NOTE 8:      Risk Management**

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

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

**NOTE 8:      Risk Management (Continued)**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2012-2013	\$ 20,885	57,867	77,220
2011-2012	41,081	23,627	114,202
2010-2011	111,746	86,296	96,730

**NOTE 9:      Tuition Adjustments**

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2013 financial statements.

**NOTE 10:      Economic Dependency**

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

**NOTE 11:      Operating Leases**

The District had no operating leases as of June 30, 2013.

**NOTE 12:      Contingent Liabilities**

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



**NOTE 13:     2% Calculation of Excess Surplus**

2012-13 Total General Fund Expenditures Per the CAFR	\$ 26,043,667
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>2,352,786</u>
Adjusted 2012-13 General Fund Expenditures	<u>\$ 23,690,881</u>
2% of Adjusted 2012-13 General Fund Expenditures	\$ 473,818
Increased by: Allowable Adjustment	<u>68,555</u>
Maximum Unassigned Fund Balance	<u>\$ 542,373</u>

**Section 2**

Total General Fund – Fund Balances @ 6-30-13	\$ 1,069,888
Decreased by:	
Other Reserves	(241,087)
Encumbrances	(4,891)
Assigned Fund Balance – Excess Surplus– Designated for Subsequent Year’s Expenditures	(63,879)
Assigned Fund Balance – Tuition Reserve – Designated for Subsequent Year’s Expenditures	(125,500)
Assigned Fund Balance – Unreserved – Designated for Subsequent Year’s Expenditures	<u>(92,158)</u>
Total Unassigned Fund Balance	<u>\$ 542,373</u>
Reserved Fund Balance – Excess Surplus	<u>\$ 0</u>

**Section 3**

Reserved Excess Surplus – Designated for Subsequent Years Expenditures	\$ 63,879
Reserved Excess Surplus – Current Year	<u>0</u>
	<u>\$ 63,879</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 67,741
Non-Public Transportation Aid	<u>814</u>
Total Adjustments	<u>\$ 68,555</u>

**Detail of Other Restricted Fund Balance**

Capital Reserve	\$ 81,087
Emergency Reserve	50,000
Tuition Reserve	100,000
Maintenance Reserve	<u>10,000</u>
Total Other Reserved Fund Balance	<u>\$ 241,087</u>

**NOTE 14: Long-Term Debt - Refunding**

In 2013 the government refunded a 2005 general obligation bond issue. The government issued general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased and the liability has been removed from the general long-term debt account group. This advance refunding to reduce total debt service payments over the next eleven years and to obtain an economic gain.

Defeased Debt Outstanding

\$ 5,792,000

**NOTE 15: Fund Balance Appropriated**

**General Fund** – Of the \$1,069,888 General Fund fund balance at June 30, 2013, \$100,000 has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23-3.1(f)(8)*; \$81,087 has been reserved in the Capital Reserve Account; \$50,000 has been reserved for emergencies; \$10,000 is reserved for maintenance reserve; \$92,158 of unreserved balance has been designated for subsequent years expenditures, \$125,500 of Tuition Reserve has been designated for subsequent years expenditures, \$63,879 of Excess Surplus has been designated for subsequent years expenditures; \$4,891 is reserve for encumbrances; and \$542,373 is unassigned.

**NOTE 16: Calculation of Excess Surplus**

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess fund balance at June 30, 2013.

**NOTE 17: Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2013. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2013 through December 3, 2013.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,655,951		12,655,951	12,655,951	-
Tuition From Other LEA's	9,058,561		9,058,561	8,929,118	(129,443)
Tuition From Individuals	66,575		66,575	46,595	(19,980)
Athletic Jointure/Business Office Shared Services	46,920		46,920	47,600	680
Miscellaneous Revenues - Restricted	2,545,820		2,545,820	45,820	(2,500,000)
Interest Earned on Capital Reserve Funds	2		2	-	(2)
Miscellaneous Revenues - Unrestricted	40,000		40,000	73,121	33,121
Total Local Sources	24,413,829	-	24,413,829	21,798,205	(2,615,624)
State Sources:					
Extraordinary Aid	123,366		123,366	191,107	67,741
Special Education Categorical Aid	506,223		506,223	506,223	-
Transportation Aid	20,001		20,001	20,001	-
Security Aid	15,476		15,476	15,476	-
Adjustment Aid	25,228		25,228	25,228	-
Non-Public Transportation			-	814	814
TPAF Pension Contribution			-	1,553,083	1,553,083
TPAF Social Security Contribution			-	799,703	799,703
Total State Sources	690,294	-	690,294	3,111,635	2,421,341
Total Revenues	25,104,123	-	25,104,123	24,909,840	(194,283)

**MANASQUAN SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Expenditures:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	333,670	12,019	345,689	344,135	1,554
Grades 1-5 - Salaries of Teachers	1,451,375	17,195	1,468,570	1,468,569	1
Grades 6-8 - Salaries of Teachers	1,041,840	(37,625)	1,004,215	997,573	6,642
Grades 9-12 - Salaries of Teachers	4,049,090	(102,010)	3,947,080	3,946,274	806
Total Regular Programs - Instruction	6,875,975	(110,421)	6,765,554	6,756,551	9,003
Regular Programs - Home Instruction:					
Salaries	40,000	(10,490)	29,510	29,510	-
Purchase of Professional/Educational Services	9,000	13,162	22,162	22,161	1
Total Regular Programs - Home Instruction	49,000	2,672	51,672	51,671	1
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	104,300	(32,444)	71,856	71,854	2
Other Purchased Services	48,500	(3,500)	45,000	44,886	114
General Supplies	356,570	22,076	378,646	371,503	7,143
Textbooks	13,665	(3,769)	9,896	9,894	2
Other Objects	1,450	1,250	2,700	2,660	40
Total Regular Programs - Undistributed Instruction	524,485	(16,387)	508,098	500,797	7,301
Total Regular Programs - Instruction	7,449,460	(124,136)	7,325,324	7,309,019	16,305

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	349,450	(53,895)	295,555	294,599	956
Other Salaries For Instruction	6,495	(1,614)	4,881	4,785	96
General Supplies	4,705	(637)	4,068	4,058	10
Textbooks	980	(323)	657	656	1
Total Learning and/or Language Disabilities	361,630	(56,469)	305,161	304,098	1,063
Multiple Disabilities:					
Salaries of Teachers		124,491	124,491	124,491	-
Other Salaries for Instruction		23,461	23,461	23,461	-
Total Multiple Disabilities	-	147,952	147,952	147,952	-
Resource Room/Center:					
Salaries of Teachers	1,074,075	50,385	1,124,460	1,124,279	181
Other Salaries Instruction	48,942	(23,781)	25,161	25,126	35
General Supplies	545	1,277	1,822	1,821	1
Textbooks	1,235	(1,235)	-	-	-
Total Resource Room/Center	1,124,797	26,646	1,151,443	1,151,226	217
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	55,735	8,076	63,811	63,081	730
Other Salaries For Instruction	14,410	(997)	13,413	13,150	263
General Supplies	500	8	508	506	2
Total Pre-School Disabilities-Full-Time	70,645	7,087	77,732	76,737	995
Home Instruction					
Salaries of Teachers	5,000	7,690	12,690	12,690	-
Purchased Professional Educational Services	10,000	(2,981)	7,019	7,019	-
Total Home Instruction	15,000	4,709	19,709	19,709	-

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Special Education - Instruction	1,572,072	129,925	1,701,997	1,699,722	2,275
Basic Skills/Remedial - Instruction:					
Salaries of Teachers		6,565	6,565	6,564	1
Total Basic Skills/Remedial - Instruction	-	6,565	6,565	6,564	1
Bilingual Education - Instruction:					
Salaries of Teachers	141,900	(35,098)	106,802	105,721	1,081
General Supplies	500		500	242	258
Total Bilingual Education - Instruction	142,400	(35,098)	107,302	105,963	1,339
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	144,875	8,700	153,575	153,575	-
Purchased Services (300-500 Series)	9,005	1,994	10,999	10,998	1
Supplies and Materials	6,635	(806)	5,829	5,602	227
Other Objects	1,115	2,019	3,134	3,134	-
Total School Sponsored Co-Curricular	161,630	11,907	173,537	173,309	228
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	385,000	(17,582)	367,418	365,804	1,614
Purchased Services (300-500 Series)	77,655	(2,180)	75,475	72,937	2,538
Supplies and Materials	63,350	7,330	70,680	70,430	250
Other Objects	8,665		8,665	6,420	2,245
Transfers to Cover Deficit (Agency Fund)	26,500		26,500	22,000	4,500
Total School Sponsored Co-Curr. Athletics - Instruction	561,170	(12,432)	548,738	537,591	11,147
Total Distributed Expenditures	9,886,732	(23,269)	9,863,463	9,832,168	31,295



MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Instruction:					
Tuition in State - Special	104,800	(66,380)	38,420	38,234	186
Tuition to County Vocational School:					
Regular	277,300	(33,200)	244,100	243,590	510
Special	59,000	(11,950)	47,050	47,050	-
Tuition to Private School for Handicapped - In State	410,304	48,896	459,200	459,199	1
Total Instruction	851,404	(62,634)	788,770	788,073	697
Attendance & Social Work:					
Salaries	32,045	316	32,361	32,360	1
Health Services:					
Salaries	207,790	14,730	222,520	220,180	2,340
Purchased Professional/Technical Services	26,600	(5,941)	20,659	17,554	3,105
Other Purchased Services (400-500 Series)	950		950	565	385
Supplies and Materials	7,375	11,174	18,549	18,483	66
Other Objects	485	84	569	482	87
Total Health Services	243,200	20,047	263,247	257,264	5,983
Other Support Services Students Related Services:					
Salaries	177,040	(26,677)	150,363	149,767	596
Purchased Professional Educational Services	160,100	(30,862)	129,238	128,589	649
Supplies and Materials	970	40	1,010	996	14
Total Other Support Services Students Related Services	338,110	(57,499)	280,611	279,352	1,259

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services Students Extraordinary Services:					
Salaries	73,740	(14,642)	59,098	59,096	2
Purchased Professional Educational Services	176,225	2,174	178,399	177,613	786
Total Other Support Svcs. Students Extraordinary Svcs.	249,965	(12,468)	237,497	236,709	788
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	680,360	(21,051)	659,309	652,204	7,105
Salaries of Secretarial & Clerical Assistants	45,950	1,510	47,460	47,460	-
Purchased Professional Educational Services	40,000	(25,300)	14,700	5,360	9,340
Other Professional/Technical Services	21,961	(6,643)	15,318	5,667	9,651
Other Purchased Services	2,375		2,375	271	2,104
Supplies and Materials	9,000	850	9,850	7,955	1,895
Other Objects	900	1,150	2,050	1,215	835
Total Other Support Svcs. Students - Regular Services	800,546	(49,484)	751,062	720,132	30,930
Other Support Services Students - Special:					
Salaries of Other Professional Staff	398,605	(1,077)	397,528	394,962	2,566
Salaries of Secretarial & Clerical Assistants	49,045	(24)	49,021	48,560	461
Purchased Professional Educational Services	3,000	6,950	9,950	9,950	-
Other Purchased Professional/Technical Services	1,250	(977)	273	272	1
Other Purchased Services (400-500 Series)	4,728	(725)	4,003	4,002	1
Supplies and Materials	5,708	316	6,024	6,024	-
Other Objects	215	585	800	800	-
Total Other Support Services Students - Special	462,551	5,048	467,599	464,570	3,029

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	216,210	29,824	246,034	246,034	-
Salaries of Other Professional Staff	4,000	(4,000)	-	-	-
Salaries of Secretarial & Clerical Assistants	40,690	652	41,342	41,342	-
Other Purchased Services (400-500 Series)	1,900	421	2,321	2,321	-
Supplies & Materials	700	(658)	42	42	-
Other Objects	2,540	325	2,865	2,865	-
Total Improvement of Instructional Services	266,040	26,564	292,604	292,604	-
Educational Media/School Library:					
Salaries	150,480	2,631	153,111	153,070	41
Salaries-Tech Coordinators	183,640	(1,381)	182,259	173,159	9,100
Purchased Professional/Technical Services	1,840	(758)	1,082	311	771
Other Purchased Services (400-500 Series)	9,747	705	10,452	9,819	633
Supplies & Materials	16,080	32	16,112	12,796	3,316
Total Educational Media/School Library	361,787	1,229	363,016	349,155	13,861
Staff Training:					
Salaries of Secretarial/Clerical Assistants	4,525	62	4,587	4,587	-
Purchased Professional Educational Services		3,080	3,080	3,080	-
Other Purchased Services	11,650	(3,314)	8,336	8,334	2
Supplies & Materials	500	(455)	45	45	-
Total Staff Training	16,675	(627)	16,048	16,046	2

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	258,215	12,735	270,950	270,949	1
Legal Services	60,005	51,527	111,532	108,976	2,556
Audit Fees	14,000	300	14,300	14,300	-
Architectural/Engineering Services	1,305	(1,189)	116	116	-
Other Purchased Professional Services		27,286	27,286	26,265	1,021
Purchased Technical Services	6,745	5,536	12,281	12,280	1
Communications/Telephone	91,000	2,721	93,721	93,720	1
Miscellaneous Purchased Services	100,200	(1,747)	98,453	98,352	101
General Supplies	7,000	(1,233)	5,767	5,766	1
In-House Training/Meeting Supplies	1,000	(1,000)	-		-
Miscellaneous Expenditures	8,000	(471)	7,529	7,528	1
Membership Dues and Fees	11,655	2,075	13,730	13,729	1
Total Support Services - General Administration	559,125	96,540	655,665	651,981	3,684
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	651,975	16,328	668,303	668,303	-
Salaries of Other Professional Staff	140,365	3,305	143,670	143,670	-
Salaries of Secretarial & Clerical Assistants	350,487	4,876	355,363	355,345	18
Purchased Professional & Technical Services	22,300	(1,647)	20,653	20,653	-
Other Purchased Services (400-500 Series)	30,756	(1,661)	29,095	23,206	5,889
Supplies & Materials	29,365	(282)	29,083	22,252	6,831
Other Objects	5,830	500	6,330	6,270	60
Total Support Services - School Administration	1,231,078	21,419	1,252,497	1,239,699	12,798

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - Central Services:					
Salaries of Business Office	351,611	3,554	355,165	349,680	5,485
Purchased Technical Services	11,855	557	12,412	12,412	-
Other Purchased Services (400-500 Series)	5,090	(651)	4,439	4,281	158
Supplies	6,500	3,076	9,576	9,574	2
Miscellaneous Expenditures	6,500	464	6,964	6,806	158
Total Support Services - Central Services	381,556	7,000	388,556	382,753	5,803
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	993,928	7,435	1,001,363	1,000,407	956
Total Required Maintenance for School Facilities	993,928	7,435	1,001,363	1,000,407	956
Other Operations & Maintenance of Plant:					
Salaries	713,040	(27,440)	685,600	675,989	9,611
Salaries of Non-Instructional Aides	31,540	16,358	47,898	47,896	2
Purchased Professional/Technical Services	1,915		1,915	1,873	42
Cleaning, Repair & Maintenance Services	148,690	35,413	184,103	172,558	11,545
Other Purchased Property Services	9,850		9,850	9,023	827
Insurance	125,895	12,645	138,540	138,539	1
General Supplies	66,615	(22,145)	44,470	40,806	3,664
Energy (Electricity)	442,000	(77,013)	364,987	270,944	94,043
Other Objects	100	150	250	250	-
Energy (Natural Gas)	195,000	(17,664)	177,336	170,070	7,266
Total Other Operations and Maintenance of Plant	1,734,645	(79,696)	1,654,949	1,527,948	127,001

**MANASQUAN SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 10 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Care and Upkeep of Grounds					
Salaries	118,430	945	119,375	119,159	216
Cleaning, Repair and Maintenance Services	11,500	(11,500)	-	-	-
General Supplies	13,952	22,751	36,703	36,151	552
Total Care and Upkeep of Grounds	143,882	12,196	156,078	155,310	768
Total Operations & Maintenance	2,872,455	(60,065)	2,812,390	2,683,665	128,725
Security:					
Purchased Professional and Technical Services	20,500		20,500	15,004	5,496
Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	149,795	(16,387)	133,408	131,788	1,620
Contracted Services Home/School - Regular ESC	126,890	11,998	138,888	137,609	1,279
Contracted Services Special ESC	120,000	4,119	124,119	120,587	3,532
Contracted Services Aid-In-Lieu Non-Public	3,536	(520)	3,016	3,015	1
Total Student Transportation	400,221	(790)	399,431	392,999	6,432
Unallocated Benefits:					
Social Security Contributions	258,000	19,270	277,270	272,352	4,918
Other Retirement Contributions-PERS	221,481	4,594	226,075	226,075	-
Unemployment Compensation	5,830	(5,830)	-	-	-
Workmen's Compensation	150,935	(5,524)	145,411	145,411	-
Health Benefits	3,945,215	(367,559)	3,577,656	3,571,211	6,445
Tuition Reimbursement	8,120	(4,520)	3,600	3,600	-
Other Employee Benefits	1,000	393,027	394,027	394,027	-
Total Unallocated Benefits	4,590,581	33,458	4,624,039	4,612,676	11,363

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	1,553,083	(1,553,083)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	799,703	(799,703)
Total On-Behalf Contributions	-	-	-	2,352,786	(2,352,786)
Total Personal Services - Employee Benefits	4,590,581	33,458	4,624,039	6,965,462	(2,341,423)
Total Undistributed Expenditures	13,677,839	(31,946)	13,645,893	15,767,828	(2,121,935)
Total General Current Expense	23,564,571	(55,215)	23,509,356	25,599,996	(2,090,640)
Capital Outlay:					
Interest To Capital Reserve	2		2		2
Equipment:					
Regular Programs - Instruction:					
Grades 1-5		67,500	67,500	67,453	47
Grades 9-12	11,300	(11,300)	-		-
Total Regular Programs - Instruction	11,302	56,200	67,502	67,453	49
Facilities Acquisition & Construction Services:					
Architectural/Engineering	200,000		200,000		200,000
Construction Services	350,000		350,000	349,109	891
Land and Improvements	2,300,000		2,300,000		2,300,000
Other Objects	27,109		27,109	27,109	-
Total Facilities Acquisition & Construction Services	2,877,109	-	2,877,109	376,218	2,500,891

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Capital Outlay	2,888,411	56,200	2,944,611	443,671	2,500,940
Total Expenditures	26,452,982	985	26,453,967	26,043,667	410,300
Excess (Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Uses	(1,348,859)	(985)	(1,349,844)	(1,133,827)	216,017
Fund Balance July 1	2,203,715		2,203,715	2,203,715	
Fund Balance June 30	\$ 854,856	(985)	853,871	1,069,888	216,017



MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 81,087	
Emergency Reserve				50,000	
Tuition Reserve				100,000	
Maintenance Reserve				10,000	
Committed Fund Balance:					
Year-End Encumbrances				4,891	
Assigned Fund Balance:					
Designated For Subsequent Year's Expenditures by the Board of Education				92,158	
Designated For Subsequent Year's Expenditures-Excess Surplus				63,879	
Designated For Subsequent Year's Expenditures - Tuition Reserve				125,500	
Unassigned Fund Balance				542,373	
				<u>1,069,888</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				51,715	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,018,173</u>	

MANASQUAN SCHOOL DISTRICTBUDGETARY COMPARISON SCHEDULESPECIAL REVENUE FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources	\$ -	53,891	53,891	53,891	
State Sources	88,818	(27,465)	61,353	61,353	
Federal Sources	269,005	155,746	424,751	424,751	
Total Revenues	<u>\$ 357,823</u>	<u>182,172</u>	<u>539,995</u>	<u>539,995</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 80,000	9,738	89,738	89,738	
Purchased Professional Technical Services	40,000	7,435	47,435	47,435	
General Supplies	50,000	21,036	71,036	71,036	
Textbooks		8,187	8,187	8,187	
Total Instruction	<u>170,000</u>	<u>46,396</u>	<u>216,396</u>	<u>216,396</u>	<u>-</u>
Support Services:					
Salaries of Supervisors of Instruction	170,000	2,990	172,990	172,990	
Salaries of Other Professional Staff		5,795	5,795	5,795	
Personal Services - Employee Benefits	17,823	41,913	59,736	59,736	
Purchased Professional - Educational Services		41,151	41,151	41,151	
Other Purchased Services		25,805	25,805	25,805	
Other Purchased Services-Transportation		18,122	18,122	18,122	
Total Support Services	<u>187,823</u>	<u>135,776</u>	<u>323,599</u>	<u>323,599</u>	<u>-</u>
Total Expenditures	<u>\$ 357,823</u>	<u>182,172</u>	<u>539,995</u>	<u>539,995</u>	<u>-</u>

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**MANASQUAN SCHOOL DISTRICT****REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

**BUDGETARY COMPARISON SCHEDULE****NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 24,909,840	539,995
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes	41,039	
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	<u>(51,715)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 24,899,164</u></u>	<u><u>539,995</u></u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,043,667	539,995
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 26,043,667</u></u>	<u><u>539,995</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND – E**

MANASQUAN SCHOOL DISTRICT

Exhibit E-1  
Sheet 1 of 2

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Nonpublic									
	Textbooks	Comp. Education	Transportation	Initial Exam. & Classification	Annual Exam. & Classification	Corrective Speech	Supplementary Instruction	Technology	Nursing	Teacher Recognition
Revenues:										
State Sources	\$ 8,187	6,691	4,946	11,138	958	9,530	5,551	2,990	11,362	
Federal Sources										
Local Revenues										500
Total Revenues	\$ 8,187	6,691	4,946	11,138	958	9,530	5,551	2,990	11,362	500
Expenditures:										
Instruction:										
Salaries of Teachers	\$ -									
Purchased Professional Technical Services		6,691	4,946	11,138	958	9,530	5,551	2,990		500
General Supplies										
Textbooks	8,187									
Total Instruction	8,187	6,691	4,946	11,138	958	9,530	5,551	2,990	-	500
Support Services:										
Salaries of Supervisors of Instruction										
Salaries of Other Professional Staff										
Personal Services - Employee Benefits										
Purchased Professional Educational Services									11,362	
Other Purchased Services										
Contracted Services - Transp. Oth. Hm. Sch.										
Total Support Services	-	-	-	-	-	-	-	-	11,362	-
Total Expenditures	\$ 8,187	6,691	4,946	11,138	958	9,530	5,551	2,990	11,362	500

MANASQUAN SCHOOL DISTRICT

Exhibit E-1  
Sheet 2 of 2

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Title I	Title IIA	Title III	Race To The Top	I.D.E.A. Flow-Thru Part B	I.D.E.A. Flow-Thru Preschool	Project Serve	NJSBAIG Grant	Jersey Mike's Grant	Lang Estate	Totals
Revenues:											
State Sources	80,034	23,548	17,951	6,561	224,357	8,645	63,655	7,091	30,000	16,300	61,353
Federal Sources											424,751
Local Revenues											53,891
Total Revenues	80,034	23,548	17,951	6,561	224,357	8,645	63,655	7,091	30,000	16,300	539,995
Expenditures:											
Instruction:											
Salaries of Teachers	66,695	19,133	1,860		4,050	1,581	2,050				89,738
Purchased Professional Technical Services					1,196			7,091	30,000	16,300	47,435
General Supplies			15,949								71,036
Textbooks											8,187
Total Instruction	66,695	19,133	17,809	-	5,246	1,581	2,050	7,091	30,000	16,300	216,396
Support Services:											
Salaries of Supervisors of Instruction					172,990						172,990
Salaries of Other Professional Staff	13,339	3,827	142		34,598	5,795					5,795
Personal Services - Employee Benefits		588		6,561	6,523	1,269	34,040				53,175
Purchased Professional Educational Services					5,000		9,443				47,712
Other Purchased Services							18,122				25,805
Contracted Services - Transp. Oth. Hm. Sch.		4,415	142	6,561	219,111	7,064	61,605	-	-	-	18,122
Total Support Services	13,339	4,415	142	6,561	219,111	7,064	61,605	-	-	-	323,599
Total Expenditures	80,034	23,548	17,951	6,561	224,357	8,645	63,655	7,091	30,000	16,300	539,995



**CAPITAL PROJECTS FUND – F**

**N/A**

**PROPRIETARY FUNDS – G**

MANASQUAN SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET POSITIONENTERPRISE FUNDSJUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Surf Team</u>	<u>Totals</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 37,530	8,565	46,095
Accounts Receivable:			
Federal	21,511		21,511
State	732		732
Other	2,216		2,216
Inventories	5,289		5,289
Total Current Assets	<u>67,278</u>	<u>8,565</u>	<u>75,843</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	445,006		445,006
Less: Accumulated Depreciation	<u>(275,720)</u>		<u>(275,720)</u>
Total Noncurrent Assets	<u>169,286</u>	<u>-</u>	<u>169,286</u>
Total Assets	<u>\$ 236,564</u>	<u>8,565</u>	<u>245,129</u>
<u>Net Position</u>			
Invested in Capital Assets net of Related Debt	\$ 169,286		169,286
Unrestricted	<u>67,278</u>	<u>8,565</u>	<u>75,843</u>
Total Net Position	<u>\$ 236,564</u>	<u>8,565</u>	<u>245,129</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES ANDCHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Surf Team</u>	<u>Totals</u>
Operating Revenues:			
Charge for Services:			
Daily Sales	\$ 520,237		520,237
Miscellaneous		10,000	10,000
Catering	8,021		8,021
Total Operating Revenues	<u>528,258</u>	<u>10,000</u>	<u>538,258</u>
Operating Expenses:			
Cost of Sales	279,302		279,302
Salaries	214,165	1,211	215,376
Employee Benefits	31,773		31,773
Worker's Compensation	6,580		6,580
Cost of Supplies	16,187		16,187
General Liability Insurance	32,776		32,776
Management Fees	18,000		18,000
Repairs	2,939		2,939
Miscellaneous	22,157	1,617	23,774
Depreciation	23,170		23,170
Total Operating Expenses	<u>647,049</u>	<u>2,828</u>	<u>649,877</u>
Operating Income (Loss)	(118,791)	7,172	(111,619)
Nonoperating Revenues (Expenses):			
Interest Revenue	8		8
State Sources:			
State School Lunch Program	3,553		3,553
Federal Sources:			
National School Lunch Program	95,689		95,689
HHFKA Lunch Program	4,225		4,225
Food Distribution Program	9,680		9,680
Total Nonoperating Revenues (Expenses)	<u>113,155</u>	<u>-</u>	<u>113,155</u>
Change in Net Position	(5,636)	7,172	1,536
Adjustment for Fixed Assets	1,541		1,541
Total Net Position - Beginning	<u>240,659</u>	<u>1,393</u>	<u>242,052</u>
Total Net Position - Ending	<u>\$ 236,564</u>	<u>8,565</u>	<u>245,129</u>

**MANASQUAN SCHOOL DISTRICT**

**COMBINING STATEMENT OF CASH FLOWS**

**ENTERPRISE FUNDS**

Exhibit G-3

**JUNE 30, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Surf Team</b>	<b>Totals</b>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 528,258	10,000	538,258
Payments to Employees	(214,165)	(1,211)	(215,376)
Payments to Suppliers	(420,289)	(1,617)	(421,906)
Net Cash Provided (Used by) Operating Activities	(106,196)	7,172	(99,024)
Cash Flows from Noncapital Financing Activities:			
State Sources	3,553		3,553
Federal Sources	99,914		99,914
Net Cash Provided (Used by) Noncapital Financing Activities	103,467		103,467
Cash Flows from Capital Financing Activities:			
Fixed Assets	(20,000)		(20,000)
Net Cash Provided (Used by) Capital Financing Activities	(20,000)		(20,000)
Cash Flows from Investing Activities:			
Interest Received	8		8
Net Increase (Decrease) in Cash & Cash Equivalents	(22,721)	7,172	(15,549)
Balances - Beginning of Year	60,251	1,393	61,644
Balances - End of Year	\$ 37,530	8,565	46,095
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ (118,791)	7,172	(111,619)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	22,157		22,157
Federal Commodities	9,680		9,680
(Increase)/Decrease in Accounts Receivable	(18,666)		(18,666)
(Increase)/Decrease in Inventories	(576)		(576)
Net Cash Provided (Used by) Operating Activities	\$ (106,196)	7,172	(99,024)

**FIDUCIARY FUND – H**

MANASQUAN SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Student Activities	Flexible Spending Account	Salary Account	Agency Account	Non-Expendable Trust Scholarship	Unemployment	Totals June 30, 2013
Assets:							
Cash and Cash Equivalents	\$ 282,722	418	3	1,143	74,947	77,220	436,453
Total Assets	\$ 282,722	418	3	1,143	74,947	77,220	436,453
Liabilities:							
Due to Student Groups	\$ 282,722						282,722
Payroll Withholdings		418	3	1,143			1,564
Total Liabilities	\$ 282,722	418	3	1,143			284,286
Net Position:							
Reserved - Unemployment Benefits						77,220	77,220
Reserved - Scholarships					74,947		74,947
Total Net Position					\$ 74,947	77,220	152,167

**MANASQUAN SCHOOL DISTRICT**  
**SCHOLARSHIP NONEXPENDABLE TRUST FUND**

**Exhibit H-2**

**STATEMENT OF CHANGES**

**IN FIDUCIARY NET POSITION**

**JUNE 30, 2013**

	<b><u>2013</u></b>
Additions:	
Deposits	\$ 27,077
Interest on Investments	16
Total Additions	<u>27,093</u>
Deductions:	
Scholarship Payments	<u>30,405</u>
Total Deductions	<u>30,405</u>
Change in Net Position	(3,312)
Net Position June 30, 2012	<u>78,259</u>
Net Position June 30, 2013	<u><u>\$ 74,947</u></u>



MANASQUAN SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUNDSCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Elementary School:				
Manasquan Elementary	\$ 28,514	59,086	59,014	28,586
High School:				
Recording Studio	3,549	5,859	7,385	2,023
Manasquan High School	<u>185,796</u>	<u>398,142</u>	<u>331,825</u>	<u>252,113</u>
Total - All Schools	<u>\$ 217,859</u>	<u>463,087</u>	<u>398,224</u>	<u>282,722</u>

**MANASQUAN SCHOOL DISTRICT****PAYROLL AGENCY FUND****Exhibit H-4****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2013**

	<b><u>Balance</u></b> <b><u>July 1, 2012</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2013</u></b>
Assets:				
Cash and Cash Equivalents	\$ 759	9,936,013	9,935,629	1,143
Total Assets	<u>\$ 759</u>	<u>9,936,013</u>	<u>9,935,629</u>	<u>1,143</u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	\$ 759	9,936,013	9,935,629	1,143
Total Liabilities	<u>\$ 759</u>	<u>9,936,013</u>	<u>9,935,629</u>	<u>1,143</u>

## **LONG-TERM DEBT – I**

MANASQUAN SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-1

SCHEDULE OF LONG-TERM DEBT GROUP

JUNE 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2012</u>	<u>Issued</u>	<u>Refunded</u>	<u>Paid</u>	<u>Ending Balance June 30, 2013</u>
Addition to High School	12-1-95	\$5,000,000	1-15-14	\$ 320,000	3.860%	\$ 1,280,000			325,000	955,000
			1-15-15	325,000						
			1-15-16	310,000						
Addition to Elementary School	2-23-05	9,652,000	1-15-14	440,000	3.500%	7,112,000		5,792,000	420,000	900,000
			1-15-15	460,000						
Refunding Issue of 2013 Addition to Elementary School	4-30-13	5,550,000	1-15-14	55,000	2.000%		5,550,000			5,550,000
			1-15-16	460,000	3.000%					
			1-15-17	475,000						
			1-15-18	490,000						
			1-15-19	510,000						
			1-15-20	530,000	4.000%					
			1-15-21	555,000	5.000%					
			1-15-22	580,000						
			1-15-23	615,000						
			1-15-24	645,000	3.000%					
			1-15-25	635,000						
						\$ 8,392,000	5,550,000	5,792,000	745,000	7,405,000

MANASQUAN SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit 1-2

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2013

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2012</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2013</u>
Konica Copiers	5.40%	\$ 18,736	\$ 17,117	3,398	13,719

**MANASQUAN SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

Exhibit I-3

**DEBT SERVICE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Fund to Actual</u></b>
Revenues:					
Local Sources					
Local Tax Levy	\$ 1,063,883		1,063,883	1,063,883	
Total Revenues	<u>1,063,883</u>	<u>-</u>	<u>1,063,883</u>	<u>1,063,883</u>	<u>-</u>
Expenditures:					
Regular Debt Service Interest	319,235		319,235	319,235	
Redemption of Principal	745,000		745,000	745,000	
Total Expenditures	<u>1,064,235</u>	<u>-</u>	<u>1,064,235</u>	<u>1,064,235</u>	<u>-</u>
Excess Revenues Over Expenditures	(352)	-	(352)	(352)	-
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	(352)		(352)	(352)	-
Fund Balance July 1	<u>1,387</u>		<u>1,387</u>	<u>1,387</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,035</u>		<u>1,035</u>	<u>1,035</u>	<u>-</u>

## **STATISTICAL SECTION**

**(Unaudited)**

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

J-1

Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 3,885,026	(5,215,064)	(3,935,990)	4,661,563	7,990,282	9,127,231	9,779,920	9,978,263	10,871,682	12,159,569
Restricted	316,895	13,025,783	3,527,956	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550
Unrestricted	(118,196)	(378,198)	251,629	82,881	(406,971)	(315,336)	(389,542)	96,800	(38,284)	22,838
<b>Total governmental activities net position</b>	<b>4,083,725</b>	<b>7,432,521</b>	<b>(156,405)</b>	<b>8,231,842</b>	<b>9,877,750</b>	<b>9,986,499</b>	<b>10,813,707</b>	<b>11,482,418</b>	<b>12,428,636</b>	<b>12,710,957</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	57,857	48,523	52,641	45,482	44,255	174,596	178,410	159,107	169,502	169,286
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	92,218	102,224	105,610	127,280	112,055	88,842	89,060	81,322	72,550	75,843
<b>Total business-type net position</b>	<b>150,075</b>	<b>150,747</b>	<b>158,251</b>	<b>172,762</b>	<b>156,310</b>	<b>263,438</b>	<b>267,470</b>	<b>240,429</b>	<b>242,052</b>	<b>245,129</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	3,942,883	(5,166,541)	(3,883,349)	4,707,045	8,034,537	9,301,827	9,958,330	10,137,370	11,041,184	12,328,855
Restricted	316,895	13,025,783	3,527,956	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550
Unrestricted	(25,978)	(275,974)	357,239	210,161	(294,916)	(226,494)	(300,482)	178,122	34,266	98,681
<b>Total District Net Position</b>	<b>\$ 4,233,800</b>	<b>7,583,268</b>	<b>1,846</b>	<b>8,404,604</b>	<b>10,034,060</b>	<b>10,249,937</b>	<b>11,081,177</b>	<b>11,722,847</b>	<b>12,670,688</b>	<b>12,956,086</b>



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

J-2

Fiscal Year Ending June 30,

Expenses	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Instruction										
Regular	\$ 6,523,707	6,918,629	6,937,680	6,792,360	7,274,382	7,063,043	7,551,074	7,305,273	7,477,970	7,316,046
Special education	895,018	1,000,039	995,707	1,323,633	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118
Other special education	261,291	299,630	313,255	327,044	368,333	264,954	279,203	134,068	139,112	112,527
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	589,264	621,533	658,604	684,287	717,953	759,997	772,300	760,384	797,543	710,900
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	467,849	585,609	566,782	597,070	653,166	744,955	648,534	574,831	728,556	788,073
Student & instruction related services	1,833,225	2,459,923	2,185,494	2,300,633	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791
General administrative services	433,011	500,067	460,074	461,989	540,949	531,885	555,444	526,375	657,133	651,981
School & Business Administrative Svcs	918,882	977,857	1,445,916	1,499,213	1,603,060	1,663,493	1,597,796	1,611,840	1,630,154	1,622,452
Unallocated Benefits	4,265,408	4,514,087	4,886,185	5,863,013	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462
Plant operations and maintenance	1,494,428	1,678,412	1,883,385	1,786,425	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669
Pupil transportation	404,440	445,514	464,503	541,179	532,769	567,314	488,417	351,776	392,692	392,999
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	242,879	240,821	456,297	463,862	434,891	406,224	383,508	359,470	333,738	244,608
Unallocated depreciation	170,673	107,632	339,679	350,092	396,725	717,221	516,764	698,880	827,188	818,422
<b>Total Governmental Activities Expenses</b>	<b>18,500,075</b>	<b>20,349,753</b>	<b>21,593,561</b>	<b>22,990,800</b>	<b>24,590,902</b>	<b>24,521,500</b>	<b>25,155,284</b>	<b>24,904,598</b>	<b>26,194,163</b>	<b>27,210,048</b>
Business-Type Activities:										
Food service	596,766	612,216	601,081	626,349	661,200	664,102	637,527	659,787	629,346	647,049
Surf Team	8,642	14,580	19,206	10,196	16,111	10,641	-	3,870	9,749	2,828
<b>Total Business-Type Activities Expense</b>	<b>605,408</b>	<b>626,796</b>	<b>620,287</b>	<b>636,545</b>	<b>677,311</b>	<b>674,743</b>	<b>637,527</b>	<b>663,657</b>	<b>639,095</b>	<b>649,877</b>
<b>Total District Expenses:</b>	<b>19,105,483</b>	<b>20,976,549</b>	<b>22,213,848</b>	<b>23,627,345</b>	<b>25,268,213</b>	<b>25,196,243</b>	<b>25,792,811</b>	<b>25,568,255</b>	<b>26,833,258</b>	<b>27,859,925</b>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	-	-	-	-	788,073
Operating grants and contributions	418,678	461,075	481,962	528,833	421,228	424,097	811,247	673,525	506,399	539,995
<b>Total Governmental Activities Program Rev.</b>	<b>418,678</b>	<b>461,075</b>	<b>481,962</b>	<b>528,833</b>	<b>421,228</b>	<b>424,097</b>	<b>811,247</b>	<b>673,525</b>	<b>506,399</b>	<b>1,328,068</b>

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

J-2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Program Revenues - Continued</b>										
<b>Business-Type Activities:</b>										
Charges for services										
Food service	519,782	556,344	551,879	575,066	567,742	565,989	534,310	537,854	531,265	528,258
Surf Team	11,320	13,700	17,595	11,450	17,460	11,260	-	-	11,000	10,000
Operating grants and contributions	52,167	55,830	53,700	58,301	72,086	73,012	89,158	98,686	98,439	113,147
Capital grants and contributions										
<b>Total Business Type Activities Program Rev.</b>	<b>583,269</b>	<b>625,874</b>	<b>623,174</b>	<b>644,817</b>	<b>657,288</b>	<b>650,261</b>	<b>623,468</b>	<b>636,540</b>	<b>640,704</b>	<b>651,405</b>
<b>Total district program revenues</b>	<b>1,001,947</b>	<b>1,086,949</b>	<b>1,105,136</b>	<b>1,173,650</b>	<b>1,078,516</b>	<b>1,074,358</b>	<b>1,434,715</b>	<b>1,310,065</b>	<b>1,147,103</b>	<b>1,979,473</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(18,081,397)	(19,888,678)	(21,111,599)	(22,461,967)	(24,169,674)	(24,097,403)	(24,344,037)	(24,231,073)	(25,687,764)	(25,881,980)
Business-type activities	(22,139)	(922)	2,887	8,272	(20,023)	(24,482)	(14,059)	(27,117)	1,609	1,528
<b>Total District-Wide Net Expense</b>	<b>(18,103,536)</b>	<b>(19,889,600)</b>	<b>(21,108,712)</b>	<b>(22,453,695)</b>	<b>(24,189,697)</b>	<b>(24,121,885)</b>	<b>(24,358,096)</b>	<b>(24,258,190)</b>	<b>(25,686,155)</b>	<b>(25,880,452)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property taxes levied for general purposes, net	8,868,714	9,377,354	9,719,400	10,737,772	11,000,595	11,440,619	11,922,137	12,171,782	12,171,782	12,655,951
Taxes levied for debt service	555,937	512,268	1,203,012	1,155,296	821,788	880,839	1,061,323	1,079,710	1,065,700	1,063,883
Tuition	6,937,247	7,551,681	8,433,935	8,272,855	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759	8,187,640
Unrestricted grants and contributions	2,249,533	5,536,318	2,515,985	3,272,073	3,351,361	2,413,944	2,559,540	1,826,029	2,607,265	3,100,959
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	65	74	31,000	435,322	192,281	28,399	5,047	4,924	926	772
Miscellaneous income	114,203	262,216	690,403	93,103	81,705	164,365	113,522	168,657	149,375	165,769
Transfers	-	(2,437)	9,295	65,899	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>18,725,699</b>	<b>23,237,474</b>	<b>22,603,030</b>	<b>24,032,320</b>	<b>24,350,816</b>	<b>24,152,537</b>	<b>25,034,809</b>	<b>25,377,213</b>	<b>25,988,807</b>	<b>25,174,974</b>
<b>Business-Type Activities:</b>										
Investment earnings	2,272	1,594	4,617	6,239	3,571	649	94	76	14	8
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>2,272</b>	<b>1,594</b>	<b>4,617</b>	<b>6,239</b>	<b>3,571</b>	<b>649</b>	<b>94</b>	<b>76</b>	<b>14</b>	<b>8</b>
<b>Total District-Wide</b>	<b>18,727,971</b>	<b>23,239,068</b>	<b>22,607,647</b>	<b>24,038,559</b>	<b>24,354,387</b>	<b>24,153,186</b>	<b>25,034,903</b>	<b>25,377,289</b>	<b>25,988,821</b>	<b>25,174,982</b>
<b>Change in Net Position</b>										
Governmental activities	644,302	3,348,796	1,491,431	1,570,353	181,142	55,134	690,772	1,146,140	301,043	(707,006)
Business-type activities	(19,867)	672	7,504	14,511	(16,452)	(23,833)	-13,965	-27,041	1,623	1,536
<b>Total District</b>	<b>624,435</b>	<b>3,349,468</b>	<b>1,498,935</b>	<b>1,584,864</b>	<b>164,690</b>	<b>31,301</b>	<b>676,807</b>	<b>1,119,099</b>	<b>302,666</b>	<b>(705,470)</b>

	Fiscal Year Ending June 30,									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Fund</b>										
Reserved	\$ 301,213	168,225	384,327	315,048	360,590	240,278	732,302	1,405,664	1,593,851	527,515
Unreserved	497,578	676,381	841,674	862,251	680,832	690,981	489,371	536,680	568,825	490,658
<b>Total General Fund</b>	<b>\$ 798,791</b>	<b>844,606</b>	<b>1,226,001</b>	<b>1,177,299</b>	<b>1,041,422</b>	<b>931,259</b>	<b>1,221,673</b>	<b>1,942,344</b>	<b>2,162,676</b>	<b>1,018,173</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	-	-	-	-	22,887	-	-	-	1,035
Unreserved, reported in										
Special revenue fund	15,680	8,365	-	-	-	-	-	-	-	-
Capital projects fund	-	12,457,081	2,696,545	2,258,395	1,303,654	597,982	450,142	1,029	-	-
Debt service fund	2	77,318	479,670	680,577	353,995	796	1,457	662	1,387	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 15,682</b>	<b>12,542,764</b>	<b>3,176,215</b>	<b>2,938,972</b>	<b>1,657,649</b>	<b>621,665</b>	<b>451,599</b>	<b>1,691</b>	<b>1,387</b>	<b>1,035</b>

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

J-4

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>										
Tax levy	\$ 9,424,651	9,889,622	10,922,412	11,893,068	11,822,383	12,321,458	12,983,460	13,251,492	13,237,482	13,719,834
Tuition charges	6,937,247	7,551,681	8,433,935	8,272,855	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759	8,975,713
Interest earnings	65	74	31,000	435,322	192,281	28,399	5,047	4,924	926	772
Miscellaneous	134,911	266,024	690,403	179,205	84,455	164,365	119,568	178,154	162,284	219,660
State sources	2,363,955	5,637,901	2,717,120	3,401,587	3,473,332	2,541,409	2,694,698	1,918,542	2,634,865	3,162,312
Federal sources	283,548	355,684	280,827	313,217	296,507	296,632	670,043	571,515	465,890	424,751
<b>Total Revenue</b>	<b>19,144,377</b>	<b>23,700,986</b>	<b>23,075,697</b>	<b>24,495,254</b>	<b>24,772,044</b>	<b>24,576,634</b>	<b>25,846,056</b>	<b>26,050,738</b>	<b>26,495,206</b>	<b>26,503,042</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	6,513,407	6,669,727	6,995,151	6,861,042	7,189,073	7,168,323	7,424,565	7,504,878	7,457,057	7,309,019
Special education instruction	895,018	1,000,039	995,707	1,323,633	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118
Other special education	261,291	299,630	313,255	327,044	368,333	264,954	279,203	134,068	139,112	112,527
Other school programs	589,264	621,533	658,604	684,287	717,953	759,997	772,300	760,384	797,543	710,900
Adult/continuing education program										
Support Services:										
Tuition	467,849	585,609	566,782	597,070	653,166	744,955	648,534	574,831	728,556	788,073
Student & Instruction related services	1,762,794	2,016,656	2,185,494	2,300,631	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791
General administrative services	433,011	429,490	460,074	461,989	540,949	531,885	555,444	526,375	657,133	651,981
School administrative services	918,882	952,719	976,196	1,019,356	1,044,376	1,117,008	1,201,927	1,207,308	1,216,712	1,622,452
Business administrative services	282,457	493,074	469,720	479,857	367,990	388,939	395,869	404,532	413,442	-
Plant operations and maintenance	1,494,428	1,670,010	1,883,385	1,786,425	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669
Pupil transportation	404,440	445,514	464,503	541,179	532,769	567,314	488,417	351,776	392,692	392,999
Other Support Services	-	-	-	-	190,694	157,546	-	-	-	-
Employee Benefits	3,982,951	4,514,087	4,886,185	5,863,013	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462
Food Service	-	-	-	-	-	-	-	-	-	-
Special Schools										
Charter Schools										
Capital outlay	799,298	563,408	10,002,723	1,368,959	1,291,326	999,399	512,995	653,262	180,989	443,671
Debt service:										
Principal	331,893	352,134	725,711	755,705	775,825	801,155	690,000	710,000	720,000	745,000
Interest and other charges	224,043	160,134	477,301	476,907	448,315	418,892	394,210	370,860	346,010	319,235
<b>Total Expenditures</b>	<b>19,361,026</b>	<b>20,773,764</b>	<b>32,060,791</b>	<b>24,847,097</b>	<b>26,189,443</b>	<b>25,722,781</b>	<b>25,725,708</b>	<b>25,779,975</b>	<b>26,259,323</b>	<b>27,647,897</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(216,649)</b>	<b>2,927,222</b>	<b>(8,985,094)</b>	<b>(351,843)</b>	<b>(1,417,399)</b>	<b>(1,146,147)</b>	<b>120,348</b>	<b>270,763</b>	<b>235,883</b>	<b>(1,144,855)</b>
<b>Other Financing Sources (Uses)</b>										
Capital leases (non-budgeted)										
Par amount of bonds	-	9,652,000	-	65,899	-	-	-	-	18,736	-
Transfers in	-	(77,316)	403,343	278,224	75,770	8,896	661	355	1,035	-
Transfers out	-	77,316	(394,048)	(278,224)	(75,770)	(8,896)	(661)	(355)	(1,035)	-
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>9,652,000</b>	<b>9,295</b>	<b>65,899</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,736</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>\$ (216,649)</b>	<b>12,579,222</b>	<b>(8,975,799)</b>	<b>(285,944)</b>	<b>(1,417,399)</b>	<b>(1,146,147)</b>	<b>120,348</b>	<b>270,763</b>	<b>254,619</b>	<b>(1,144,855)</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>2.871%</b>	<b>2.466%</b>	<b>3.752%</b>	<b>4.961%</b>	<b>4.674%</b>	<b>4.743%</b>	<b>4.215%</b>	<b>4.193%</b>	<b>4.060%</b>	<b>3.849%</b>

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

**J-5      87.**

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenues</u>	<u>Rentals</u>	<u>Bus. Svcs/</u> <u>CST/ Ath.</u>	<u>Misc.</u>	<u>Total</u>
2004	\$ 23,313	6,937,247	-	29,000	61,955	7,051,515
2005	52,670	7,551,681	-	30,000	63,151	7,697,502
2006	133,714	8,433,935	-	31,000	82,969	8,681,618
2007	157,098	8,272,855	-	33,000	60,997	8,523,950
2008	116,511	8,903,086	-	34,320	47,385	9,101,302
2009	19,503	9,224,371	-	35,690	92,584	9,372,148
2010	4,386	9,373,240	-	53,115	60,407	9,491,148
2011	4,569	10,126,111	-	84,580	84,077	10,299,337
2012	926	9,993,759	-	78,800	83,484	10,156,969
2013	772	8,975,713	-	47,600	172,060	9,196,145

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

J-6 88.

Fiscal Year Ended									Less: Tax- Exempt	Public	Net	Total Direct	Est.
June 30,	Vacant Land	Resid.	Farm Reg.	Qfarm	Com.	Ind.	Apt.	Total Assessed Value	Property	Utilities #	Valuation Taxable	Sch. Tax Rate	(Cty. Equal. Val.)
2004	92	2830	0	0	188	11	9	1,650,490,660	123,549,900	749,860	1,526,940,760	0.648	121
2005	133	2811	0	0	186	12	9	1,651,385,179	123,077,000	607,779	1,528,308,179	0.715	96.4
2006	128	2829	0	0	186	13	9	1,670,112,518	127,159,400	512,218	1,542,953,118	0.771	88
2007	130	2840	0	0	186	13	8	1,690,480,460	127,689,200	463,160	1,562,791,260	0.757	77.7
2008	121	2847	0	0	186	13	8	1,708,021,000	130,937,600	451,000	1,577,534,400	0.781	72.58
2009	106	2867	0	0	185	13	8	1,722,788,139	127,892,700	467,239	1,594,895,437	0.814	70.55
2010	94	2879	0	0	186	13	8	1,734,600,014	130,651,600	472,614	1,601,395,414	0.828	73.88
2011	108	2870	0	0	184	12	8	1,739,469,940	131,496,600	1,053,040	1,605,420,340	0.825	73.78
2012	95	2883	0	0	184	12	8	1,741,294,154	131,989,400	1,063,154	1,606,751,754	0.854	78.3
2013	97	2882	0	0	184	12	7	1,656,447,600	134,451,100	0	1,521,996,500	0.860	79.49

Manasquan Board of Education  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

J-7 89.

Fiscal Year Ended June 30,	<u>Manasquan Board of Education</u>				<u>Overlapping Debt</u>		
	<u>Basic Rate</u>	<u>General Obligation Debt Svc.</u>	<u>Total Direct</u>	<u>Borough of Manasquan</u>	<u>Fire Districts</u>	<u>Monmouth County</u>	<u>Total Direct &amp; Overlapping Tax Rate</u>
2004	0.612	0.036	0.648	0.272	0.032	0.314	1.266
2005	0.681	0.034	0.715	0.300	0.036	0.353	1.404
2006	0.696	0.075	0.771	0.315	0.038	0.343	1.467
2007	0.704	0.053	0.757	0.321	0.041	0.353	1.472
2008	0.725	0.056	0.781	0.331	0.040	0.357	1.509
2009	0.747	0.067	0.814	0.331	0.042	0.372	1.559
2010	0.760	0.068	0.828	0.345	0.044	0.373	1.590
2011	0.758	0.067	0.825	0.352	0.044	0.388	1.609
2012	0.788	0.066	0.854	0.368	0.045	0.377	1.644
2013	0.791	0.069	0.860	0.379	0.048	0.388	1.675

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

Taxpayer	Taxable Assessed Value		% of Total District Net		Taxable Assessed Value		% of Total District Net	
	2013	Rank	Assessed Value	Rank	2003	Rank	Assessed Value	Rank
American Timber Co & Dorothy T. Yard, LLC					6,742,200	1		1.12%
Dana, Ronald	6,579,800	0	0.43%		1,823,900	5		0.30%
Sprint	7,532,200	0	0.49%		4,912,800	2		0.82%
Paglia, John Etals Seabreeze, LLC Leg-It, LLC								
Gee-Gee's Glimmer Glass, LLC					4,233,800	3		0.70%
Leg-It, LLC	2,230,000	0	0.14%					
The Flanders, LLC					2,400,000	4		0.40%
Giunco Realty	4,289,200	0	0.28%		1,798,500	6		0.30%
208 Properties, LLC	3,751,800	0	0.24%					
Acme	3,141,400	0	0.20%		1,277,500	10		0.21%
Sea Breeze, LLC	2,230,600	0	0.14%					
The Parziale Family					1,477,500	8		0.24%
Osprey Realty	2,693,100	0	0.17%		1,753,200	7		0.29%
Sea Watch Realty					1,410,200	9		0.23%
S&B Associates	2,798,200	0	0.18%					
Manasquan Village Apartments, LLC	2,229,100	0	0.14%					



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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
2004 \$	9,980,587.00	9,980,587.00	100.00%	-
2005	9,889,622.00	9,889,622.00	100.00%	-
2006	10,922,412.00	10,922,412.00	100.00%	-
2007	11,893,068.00	11,893,068.00	100.00%	-
2008	11,822,383.00	11,822,383.00	100.00%	-
2009	12,321,458.00	12,321,458.00	100.00%	-
2010	12,983,460.00	12,983,460.00	100.00%	-
2011	13,251,492.00	13,251,492.00	100.00%	-
2012	13,237,482.00	13,237,482.00	100.00%	-
2013	13,719,834.00	13,719,834.00	100.00%	-

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

J-10

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			
	General Obligation Bonds	Certificates of Participation	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	
							Capital Leases
2004 \$	4,270,527	0	178,705	0	4,449,232	1.48%	699
2005	13,570,395	0	99,958	0	13,670,353	4.41%	2169
2006	12,844,684	0	55,151	0	12,899,835	3.83%	2058
2007	12,088,979	0	80,722	0	12,169,701	3.38%	1952
2008	11,313,154	0	46,438	0	11,359,592	3.06%	1818
2009	10,512,000	0	33,621	0	10,545,621	3.01%	1681
2010	9,822,000	0	19,878	0	9,841,878	2.93%	1667
2011	9,112,000	0	5,144	0	9,117,144	2.71%	1544
2012	8,392,000	0	17,117	0	8,409,117	2.50%	1345
2013	7,405,000	0	13,719	0	7,418,719	2.00%	1164

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

J-11 93.

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2004 \$	4,270,529	-	4,270,529	0.2797%	671.15
2005	13,570,396	-	13,570,396	0.8879%	2,153.35
2006	12,844,684	-	12,844,684	0.8325%	2,048.92
2007	12,088,979	-	12,088,979	0.7736%	1,938.58
2008	11,313,154	-	11,313,154	0.7171%	1,810.97
2009	10,512,000	-	10,512,000	0.6591%	1,675.75
2010	9,822,000	-	9,822,000	0.6133%	1,663.90
2011	9,112,000	-	9,112,000	0.5676%	1,543.62
2012	8,392,000	-	8,392,000	0.5223%	1,429.40
2013	7,405,000	-	7,405,000	0.4865%	1,261.28

Manasquan Board of Education  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2013

J-12 94.

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
Debt repaid with property taxes Manasquan Borough	14,145,915	100.00%	<b>14,145,915</b>
<b>Other debt</b>			
County of Monmouth Borough's Share	449,349,164	1.759%	7,904,017
Utility Authority- Borough's Share	25,516,256	14.48%	3,694,754
Utility Authority- Sanitary Sewer Rehabilitation			<u>517,118</u>
<b>Subtotal, overlapping debt</b>			<b>12,115,889</b>
<b>Manasquan School District Direct Debt</b>			<b><u>7,405,000</u></b>
<b>Total direct and overlapping debt</b>			<b>33,666,804</b>

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis

2013	1,521,996,500
2012	1,606,751,754
2011	1,601,395,414
	<u>4,730,143,668</u>

Average equalized valuation of taxable property

1,576,714,556

Debt limit (3% of average)  
Net bonded school debt  
Legal debt margin

47,301,437  
7,405,000  
39,896,437

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	26,948,536	34,719,727	45,982,021	46,340,526	46,832,788	47,352,211	47,301,437	47,976,863	48,095,426	47,301,437
Total net debt appl. to limit	<u>4,461,096</u>	<u>13,570,396</u>	<u>12,844,684</u>	<u>12,088,979</u>	<u>11,313,154</u>	<u>10,512,000</u>	<u>9,822,000</u>	<u>9,112,000</u>	<u>8,392,000</u>	<u>7,405,000</u>
<b>Legal debt margin</b>	<u><b>22,487,440</b></u>	<u><b>21,149,331</b></u>	<u><b>33,137,337</b></u>	<u><b>34,251,547</b></u>	<u><b>35,519,634</b></u>	<u><b>36,840,211</b></u>	<u><b>37,479,437</b></u>	<u><b>38,864,863</b></u>	<u><b>39,703,426</b></u>	<u><b>39,896,437</b></u>

Total net debt applicable to  
the limit as a % of debt limit

16.55%    39.09%    27.93%    26.09%    24.16%    22.20%    20.76%    18.99%    17.45%    15.65%

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

J-14 96.

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2004	6363	301,440,762	47,374	2.3
2005	6302	309,863,038	49,169	2.4
2006	6269	336,745,604	53,716	2.4
2007	6236	359,754,840	57,690	3.2
2008	6247	370,659,498	59,334	2.9
2009	6273	349,807,572	55,764	4.8
2010	5903	336,205,365	56,955	4.8
2011	5903	344,469,565	58,355	4.9
2012	5871	342,602,205	58,355	4.9
2013	5871	342,602,205	58,355	5.1

	2013			2004		
<u>Employer</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
*No Information Available						

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

J-16

Function/Program	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Instruction</b>										
Regular	104.5	109.5	105.5	105.5	106	113	116	110	110	102
Special education	16	16	16	16	15	18	19	20	18	20
Other special education	1	1	1	1	1	1	2	2	2	2
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	9	10	10	10	10	12	9	9	11	9
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Student & instruction related services	36.4	37.4	37.4	37.4	37.4	33.4	32.3	31.3	31.3	35
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	10.6	10.6	10.6	10.6	10.6	11.6	11.6	11.6	11.6	9
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	4	4	4	4	5	5	5	5	5	7
Administrative Information Technology	1.5	1.5	1.5	1.5	2	2	2	2	2	2
Plant operations and maintenance	16	16	16	16	16	18	19.1	19.1	19.1	18
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>202.0</b>	<b>209.0</b>	<b>205.0</b>	<b>205.0</b>	<b>206.0</b>	<b>217.0</b>	<b>219.0</b>	<b>213.0</b>	<b>213.0</b>	<b>207.0</b>



Fiscal Year	Pupil/Teacher Ratio										
	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>High School</u>	<u>ADE</u>	<u>ADA</u>	<u>% Change in ADE</u>	<u>Student Attendance %</u>
2004	1803	17,599,117	9,761	3.88%	123	11.6	13.4	1726.5	1642.2	0.01%	95.12%
2005	1784	19,221,333	10,774	10.38%	133	11.4	12.2	1723.1	1632.6	-0.20%	94.75%
2006	1794	20,373,094	11,356	5.40%	127	11.6	12.7	1720.6	1633.4	-0.15%	94.93%
2007	1716	21,716,693	12,655	11.44%	120	11.1	12.8	1712.3	1634.8	-0.48%	95.47%
2008	1702	23,252,749	13,662	7.95%	121	11.0	12.6	1702.0	1614.5	-0.60%	94.86%
2009	1711	23,043,147	13,472	-1.39%	131	11.0	12.1	1712.3	1632.0	0.61%	95.31%
2010	1699	23,328,052	13,734	1.95%	132	10.8	11.9	1698.6	1610.2	-0.80%	94.80%
2011	1697	23,372,328	13,773	0.28%	132	10.8	11.9	1696.8	1604.3	-0.11%	94.55%
2012	1666	24,515,369	14,715	6.80%	130	10.8	11.9	1666.1	1576.9	-1.81%	94.65%
2013	1593	25,599,996	16,070	9.20%	124	12	13.5	1593.0	1513	-4.388	94.98%

Manasquan School District  
School Building Information  
Last Ten Fiscal Years

Exhibit J-18

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>District Building</u>										
<u>Elementary</u>										
Manasquan Elementary School										
Square Feet	89,500	89,500	89,500	89,500	111,800	111,800	111,800	111,800	111,800	111,800
Capacity (students)	537	537	537	537	738	738	738	738	738	738
Enrollment	699	686	711	686	690	698	711	688	682	659
<u>High School</u>										
Manasquan High School										
Square Feet	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Enrollment	1,104	1,098	1,083	1,030	1,012	1,014	988	1,009	984	934

Manasquan School District  
Schedule of Required Maintenance  
Last Ten Fiscal Years

Exhibit J-19 101.

Undistributed Expenditures - Required  
Maintenance for School Facilities

<u>Year</u>	School Facilities	<u>Manasquan</u> <u>High School</u>	<u>Manasquan</u> <u>Elementary School</u>
	Project # (s)		
2004		109,058	12,348
2005		102,415	13,655
2006		222,764	6,083
2007		105,647	14,164
2008		359,326	54,936
2009		279,560	84,797
2010		71,550	32,000
2011		305,438	4,291
2012		189,954	24,356
2013		847,925	152,482
Total School Facilities		2,593,637	399,112

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy (1)</b>		
Multi-Peril Policy (Incl. Boiler & Machinery)	43,412,184	1,000
General Automobile Liability	1,000,000	1,000
School Board Legal Liability	1,000,000	5,000
Catastrophic Excess Liability	10,000,000	-
Workers' Compensation	14,352,327	-
<b>Student Accident Insurance (2)</b>		
Maximum Benefit Blanket Coverage		
Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Lifetime Benefit Period		
Disability Plan for All Students	550,000	0
<b>Surety Bonds (3)</b>		
Treasurer	250,000	-
Board Secretary/Business Administrator	250,000	-

(1) Boynton & Boynton (SAIF, CHUBB, MOCSSIF, NJSBAIG)

(2) Bollinger, Inc.

(3) Boynton & Boynton (Selective)

## **SINGLE AUDIT SECTION**

*Robert A. Hulsart and Company*  
 CERTIFIED PUBLIC ACCOUNTANTS

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

Telecopier:  
 (732) 280-8888  
 e-mail:  
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
 P.O. Box 1409  
 Wall, New Jersey 07719-1409  
 (732) 681-4990

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Manasquan Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Manasquan Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 3, 2013.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

December 3, 2013

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

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

Telecopier:

(732) 280-8888

e-mail:

rah@monmouth.com

2807 Hurley Pond Road • Suite 100

P.O. Box 1409

Wall, New Jersey 07719-1409

(732) 681-4990

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR**  
**PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED**  
**BY OMB CIRCULAR A-133**

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

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

We have audited the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's major federal and state programs for the year ended June 30, 2013. The Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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



### *Auditor's Responsibility*

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

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

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

In our opinion, the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

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

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

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

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

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

December 3, 2013

**MANASQUAN SCHOOL DISTRICT**

Schedule A  
K-3

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2012	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2013	
			From	To							(Accounts Receivable)	Deferred Revenue
U.S. Department of Education:												
Passed Through State Department of Education:												
Special Revenue Fund:												
NCLB:												
Title I Cluster:												
Title I	84.010	NCLB13	9/1/2012	8/31/2013	\$ 80,034	\$ -		60,286	(80,034)		(19,748)	
Title I	84.010	NCLB12	9/1/2011	8/31/2012	82,385	(1,775)		1,775				
Title I/A	84.367A	NCLB13	9/1/2012	8/31/2013	23,467			17,562	(23,467)		(5,905)	
Title I/A	84.367A	NCLB12	9/1/2011	8/31/2012	26,827	(810)		891	(81)			
Title I/D	84.318	NCLB10	9/1/2009	8/31/2010	694	(37)		37				
Title I/D	84.318	NCLB11	9/1/2010	8/31/2011	152	(23)		23				
Title III	84.365A	NCLB13	9/1/2012	8/31/2013	19,065			3,312	(10,453)		(7,141)	
Title III	84.365A	NCLB11	9/1/2010	8/31/2011	18,671	(2,404)		2,404				
Title III	84.365A	NCLB12	9/1/2011	8/31/2012	16,916	(9,419)		16,917	(7,498)			
Title III	84.365A	NCLB12	9/1/2012	8/31/2013	63,655			63,655	(63,655)			
Project Serve	84.184S	N/A	9/1/2012	8/31/2013	6,561			6,561	(6,561)			
Race to the Top Phase 3	84.413A	N/A	9/1/2012	8/31/2013								
Special Education Cluster:												
IDEA:												
Part B - Basic	84.027	FT13	9/1/2012	8/31/2013	231,216			155,955	(224,357)		(68,402)	
Part B - Basic	84.027	FT12	9/1/2011	8/31/2012	225,670	(2,396)		2,396				
Preschool	84.173	FT13	9/1/2012	8/31/2013	6,954			2,841	(6,954)		(4,113)	
Preschool	84.173	FT10	9/1/2009	8/31/2010	6,506			591	(591)			
Preschool	84.173	FT11	9/1/2010	8/31/2011	6,913			1,100	(1,100)			
Total Special Revenue						(16,864)	-	336,306	(424,751)	-	(105,309)	-
U.S. Department of Agriculture -												
Passed Through State Department of Education:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/2011	6/30/2012	87,211	(4,187)		4,187				
National School Lunch Program	10.555	N/A	7/1/2012	6/30/2013	95,689			75,132	(95,689)		(20,557)	
HHFKA Lunch Program	10.555	N/A	7/1/2012	6/30/2013	4,225			3,271	(4,225)		(954)	
Food Distribution Program	10.550	N/A	7/1/2012	6/30/2013	9,680			9,680	(9,680)			
Total U.S. Dept. of Agriculture						(4,187)	-	92,270	(109,594)	-	(21,511)	-
Total Federal Financial Assistance						(21,051)	-	428,576	(534,345)	-	(126,820)	-

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

**MANASQUAN SCHOOL DISTRICT**

Schedule B  
K-4

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2012	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year Balances	Balance at June 30, 2013		MEMO	
			From	To						(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Total Cumulative Expenditures
General Fund:		\$			\$								
Extraordinary Aid	13-495-034-5120-044	191,107	7/1/2012	6/30/2013	-			(191,107)		(191,107)			191,107
Extraordinary Aid	12-495-034-5120-044	274,878	7/1/2011	6/30/2012	(274,878)		274,878						
Special Education Categorical Aid	13-495-034-5120-089	506,223	7/1/2012	6/30/2013			506,223	(506,223)				(45,688)	506,223
Transportation Aid	13-495-034-5120-014	20,001	7/1/2012	6/30/2013			20,001	(20,001)				(2,001)	20,001
Security Aid	13-495-034-5120-084	15,476	7/1/2012	6/30/2013			15,476	(15,476)				(1,544)	15,476
Adjustment Aid	13-495-034-5120-085	25,228	7/1/2012	6/30/2013			25,228	(25,228)				(2,482)	25,228
Non Public Transportation	13-495-034-5120-014	814	7/1/2012	6/30/2013				(814)		(814)			814
Non Public Transportation	12-495-034-5120-014	1,917	7/1/2011	6/30/2012	(1,917)		1,917						
Reimbursed TPAF S.S. Contr.	13-100-034-5095-002	799,703	7/1/2012	6/30/2013	(276,795)	-	760,582	(799,703)	-	(39,121)	-	(51,715)	799,703
Total General Fund							1,604,305	(1,558,552)	-	(231,042)	-		1,558,552
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Chapter 192:													
Compensatory Education	13-100-034-5120-067	32,607	7/1/2012	6/30/2013			32,607	(6,691)			25,916		6,689
Compensatory Education	12-100-034-5120-067	43,112	7/1/2011	6/30/2012	27,896			(4,946)	(27,896)				4,946
Transportation	13-100-034-5120-067	4,946	7/1/2012	6/30/2013			4,946						
Chapter 193:													
Initial Exam and Classification	12-100-034-5120-066	19,147	7/1/2011	6/30/2012	13,022				(13,022)				
Annual Exam and Classification	12-100-034-5120-066	3,873	7/1/2011	6/30/2012	3,873				(3,873)				
Initial Exam and Classification	13-100-034-5120-066	8,912	7/1/2012	6/30/2013			8,912	(8,912)					8,912
Annual Exam and Classification	13-100-034-5120-066	4,788	7/1/2012	6/30/2013			4,788	(3,184)			1,604		3,184
Corrective Speech	13-100-034-5120-066	9,530	7/1/2012	6/30/2013			9,530	(9,530)					9,530
Corrective Speech	12-100-034-5120-066	13,427	7/1/2011	6/30/2012	7,108				(7,108)				
Supplementary Instruction	13-100-034-5120-066	11,101	7/1/2012	6/30/2013			11,101	(5,551)			5,550		5,551
Supplementary Instruction	12-100-034-5120-066	11,926	7/1/2011	6/30/2012	2,806				(2,806)				
Non-Public Technology	13-100-034-5120-373	3,413	7/1/2012	6/30/2013			3,413	(2,990)			423		2,990
Non-Public Textbooks	13-100-034-5120-064	9,247	7/1/2012	6/30/2013			9,247	(8,187)			1,060		8,187
Non-Public Nursing	13-100-034-5120-070	11,368	7/1/2012	6/30/2013			11,368	(11,362)			6		11,362
Total Special Revenue					54,705	-	95,912	(61,353)	(54,705)	-	-	-	61,351
State Department of Agriculture:													
Enterprise Fund													
National School Lunch Program													
State Share	13-100-034-3360-023	3,553	7/1/2012	6/30/2013	(183)		2,821	(3,553)		(732)			3,553
State Share	12-100-034-3360-023	3,714	7/1/2011	6/30/2012	(183)		183						
Total Enterprise Fund						-	3,004	(3,553)	-	(732)	-	-	3,553
Total State Financial Assistance					\$ (222,273)	-	1,703,221	(1,623,458)	(54,705)	(231,774)	-	(51,715)	1,623,456

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

**BOARD OF EDUCATION****K-5****MANASQUAN SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2013****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Manasquan School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: Basis of Accounting**

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

**NOTE 3: Relationship to General Purpose Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,676) for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented on the following page:

**NOTE 3:      Relationship to General Purpose Financial Statements**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule				
of Expenditures of State				
Financial Assistance	\$ 1,558,552	61,353	3,553	1,623,458
Difference – Budget to “GAAP”				
Grant Accounting Budgetary				
Basis Differs from GAAP				
in that Encumbrances are				
Recognized as Expenditures				
and the Related Revenue				
is Recognized				
On Behalf Payments				
Recognized for GAAP				
Statements but Not				
Included in the Schedule				
of Expenditures of State				
Financial Assistance	1,553,083			1,553,083
The Last State Aid Payment				
Is Recognized as Revenue				
for Budgetary Purposes,				
and Differs from GAAP				
Which does not Recognize				
This Revenue Until the				
Subsequent Year When the				
State Recognizes the Related				
Expense (GASB 33)	<u>(10,676)</u>	<u>          </u>	<u>          </u>	<u>(10,676)</u>
Total State Revenue as Reported				
on the Statement of Revenues,				
Expenditures and Changes in				
Fund Balances	<u>\$ 3,100,959</u>	<u>61,353</u>	<u>3,553</u>	<u>3,165,865</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 0	424,751	109,594	534,345
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	—	—	—	—
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 0</u>	<u>424,751</u>	<u>109,594</u>	<u>534,345</u>

**NOTE 4: Relationship to Federal and State Financial Reports**

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

**NOTE 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013***Part I - Summary of Auditor's Results***Financial Statement Section**Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

           Yes       x       No2) Significant deficiencies identified that were  
not considered to be material weaknesses?           Yes       x       None  
Reported(C) Noncompliance material to general purpose financial  
statements noted?           Yes       x       No**Federal Awards**

Internal control over compliance:

1) Material weakness(es) identified?

           Yes       x       No2) Reportable condition(s) identified that are  
not considered to be material weaknesses?           Yes       x       None  
Reported

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

UnmodifiedAny audit findings disclosed that are required to be reported  
in accordance with section .510(a) of Circular A-133?           Yes       x       No

Identification of major programs:

**CFDA Number(s)**

84.027

84.173

**Name of Federal Program or Cluster**

IDEA Part B (Special Education Cluster)

IDEA Preschool (Special Education Cluster)

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

\$300,000

Auditee qualified as low-risk auditee?

      x       Yes            No



## K-6

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

(D) Dollar threshold used to determine Type A programs:

\$300,000

(E) Auditee qualified as low-risk auditee?

x	Yes	No
1	1	0
2	1	0
3	1	0
4	1	0
5	1	0
6	1	0
7	1	0
8	1	0
9	1	0
10	1	0
11	1	0
12	1	0
13	1	0
14	1	0
15	1	0
16	1	0
17	1	0
18	1	0
19	1	0
20	1	0
21	1	0
22	1	0
23	1	0
24	1	0
25	1	0
26	1	0
27	1	0
28	1	0
29	1	0
30	1	0
31	1	0
32	1	0
33	1	0
34	1	0
35	1	0
36	1	0
37	1	0
38	1	0
39	1	0
40	1	0
41	1	0
42	1	0
43	1	0
44	1	0
45	1	0
46	1	0
47	1	0
48	1	0
49	1	0
50	1	0
51	1	0
52	1	0
53	1	0
54	1	0
55	1	0
56	1	0
57	1	0
58	1	0
59	1	0
60	1	0
61	1	0
62	1	0
63	1	0
64	1	0
65	1	0
66	1	0
67	1	0
68	1	0
69	1	0
70	1	0
71	1	0
72	1	0
73	1	0
74	1	0
75	1	0
76	1	0
77	1	0
78	1	0
79	1	0
80	1	0
81	1	0
82	1	0
83	1	0
84	1	0
85	1	0
86	1	0
87	1	0
88	1	0
89	1	0
90	1	0
91	1	0
92	1	0
93	1	0
94	1	0
95	1	0
96	1	0
97	1	0
98	1	0
99	1	0
100	1	0

(F) Internal control over major programs:

(1) Material Weakness(es) identified?

Yes                      x                      No

(2) Significant Deficiencies identified that were not considered to material weaknesses?

Yes                      x                      No

(G) Type of auditor's report on compliance for major programs:

Unmodified

(H) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04?

Yes                      x                      No

(I) Identification of major programs:

Name of State Program

13-495-034-5120-089

Special Education Categorical Aid

13-495-034-5095-002

FICA

.....

.....

\_\_\_\_\_

.....

---

---

© 2006 The Authors  
Journal compilation © 2006 Blackwell Publishing Ltd

.....

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

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013*****Part II - Schedule of Financial Statement Findings***

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

Finding: No matters were reported.

Criteria or specific requirement: N/A

Condition: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Views of Responsible Officials and Planned Corrective Actions:

**BOROUGH OF MANASQUAN SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS****K-6****FOR THE FISCAL YEAR ENDED JUNE 30, 2013*****Part III - State Financial Assistance Findings and Questioned Costs***

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

**STATE AWARDS**

Finding: No matters were reported.

Information on the State Program: N/A

Criteria or specific requirement:

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause:

Recommendation: N/A

Management's response: N/A

**BOROUGH OF MANASQUAN SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

K-7

**Prior Audit Findings:**

None