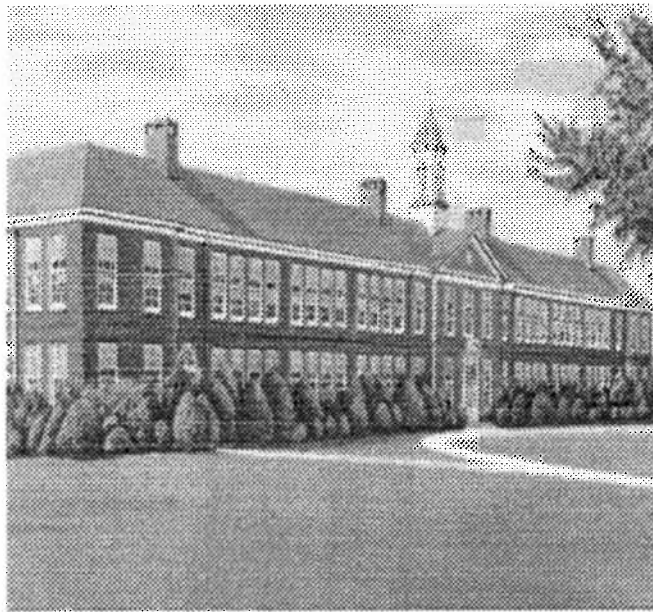


**SCHOOL DISTRICT
OF**

MANASQUAN



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
MANASQUAN BOARD OF
EDUCATION**

MANASQUAN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY

**MANASQUAN BOARD OF EDUCATION
FINANCE DEPARTMENT**

MANASQUAN SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 to 11.
Organizational Chart	12.
Roster of Officials	13.
Consultants & Advisors	14.
FINANCIAL SECTION	
Independent Auditor's Report	15 to 17.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	18 to 25.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements	
A-1 Statement of Net Position	26.
A-2 Statement of Activities	27 & 28.
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	29.
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	30 & 31.
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	32.
Proprietary Funds:	
B-4 Statement of Net Position	33.
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	34.
B-6 Statement of Cash Flows	35.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36.
B-8 Statement of Changes in Fiduciary Net Position	37.
Notes to Financial Statements	38 to 55.

MANASQUAN SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. <u>Budgetary Comparison Schedules</u>	
C-1 Budgetary Comparison Schedule – General Fund	56 to 68.
C-1a Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	69.
Notes to the Required Supplementary Information	
C-3 Required Supplementary Information Budgetary Comparison Schedule Note to RSI	70.
Other Supplementary Information	
D. <u>School Level Schedules</u>	
N/A	
E. <u>Special Revenue Fund</u>	
E-1 Combining Schedule of Revenues and Expenditures – Special Revenue Fund – Budgetary Basis	71 & 72.
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
F. <u>Capital Projects Fund</u>	
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>
G. <u>Proprietary Funds</u>	
G-1 Combining Statement of Net Position	73.
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	74.
G-3 Combining Statement of Cash Flows	75.
H. <u>Fiduciary Fund</u>	
H-1 Combining Statement of Fiduciary Net Position	76.
H-2 Statement of Changes in Fiduciary Net Position	77.
H-3 Student Activity Agency Fund – Schedule of Receipts and Disbursements	78.
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	79.
I. <u>Long-Term Debt</u>	
I-1 Schedule of Long-Term Debt Group	80.
I-2 Schedule of Obligations Under Capital Leases	81.
I-3 Debt Service Fund Budgetary Comparison Schedule	82.

STATISTICAL SECTION

(Unaudited)

J-1 Net Position by Component	83.
J-2 Changes in Net Position	84 & 85.
J-3 Fund Balances, Governmental Funds	86.
J-4 Changes in Fund Balance, Governmental Funds	87.
J-5 General Fund Other Local Revenue by Source	88.
J-6 Assessed Value and Actual Value of Taxable Property	89.
J-7 Direct and Overlapping Property Tax Rates	90.
J-8 Principal Property Taxpayers	91.
J-9 Property Tax Levies and Collections	92.
J-10 Ratios of Outstanding Debt by Type	93.
J-11 Ratios of Net General Bonded Debt Outstanding	94.
J-12 Direct and Overlapping Governmental Activities Debt	95.
J-13 Legal Debt Margin Information	96.
J-14 Demographic and Economic Statistics	97.
J-15 Principal Employers	98.
J-16 Full-Time Equivalent District Employees by Function/Program	99.
J-17 Operating Statistics	100.
J-18 School Building Information	101.
J-19 Schedule of Required Maintenance	102.
J-20 Insurance Schedule	103.

MANASQUAN SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
SINGLE AUDIT SECTION	
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>	104 & 105.
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	106 to 108.
K-3 Schedule of Federal Financial Assistance, Schedule A	109.
K-4 Schedule of State Financial Assistance, Schedule B	110.
K-5 Notes to Schedules of Financial Assistance	111 to 113.
K-6 Schedule of Findings and Questioned Costs	114 to 117.
K-7 Summary Schedule of Prior Audit Findings	118.

INTRODUCTORY SECTION

MANASQUAN BOARD OF EDUCATION

Central Administration Offices, 169 Broad Street, Manasquan, NJ 08736
 Lynn Coates, Business Administrator/Board Secretary
 732.528.8803 – FAX: 732.223.7422

October 23, 2014

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, 2014. 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 and fourth Tuesdays of each month except when district functions or holidays interfere with that schedule. The actual schedule is posted on our website for the year. During its agenda and action meetings the Board determines district goals and priorities and conducts the business of the Board of Education. These meetings begin at 7:00 p.m.

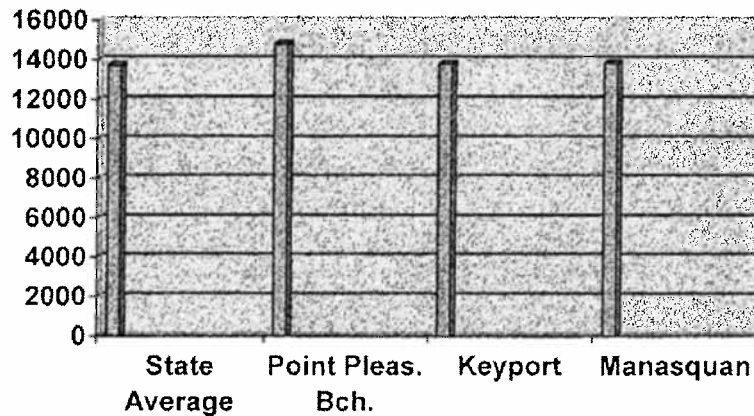
The PTO's are highly active in the District and provide community support for a variety of programs and activities for the children.

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 2014 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 \$13,852 per pupil (certified costs for 2012-13) while the average cost for similar districts was \$17,678. According to the report of the 49 other K-12 school districts in the state with enrollments between 0 and 1800 children, Manasquan was ranked the 28th lowest in total cost per pupil.

Per Pupil Comparative Spending 2014 (Certified 2012-13 Costs)



Manasquan Elementary School

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

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

With regard to technology, ActivBoards have been installed in every general and special education classroom, as well as several 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 and Windows 8 Microsoft Active Directory computer environment using Microsoft Office 2013 among many other educational software titles. In the spring of 2013, a significant data rewiring project was completed for major sections of the building. New data wiring and network switching equipment was added to support additional devices, increase reliability of network connections, and increase network capacity. A mobile iPad cart (holding 30 iPad 2s) was funded by a donation from the PTO. In addition, iPad 2 tablets have been purchased for learning centers in every K-5 classroom and ESL classes, as well as a mobile tablet cart, funded by Title III. Furthermore, a new Student Mobile Technology Initiative has been implemented, providing Dell Venue Pro tablets to all of our eighth grade students and middle school teachers. Our goal is to increase distribution of the tablets next year to our middle school students in grades 6 & 7.

Additional technological advances include increased usage of our Genesis Student Data Management System and our school website, hosted by Schoolwires. The district subscribes to Discovery Education and teachers continue to incorporate the web-based streaming video service which gives them access to more than 75,000 content-specific video clips aligned directly to state and national standards. Four document scanners were also purchased for utilization by teachers in their classrooms. The guidance program, Naviance was implemented in the prior year to provide a learning style inventory and career awareness activities for middle school students. Eighth grade students continue to participate in Digital Storytelling, in which they have an opportunity to participate in this project-based learning experience utilizing video- and sound-editing software. The Genesis Parent Portal, opened during the 2010-2011 school year for attendance only, was expanded to include real-time gradebook access, electronic report card distribution, and attendance monitoring, all significantly reducing postal mailings. Furthermore, in order to provide teachers with more opportunities to assess individual student skills and track their academic progress, the on-line testing program, MAP (Measurement of Academic Progress) was purchased for K-8 student assessment in language arts and mathematics. MAP is also utilized to provide additional practice for on-line testing in order to further prepare our students for the new and upcoming state-mandated PARCC assessment.

Several new instructional programs were implemented this past year, including a new K-5 language arts program, Houghton-Mifflin's Journeys which was selected for implementation to assist teachers in curriculum alignment to the Common Core State Standards for English Language Arts. To further assure alignment to the Common Core State Standards, a new mathematics program for Grades K-6 (Pearson's enVision) was also purchased this year. In order to enhance differentiation of instruction, more time has been designated for guided reading lessons with the assistance of the school's Reading Specialist, who worked collaboratively with the classroom teachers. The language arts

program was further expanded by the implementation of additional formative assessment opportunities using the Fountas & Pinnell Benchmark Assessment Program. 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 Basic Skills program, FUNdamentals, was completely revised by our school's new Basic Skills Teacher and our school's Reading Specialist. 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". Our school is currently working with "Turning the Tides" in order to begin the implementation of a "Sources of Strength" student messaging program to enhance a positive school climate for teen suicide and violence prevention. Each grade level also participated in an educational field trip aligned with the curriculum and a walking trip to see a live performance at our community theater, The Algonquin Arts. In addition to our Field Day for grades 5-7, a successful K-4 field day program was implemented once again this year. Furthermore, the students participated in an Interactive Art Show in which student art work was displayed and students dressed in costume, playing the role of famous artists. Students also demonstrated various art techniques at several stations, allowing parents to participate in creating art projects. Our fifth graders once again did an outstanding job with their Wax Museum, portraying famous people in history.

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

Manasquan High School

Manasquan High School is a traditional, older school that is well-maintained. Maintenance on the interior and exterior of the building is continual, and upgrades are scheduled (carpeting, painting, etc.) on a regular basis. In the summer of 2014, hallways were repainted, plaques and pictures of former clubs and teams were reset, and masonry work was done on the outside of the building.

Manasquan High School continues to perform well on the 11th grade, state-mandated HSPA (High School Proficiency Assessment). MHS had 37.4% of its students score in the Advanced Proficient range in Math and 45.6% score in the Advanced Proficient range in Language Arts.

All students enrolled in our AP courses took the College Board AP exam. In 2013-14, students scored an average of 3.57, the highest in school history. The high school also

had 90% of all tests score a “3” or above, and 55.7% of students score a “4” or above. MHS continues to exceed both state and DFG performances on the end-of-course Biology exam.

The high school also continued its partnership with Rutgers University to offer college credit through courses offered in our Academy of Health Careers. In recent years, we have added two courses to our curriculum- Nutrition Across the Lifespan and Medical Terminology. Over 40 students received college credit in 2013-14.

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 2014, the Academy of Finance graduated over 30 students and was awarded “Model Academy” status by the National Academy Foundation.

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.

During the Spring of 2014, the District began a 1:1 student mobile pilot by deploying a Dell Venue 11 Pro tablet to all high school teachers and piloted a similar device with students for instruction and during PARCC field testing. The district plans to issue these devices to all freshmen students in the high school during the 2014-2015 school year.

In the spring of 2014, Manasquan High School was the only public high school in the state to be awarded the Makerspace technology Grant. Funds were employed by our Media Center Specialist who purchased a 3-D printer that will be used by students and staff through our engineering and design classes.

Special Education

The Special Education program is an integral part of each school. In the 2013-2014 school year the number of educationally disabled students in the district was 169 High School Students, 115 Elementary School Students, 4 Pre-School Disabled Students and 46 (13 Manasquan, 33 Sending Districts) other students were sent to facilities outside the district. Most of the 284 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. During the 2013-2014 school year, all state-mandated programs were addressed during faculty meetings and in-service workshops. Teachers participated in professional development programs concerning our teacher evaluation instrument, the Teachscape Platform, Student Growth Objectives & Assessments during in-service days, PLC meetings and department meetings. The designated training days were September 3, September 4, September 19, October 14, October 24, January 27 and February 20. In addition, in PLC and department meetings all teaching staff members shared effective teaching strategies. In May and August 2014 teachers also received training in the use of our computer tablets as part of our 1:1 initiative. Teachers new to our district attended a three-day New Teacher Induction Program in August 2013. During the academic year these teachers were also involved in monthly meetings during which the following topics were discussed: Communicating with Parents, Classroom Management, Effective Teaching Strategies, Critical Thinking and Higher Level questioning, and Student-directed Learning. Staff members were also encouraged and permitted to attend workshops outside the district in addition to the in-house services provided.

Technology

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

The district 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.

To support our transition to a virtual server environment, the district purchased network storage array to provide central file storage for more efficient file access, redundancy, and backups. During the 2013-2014 school year the District also upgraded its wireless network to a combination of Wireless-n and Wireless-ac technology to support greater wireless bandwidth.

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 206.5 people during the 2013-2014 school year. The certificated staff numbered 162 and educational support personnel 44.5.

Pupil Enrollment

The district completed the 2013-2014 fiscal year with an Average Daily Enrollment of 1635.4 which is 42.4 students more than 2012-2013 enrollment. The following details the changes in the student enrollment of the district over the last 20 years. The table presents the actual historical pupil enrollment as of June 30 of each year:

FISCAL YEAR	ENROLLMENT JUNE 30	PERCENTAGE CHANGE
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%
2013-14	1635.4	2.662%

2. ECONOMIC CONDITION AND OUTLOOK:

The population of families with school age children is relatively stable in Manasquan; however, the total school enrollment has increased by 42.4 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 areas of instruction; teachers will investigate use of tablets in the classroom in preparation for our 1:1 initiative
- B.) Teachers will continue to develop effective teaching strategies, design instruction based on collected data to meet the needs of all learners, and align instruction to the Common Core Standards; teachers will develop activities and assessments which foster the skills required by the new state assessment PARCC; the district will articulate with the sending districts to ensure vertical alignment of curriculum and instruction.
- C.) The district will continue, through teacher evaluation, SGO analysis, data analysis, and professional development, to focus on effective teaching which promotes high student achievement.
- D.) The district will continue to focus on Community Relations within the district and sending districts.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the district is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft or misuse; and to ensure that adequate accounting data are compiled to allow for the

preparation of financial statements in conformity with generally-accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

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

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

6. CASH MANAGEMENT:

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

7. **RISK MANAGEMENT:**

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

8. **OTHER INFORMATION:**

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

9. **ACKNOWLEDGMENTS:**

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

Respectfully submitted,

Renae LaPrete

Renae LaPrete
Acting Superintendent

Margaret M. Hom

Margaret M. Hom (To 11/1/2013)
Business Administrator/Bd. Secy.

Dominic Carrea

Dominic Carrea (From 11/1/2013)
Acting Business Admin./Bd. Secy.

2013-2014
Organizational
Chart

Manasquan
Board of Education

Superintendent of Schools

Business Administrator

Maintenance

Maintenance
Supervisors

Custodial

Grounds

Principal
Elementary School

Asst. Principal
Elementary
School

Director
Technology/Science

District School Safety
Officer

District Supervisor
Special Education

Principal
High School

High School Supervisors
English/World Languages
Math/Business

Athletic Director
Supervisor- Physical Ed.

Dean of Students

Assistant Principals
High School

Supervisor
Art/ Home Economics/
Music/ School
Nurse/ESL

Supervisor
Social Studies/Industrial
Arts

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

**ROSTER OF OFFICIALS
JUNE 30, 2014**

Members of the Board of Education	Term Expires
Thomas Pellegrino, President	2015
Linda DiPalma, Vice President	2014
Donna Bossone	2014
Jack Campbell	2014
Ken Clayton	2015
Michael J. Forrester (SLH)	2014
Mark Furey (Belmar)	2014
Heather Garrett-Muly	2016
Fred Sorino	2016
James Walsh	2016
Patricia T. Walsh	2015
Tedd Vitale (Brielle)	2014

Other Officials

Renae LaPrete, Interim Superintendent

Margaret Moran Hom, Business Administrator/Board Secretary
Dominic Carrea, Interim Business Administrator

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

Kenny, Gross, Kovats & Parton
130 Maple Avenue – Building 8
Red Bank, New Jersey 07701

OFFICIAL DEPOSITORY

Wells Fargo Bank
Allaire Plaza
Wall, New Jersey 07719

FINANCIAL SECTION

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, 2014, 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, 2014, 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 October 23, 2014 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

October 23, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**MANASQUAN PUBLIC SCHOOL DISTRICT
BOROUGH OF MANASQUAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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, 2014. 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 2014 are as follows:

- ◆ General revenues accounted for \$25,553,486 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 \$1,842,968 or 7% to total revenues of \$27,396,454.
- ◆ Total assets of governmental activities increased by \$2,361,881 as cash and cash equivalents, and receivables increased by \$3,107,568, accounts payable and long-term liabilities increased by \$1,660,686 and capital assets decreased by \$745,687. It should be noted that the unusually large increase in cash and receivables is due to a prepayment of the July tax levy from the Borough of Manasquan in the amount of \$2,605,509.
- ◆
- ◆ The School District had \$26,374,716 in expenses; only \$1,842,968 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$25,553,486 were adequate to provide for these programs.
- ◆ The General Fund had \$25,224,965 revenues and \$24,477,176 in expenditures. The General Fund's balance increased \$747,789 from 2013. 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 Assets* 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 Assets 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 2014?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for 2013 and 2014.

Table 1		
Net Assets		
	<u>2013</u>	<u>2014</u>
Assets		
Current and other assets	\$ 1,462,008	\$ 4,556,481
Capital assets, net	<u>20,061,263</u>	<u>19,312,823</u>
Total Assets	<u>\$21,523,271</u>	<u>\$ 23,869,304</u>
Liabilities		
Long-term liabilities	\$ 7,886,539	\$ 6,362,086
Other liabilities	<u>438,646</u>	<u>3,623,785</u>
Total Liabilities	<u>\$ 8,325,185</u>	<u>\$ 9,985,871</u>
Net Position		
Invested in capital assets, net of debt	\$12,570,855	\$12,649,599
Restricted	528,550	1,765,962
Unrestricted	<u>98,681</u>	<u>(532,128)</u>
Total Net Position	<u>\$13,198,086</u>	<u>\$13,883,433</u>

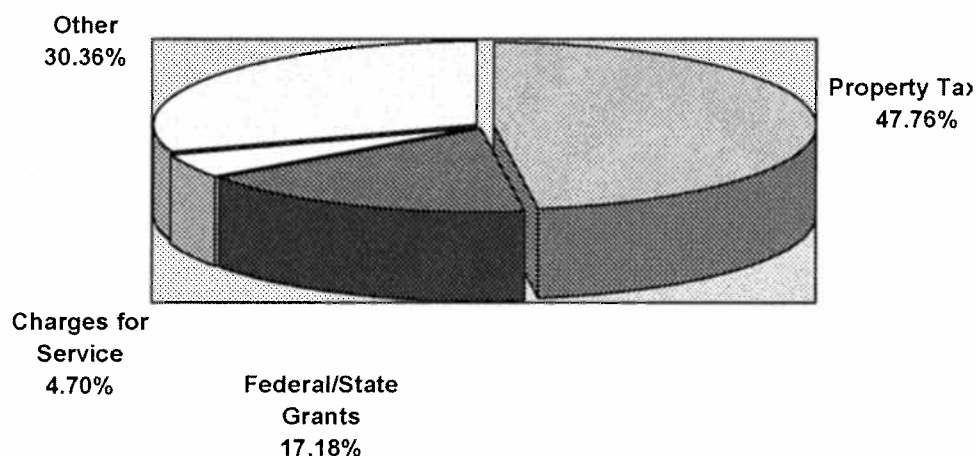
Table 2 shows the changes in net position from fiscal year 2013 to 2014.

Table 2		
Changes in Net Position		
	<u>2013</u>	<u>2014</u>
Revenues		
Program revenues		
Charges for services	\$ 1,326,331	\$ 1,286,438
Operating grants and contributions	653,142	556,530
General revenues		
Property taxes	13,719,834	13,085,044
Grants and entitlements	3,100,959	4,149,705
Other	<u>8,354,189</u>	<u>8,318,737</u>
Total Revenues	<u>27,154,455</u>	<u>27,396,454</u>
Program Expenses		
Instruction	10,055,591	10,781,670
Support services		
Pupils and instructional staff	3,759,864	3,556,562
General administration, school administration, business	9,239,895	7,971,064
Operations and maintenance of Facilities	2,698,669	1,941,900
Pupil Transportation	392,999	432,476
Interest on debt	244,608	258,283
Food service/Surf Team	649,877	728,340
Other	<u>818,422</u>	<u>704,421</u>
Total Expenses	<u>27,859,925</u>	<u>26,374,716</u>
Inc./(Dec.) in Net Position	<u>(705,470)</u>	<u>1,021,738</u>

Governmental Activities

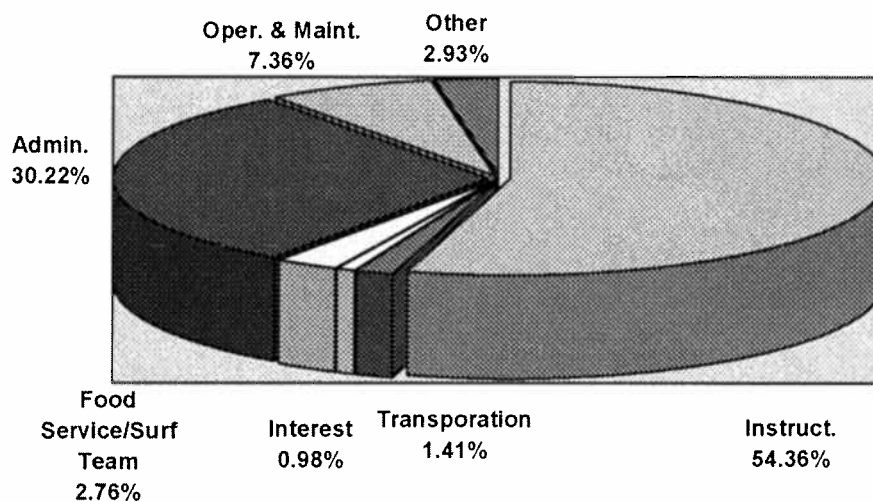
Property taxes made up 47.76% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2014. The District's total revenues were \$27,396,454 for the fiscal year ended June 30, 2014. Federal, state and local grants accounted for another 17.18%. Tuition, interest revenue and miscellaneous income make up 30.36% and charges for services equal 4.70%.

Sources of Revenues for Fiscal Year 2014



The total cost of all programs and services was \$26,374,716. Instruction comprised 54.36% of District expenses. Administration equaled 30.22% and the balance of 15.42% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

Expenses for Fiscal Year 2014



Business-Type Activities

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

- ◆ Food service revenue was short of expenditures by \$25,686.
- ◆ Charges for services represent \$548,419 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 \$130,662.
- ◆ 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 \$1,032.

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 2013 have been shown below.

Table 3

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2014	Net Cost of Services 2014
Instruction	\$ 10,055,591	\$ 9,839,195	\$10,781,670	\$10,419,275
Support services				
Pupils and instructional staff	3,759,864	2,648,192	3,556,562	2,771,099
General administration, school administration, business	9,239,895	9,239,895	7,971,064	7,971,064
Operation and maintenance of facilities	2,698,669	2,698,669	1,941,900	1,941,900
Pupil transportation	392,999	392,999	432,476	432,476
Interest and fiscal charges	244,608	244,608	258,283	258,283
Other	<u>818,422</u>	<u>818,422</u>	<u>704,421</u>	<u>704,421</u>
Total Expenses	<u>\$ 27,210,048</u>	<u>\$ 25,881,980</u>	<u>25,646,376</u>	<u>24,498,518</u>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts with Schedule B-2. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$26,701,353 and expenditures of \$25,934,633. The net change in fund balance for the year was in the General Fund, an increase of \$747,789. The debt service fund balance increased by \$18,931.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2013
Local Sources	\$22,146,797	82.94%	\$(769,182)
State Sources	2,897,658	10.85%	(264,654)
Federal Sources	<u>1,656,898</u>	<u>6.21%</u>	<u>1,232,147</u>
Total Revenue	<u>\$26,701,353</u>	<u>100.00%</u>	<u>\$198,311</u>

The decrease in Local Sources of \$769,182 was attributed to an decrease in the local general fund tax levy, a decrease in the debt service tax levy and a decrease in tuition revenues.

The decrease in State Sources of \$264,654 was attributed to changes in state aid revenues.

The increase in Federal Sources of \$967,493 was attributed to the CDL loan.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2014.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2013
Current:			
Instruction	\$10,749,434	41.45%	\$ 700,870
Undistributed expenditures	13,900,639	53.60%	(2,190,788)
Capital outlay	252,991	0.97%	(190,680)
Debt service:			
Principal	815,000	3.14%	70,000
Interest	216,569	0.84%	(102,666)
Total Expenditures	<u>\$25,934,633</u>	<u>100.00%</u>	<u>\$(1,713,264)</u>

The increase in Current - Instruction of \$700,870 was attributed to an increase in supplies, textbooks and 1-1 Technology.

The decrease in Current-Undistributed Expenditures of \$2,190,788 was primarily attributed to a decrease in employee benefits, the TPAF non-paid pension contribution and maintenance and repair.

The decrease of \$190,680 in capital outlay was based on requested expenditures.

The decrease in debt service of \$102,666 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 2014, 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 \$281,537 from surplus.

- ◆ Actual revenues were \$766,720 more than expenses. The original budget projected the use of \$281,537 from surplus. The actual general fund expenditures were \$25,934,633.

Capital Assets

At the end of the fiscal year 2014, the School District had \$19,146,290 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2014 balances compared to 2013 and 2012.

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

	2012	2013	2014
Land	\$ 1,068,680	\$1,068,680	\$1,068,000
Site Improvements	281,920	246,721	242,291
Buildings	16,960,563	17,809,219	17,232,299
Machinery and Equipment	969,636	767,357	603,500
Totals Capital Assets	\$19,280,799	\$19,891,977	\$19,146,290

Overall capital assets decreased \$745,687 from fiscal year 2013 to fiscal year 2014. This decrease was due primarily due to retirements and depreciation.

Debt Administration

At June 30, 2014, the School district had \$7,164,663 outstanding debt. Of this amount \$501,439 is for compensated absences, \$6,590,000 for bonds payable and \$73,224 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 Lynn Coates, School Business Administrator/Board Secretary at Manasquan Board of Education, 169 Broad Street, Manasquan, NJ 08736.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

MANASQUAN SCHOOL DISTRICT**STATEMENT OF NET POSITION****Exhibit A-1****JUNE 30, 2014**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 2,508,982	23,740	2,532,722
Receivables, Net	218,789	35,410	254,199
Inventory		3,598	3,598
Restricted Assets:			
Cash and Cash Equivalents	1,284,857		1,284,857
Capital Reserve Account - Cash	481,105		481,105
Capital Assets Not Depreciated	1,068,000		1,068,000
Capital Assets, Net	<u>18,078,290</u>	<u>166,533</u>	<u>18,244,823</u>
 Total Assets	 <u>\$ 23,640,023</u>	 <u>229,281</u>	 <u>23,869,304</u>
 <u>Liabilities</u>			
Accounts Payable	\$ 102,296		102,296
Accrued Interest	113,403		113,403
Deferred Revenue	2,605,509		2,605,509
Noncurrent Liabilities:			
Due Within One Year	802,577		802,577
Due Beyond One Year	<u>6,362,086</u>		<u>6,362,086</u>
 Total Liabilities	 <u>\$ 9,985,871</u>	 <u>-</u>	 <u>9,985,871</u>
 <u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	\$ 12,483,066	166,533	12,649,599
Restricted For:			
Debt Service	19,966		19,966
Other Purposes	1,745,996		1,745,996
Unrestricted	<u>(594,876)</u>	<u>62,748</u>	<u>(532,128)</u>
 Total Net Position	 <u>\$ 13,654,152</u>	 <u>229,281</u>	 <u>13,883,433</u>

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

MANASQUAN SCHOOL DISTRICT

**Exhibit A-2
Sheet 1 of 2**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$7,797,346			(7,797,346)		(7,797,346)
Special Education	2,130,571		362,395	(1,768,176)		(1,768,176)
Other Special Instruction	147,703			(147,703)		(147,703)
Other Instruction	706,050			(706,050)		(706,050)
Support Services:						
Tuition	721,990	721,990		-		-
Student & Instruction Related Services	2,834,572		63,473	(2,771,099)		(2,771,099)
General Administrative Services	611,877			(611,877)		(611,877)
School and Business Administrative Services	1,593,831			(1,593,831)		(1,593,831)
Plant Operations and Maintenance	1,941,900			(1,941,900)		(1,941,900)
Pupil Transportation	432,476			(432,476)		(432,476)
Unallocated Benefits	5,765,356			(5,765,356)		(5,765,356)
Interest on Long-Term Debt	258,283			(258,283)		(258,283)
Unallocated Depreciation	704,421			(704,421)		(704,421)
Total Government Activities	25,646,376	721,990	425,868	(24,498,518)	-	(24,498,518)
Business-Type Activities:						
Food Service	704,878	548,519	130,662		(25,697)	(25,697)
Surf Team	23,462	15,929			(7,533)	(7,533)
Total Business-Type Activities	728,340	564,448	130,662	-	(33,230)	(33,230)
Total Primary Government	26,374,716	1,286,438	556,530	(24,498,518)	(33,230)	(24,531,748)

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, 2014

	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				\$ 12,034,544		12,034,544
Taxes Levied for Debt Service				1,050,500		1,050,500
Tuition				8,219,829		8,219,829
Federal and State Aid Not Restricted				4,149,705		4,149,705
Miscellaneous Income				98,897	11	98,908
Total General Revenues, Special Items and Transfers				25,553,475	11	25,553,486
Change in Net Position				1,054,957	(33,219)	1,021,738
Net Position - Beginning				12,599,195	262,500	12,861,695
Net Position - Ending				\$ 13,654,152	229,281	13,883,433

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents-Restricted	\$ 3,816,629	41,995	19,966	3,878,590
Cash and Cash Equivalents-Unrestricted	396,354			396,354
Accounts Receivable	1,489	14,674		16,163
Receivables from Other Governments	202,626			202,626
Total Assets	<u>\$ 4,417,098</u>	<u>56,669</u>	<u>19,966</u>	<u>4,493,733</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 49,068	28,522		77,590
Due to New Jersey		24,706		24,706
Deferred Revenue	2,602,068	3,441		2,605,509
Total Liabilities	<u>2,651,136</u>	<u>56,669</u>	<u>-</u>	<u>2,707,805</u>
Fund Balance:				
Restricted For:				
Tuition Reserve	100,000			100,000
Emergency Reserve	50,000			50,000
Capital Reserve Account	481,105			481,105
Maintenance Reserve	10,000			10,000
Assigned To:				
Designated for Subsequent Years Expenditures:				
Tuition Reserve	100,000			100,000
Excess Surplus	373,503			373,503
Designated by the Board of Education for Subsequent Year's Expenditures	255,000			255,000
Unassigned:				
General Fund	396,354			396,354
Debt Service Fund			19,966	19,966
Total Fund Balances	<u>1,765,962</u>	<u>-</u>	<u>19,966</u>	<u>1,785,928</u>
Total Liabilities and Fund Balance	<u>\$ 4,417,098</u>	<u>56,669</u>	<u>19,966</u>	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$30,611,450 and the accumulated depreciation is \$11,465,159				19,146,290
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)				(7,164,663)
Accrued Interest				(113,403)
Net Position of Governmental Activities				<u>\$ 13,654,152</u>

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, 2014

<u>Revenues</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Local Sources:				
Local Tax Levy	\$ 12,034,544		1,050,500	13,085,044
Tuition Charges	8,941,819			8,941,819
Shared Services/Athletic Jointure	17,000			17,000
Miscellaneous	81,897	21,037		102,934
Total Local Sources	21,075,260	21,037	1,050,500	22,146,797
State Sources	2,845,757	51,881		2,897,638
Federal Sources	1,303,948	352,950		1,656,898
Total Revenues	25,224,965	425,868	1,050,500	26,701,333
<u>Expenditures</u>				
Current:				
Regular Instruction	7,763,727			7,763,727
Special Education Instruction	1,768,176	363,763		2,131,939
Other Special Instruction	147,703			147,703
Other Instruction	706,050			706,050
Support Services and Undistributed Costs:				
Tuition	721,990			721,990
Student and Instruction Related Services	2,774,599	58,605		2,833,204
General Administrative Services	611,877			611,877
School and Other Administrative Services	1,593,831			1,593,831
Plant Operations and Maintenance	1,941,900			1,941,900
Pupil Transportation	432,476			432,476
Unallocated Benefits	5,765,356			5,765,356
Debt Service:				
Principal			815,000	815,000
Interest and Other Charges			216,569	216,569
Capital Outlay	249,491	3,500		252,991
Total Expenditures	24,477,176	425,868	1,031,569	25,934,613

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, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	747,789	-	18,931	766,720
Net Change in Fund Balances	747,789	-	18,931	766,720
Fund Balance - July 1	1,018,173		1,035	1,019,208
Fund Balance - June 30	\$ 1,765,962	-	19,966	1,785,928

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

MANASQUAN SCHOOL DISTRICT**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS****Exhibit B-3****TO THE STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2014**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 766,720
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	\$ (704,421)	
Capital Outlays	<u>252,991</u>	
		(451,430)
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.		815,000
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.		(33,619)
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>(41,714)</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 1,054,957</u>

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

MANASQUAN SCHOOL DISTRICT**Exhibit B-4****STATEMENT OF NET POSITION****PROPRIETARY FUNDS****JUNE 30, 2014**

	Enterprise Fund Totals
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 23,740
Accounts Receivable:	
Federal	33,478
State	1,076
Other	856
Inventories	3,598
Total Current Assets	<u>62,748</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	433,077
Less: Accumulated Depreciation	<u>(266,544)</u>
Total Noncurrent Assets	<u>166,533</u>
Total Assets	<u><u>\$ 229,281</u></u>
 <u>Net Position</u>	
Invested in Capital Assets net of Related Debt	\$ 166,533
Unrestricted	<u>62,748</u>
Total Net Position	<u><u>\$ 229,281</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, 2014

	<u>Enterprise Fund Totals</u>
Operating Revenues:	
Charge for Services:	
Daily Sales	\$ 538,926
Miscellaneous	15,992
Catering	9,530
Total Operating Revenues	<u>564,448</u>
Operating Expenses:	
Cost of Sales	299,228
Salaries	231,351
Employee Benefits	32,954
Worker's Compensation	6,750
Cost of Supplies	18,711
General Liability Insurance	30,935
Management Fees	18,000
Repairs	9,134
Miscellaneous	61,153
Depreciation	20,124
Total Operating Expenses	<u>728,340</u>
Operating Income (Loss)	(163,892)
Nonoperating Revenues (Expenses):	
Interest Revenue	11
State Sources:	
State School Lunch Program	3,969
Federal Sources:	
National School Lunch Program	109,885
HHFKA Lunch Program	4,854
Food Distribution Program	11,954
Total Nonoperating Revenues (Expenses)	<u>130,673</u>
Change in Net Position	(33,219)
Adjustments for Fixed Assets	17,371
Total Net Position - Beginning	<u>245,129</u>
Total Net Position - Ending	<u>\$ 229,281</u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2014

	<u>Enterprise Fund Totals</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 564,448
Payments to Employees	(231,351)
Payments to Suppliers	(474,171)
Net Cash Provided (Used by) Operating Activities	<u>(141,074)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	3,969
Federal Sources	<u>114,739</u>
Net Cash Provided (Used by) Noncapital Financing Activities	<u>118,708</u>
Cash Flows from Investing Activities:	
Interest Received	<u>11</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(22,355)
Balances - Beginning of Year	<u>46,095</u>
Balances - End of Year	<u><u>\$ 23,740</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (163,892)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities	
Depreciation	20,124
Federal Commodities	11,954
(Increase)/Decrease in Accounts Receivable	(10,951)
(Increase)/Decrease in Inventories	<u>1,691</u>
Net Cash Provided (Used by) Operating Activities	<u><u>\$ (141,074)</u></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, 2014

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	<u>\$ 82,204</u>	<u>75,501</u>
Total Assets	<u><u>\$ 82,204</u></u>	<u><u>75,501</u></u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 82,204</u>	<u>75,501</u>
Reserved for Scholarships		
Total Net Position	<u><u>\$ 82,204</u></u>	<u><u>75,501</u></u>

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

MANASQUAN SCHOOL DISTRICT

37.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
<u>Additions</u>		
Contributions:		
Plan Member	\$ -	21,994
Other	20,693	
Total Contributions	<u>20,693</u>	<u>21,994</u>
Investment Earnings:		
Interest	15	15
Net Investments Earnings	<u>15</u>	<u>15</u>
Total Additions	<u>20,708</u>	<u>22,009</u>
<u>Deductions</u>		
Unemployment Claims	15,724	
Scholarships Awarded		21,455
Total Deductions	<u>15,724</u>	<u>21,455</u>
Change in Net Position	<u>4,984</u>	<u>554</u>
Net Position - Beginning of Year	<u>77,220</u>	<u>74,947</u>
Net Position - End of the Year	<u><u>\$ 82,204</u></u>	<u><u>75,501</u></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, 2014

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, 2014 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, 2014

I. Capital Assets and Depreciation

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

The District contracted with an outside service company during the 2014 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2013-2014 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2014, fiscal year 2014 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, 2014 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental Activities:					
Land	\$ 1,068,680		(680)		1,068,000
Depreciable Assets:					
Site Improvements	1,108,547	31,025	177,444		1,317,016
Buildings	26,044,193	63,600	(174,178)		25,933,615
Equipment	3,076,343	151,882	(768,687)	(166,720)	2,292,818
Total	30,229,083	246,507	(765,421)	(166,720)	29,543,449

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

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>
Less: Accumulated Depreciation:					
Sites	861,826	36,497	176,202		1,074,525
Buildings	8,234,974	524,004	(57,662)		8,701,316
Equipment	<u>2,308,986</u>	<u>143,920</u>	<u>(763,588)</u>		<u>1,689,318</u>
Total Accumulated Depreciation	<u>11,405,786</u>	<u>704,421</u>	<u>(645,048)</u>		<u>11,465,159</u>
Net Depreciable Assets	<u>18,823,297</u>	<u>(457,914)</u>	<u>(120,373)</u>	<u>(166,720)</u>	<u>18,078,290</u>
Governmental Activities Capital Assets (Net)	<u>\$ 19,891,977</u>	<u>(457,914)</u>	<u>(121,053)</u>	<u>(166,720)</u>	<u>19,146,290</u>
Business-Type Activities:					
Equipment	\$ 445,006	15,528	(10,500)	(16,957)	433,077
Less: Accumulated Depreciation:					
Equipment	<u>275,720</u>	<u>20,124</u>	<u>(29,300)</u>		<u>266,544</u>
Business-Type Capital Assets (Net)	<u>\$ 169,286</u>	<u>(4,596)</u>	<u>18,800</u>	<u>(16,957)</u>	<u>166,533</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years' Accumulated Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Adjustments</u>	<u>Total Accumulated Depreciation</u>
Unallocated	<u>\$ 11,405,786</u>	<u>704,421</u>	<u>(645,048)</u>	<u>11,465,159</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 2014. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000.000.

Investments

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

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

As of June 30, 2014, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 4,702,016</u>

During the period ended June 30, 2014, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2014 was \$4,702,016 and the bank balance was \$5,097,377. Of the bank balance, \$250,000 was covered by federal depository insurance and \$4,847,377 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

FDIC	\$ 250,000
GUDPA	<u>4,847,377</u>
	<u>\$ 5,097,377</u>

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2014, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Long-Term</u> <u>Portion</u>	<u>2014-15</u> <u>Payment</u>
Compensated						
Absences Payable	\$ 467,820	33,619		501,439	501,439	
Capital Leases	13,719	71,556	12,051	73,224	55,647	17,577
Bonds Payable	<u>7,405,000</u>	<u> </u>	<u>815,000</u>	<u>6,590,000</u>	<u>5,805,000</u>	<u>785,000</u>
	<u>\$ 7,886,539</u>	<u>105,175</u>	<u>827,051</u>	<u>7,164,663</u>	<u>6,362,086</u>	<u>802,577</u>

A. Bonds Payable

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

1. Addition to the high school refunding on 1-1-04 for \$3,180,000 at interest at 3.860% with a balance of \$635,000 maturing on January 15, 2016.
2. Addition to the elementary school on 2-23-05 for \$9,652,000 at interest of 3.500% with a balance of \$460,000 maturing January 15, 2015.
3. 2013 refunding bonds for an addition to the elementary school for \$5,550,000 at interest from 3% to 5% with a balance of \$5,495,000 maturing on January 15, 2025.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
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	510,000	162,400	672,400
2019-2020 to 2023-2024	2,925,000	478,700	3,403,700
2024-2025	<u>635,000</u>	<u>19,050</u>	<u>654,050</u>
	<u>\$ 6,590,000</u>	<u>1,494,350</u>	<u>8,084,350</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, 2014</u>
High School Addition	01-01-04	3.860%	\$ 635,000
Elementary School Addition	02-23-05	3.500%	460,000
Refunding Bonds	04-30-13	3% to 5%	<u>5,495,000</u>
			<u>\$ 6,590,000</u>

B. Bonds Authorized But Not Issued

As of June 30, 2014, the Board had no authorized but not issued bonds.

C. Capital Leases Payable:

The District has a lease from Konica and Ricoh for copying machines. These capital leases are for a term of five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2014.

<u>Year Ended June 30</u>	<u>Amount</u>
2015	\$ 19,806
2016	19,806
2017	17,616
2018	15,426
2019	<u>6,429</u>
	79,083
Less: Amount Representing Interest	<u>5,859</u>
Present Value of Net Minimum Lease Payments	<u>\$ 73,224</u>

Summary of Leases

Konica copier lease at 5.40% maturing 12-28-16 with a balance of \$9,339 at 6/30/14.
 Ricoh copier lease at 2.89% maturing 12-28-19 with a balance of \$63,885 at 6/30/14

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 $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy - The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for 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, 2014, the State of New Jersey contributed \$1,300,214 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 \$817,214 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. 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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 221,101	100%	0
6/30/13	226,075	100%	0
6/30/14	226,913	100%	0

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 1,051,355	100%	0
6/30/13	1,553,083	100%	0
6/30/14	1,300,214	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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

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, 2014 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, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$ 81,087
Added 2013-2014	<u>400,018</u>
Balance June 30, 2014	<u>\$ 481,105</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>
2013-2014	\$ 20,708	15,724	82,204
2012-2013	20,885	57,867	77,220
2011-2012	41,081	23,627	114,202

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, 2014 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, 2014

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

2013-14 Total General Fund Expenditures Per the CAFR	\$ 24,477,176
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>2,117,428</u>
Adjusted 2013-14 General Fund Expenditures	<u>\$ 22,359,748</u>
2% of Adjusted 2013-14 General Fund Expenditures	\$ 447,195
Increased by: Allowable Adjustment	<u>1,390</u>
Maximum Unassigned Fund Balance	<u>\$ 448,585</u>

Section 2

Total General Fund -- Fund Balances @ 6-30-14	\$ 1,818,193
Decreased by:	
Other Reserves	(641,105)
Assigned Fund Balance -- Tuition Reserve -- Designated for Subsequent Year's Expenditures	(100,000)
Assigned Fund Balance -- Unreserved -- Designated for Subsequent Year's Expenditures	<u>(255,000)</u>
Total Unassigned Fund Balance	<u>\$ 822,088</u>

Section 3

Reserved Excess Surplus -- Current Year	<u>\$ 373,503</u>
---	-------------------

Detail of Allowable Adjustments

Non-Public Transportation Aid	<u>\$ 1,390</u>
-------------------------------	-----------------

Detail of Other Restricted Fund Balance

Capital Reserve	\$ 481,105
Emergency	50,000
Tuition	100,000
Maintenance Reserve	<u>10,000</u>
Total Other Reserved Fund Balance	<u>\$ 641,105</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	<u>\$ 5,792,000</u>
---------------------------	---------------------

NOTE 15: Fund Balance Appropriated

General Fund – Of the \$1,818,193 General Fund fund balance at June 30, 2014, \$100,000 has been legally reserved for tuition adjustment in accordance with *N.J.A.C.6A:23-3.1(f)(8)*; \$481,105 has been reserved in the Capital Reserve Account; \$50,000 has been reserved for emergencies; \$10,000 is reserved for maintenance reserve; \$255,000 of unreserved balance has been designated for subsequent years expenditures, \$100,000 of Tuition Reserve has been designated for subsequent years expenditures, \$373,503 of Excess Surplus will be designated for subsequent years expenditures and \$448,585 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 excess fund balance at June 30, 2014 of \$373,503.

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, 2014. 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, 2014 through October 23, 2014.

NOTE 18: FEMA Community Disaster Loan (CDL)

The School District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for \$1,376,474 total loan and chose to withdraw \$1,303,948 as a reduction of tax levy assessed for the 2013-2014 school year. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period. The loan matures in 2018.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,034,544		12,034,544	12,034,544	-
Tuition From Other LEA's	8,836,064		8,836,064	8,886,354	50,290
Tuition From Individuals			-	55,465	55,465
Athletic Jointure/Business Office Shared Services	17,000		17,000	17,000	-
Interest Earned on Capital Reserve Funds	2		2	-	(2)
Miscellaneous Revenues - Unrestricted	40,000		40,000	81,897	41,897
Total Local Sources	<u>20,927,610</u>	<u>-</u>	<u>20,927,610</u>	<u>21,075,260</u>	<u>147,650</u>
State Sources:					
Extraordinary Aid	200,000		200,000	160,527	(39,473)
Special Education Categorical Aid	505,972		505,972	505,972	-
Transportation Aid	23,093		23,093	23,093	-
Security Aid	17,267		17,267	17,267	-
Adjustment Aid	20,596		20,596	20,596	-
Non-Public Transportation			-	1,390	1,390
TPAF Pension Contribution			-	1,300,214	1,300,214
TPAF Social Security Contribution			-	817,214	817,214
Total State Sources	<u>766,928</u>	<u>-</u>	<u>766,928</u>	<u>2,846,273</u>	<u>2,079,345</u>
Federal Sources:					
Community Disaster Loans	1,376,474		1,376,474	1,303,948	(72,526)
Total Revenues	<u>23,071,012</u>	<u>-</u>	<u>23,071,012</u>	<u>25,225,481</u>	<u>2,154,469</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	347,530	3,678	351,208	351,207	1
Grades 1-5 - Salaries of Teachers	1,567,665	69,527	1,637,192	1,573,659	63,533
Grades 6-8 - Salaries of Teachers	1,012,625	(15,679)	996,946	996,945	1
Grades 9-12 - Salaries of Teachers	3,953,215	9,723	3,962,938	3,962,937	1
Total Regular Programs - Instruction	6,881,035	67,249	6,948,284	6,884,748	63,536
Regular Programs - Home Instruction:					
Salaries	35,000	22,058	57,058	57,057	1
Purchase of Professional/Educational Services	13,000	(6,899)	6,101	6,100	1
Total Regular Programs - Home Instruction	48,000	15,159	63,159	63,157	2
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	101,565	(2,947)	98,618	98,585	33
Other Purchased Services	44,545	(8,571)	35,974	35,191	783
General Supplies	533,975	50,810	584,785	583,493	1,292
Textbooks	81,465	17,718	99,183	97,400	1,783
Other Objects	2,435	(811)	1,624	1,153	471
Total Regular Programs - Undistributed Instruction	763,985	56,199	820,184	815,822	4,362
Total Regular Programs - Instruction	7,693,020	138,607	7,831,627	7,763,727	67,900

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	297,475	4,821	302,296	295,164	7,132
Other Salaries For Instruction	5,350		5,350	3,780	1,570
General Supplies	745	340	1,085	1,052	33
Textbooks	760	550	1,310	1,240	70
Total Learning and/or Language Disabilities	<u>304,330</u>	<u>5,711</u>	<u>310,041</u>	<u>301,236</u>	<u>8,805</u>
Multiple Disabilities:					
Salaries of Teachers	125,980	8,261	134,241	131,045	3,196
Other Salaries for Instruction	50,600	(23,375)	27,225	27,224	1
Total Multiple Disabilities	<u>176,580</u>	<u>(15,114)</u>	<u>161,466</u>	<u>158,269</u>	<u>3,197</u>
Resource Room/Center:					
Salaries of Teachers	1,095,473	100,139	1,195,612	1,179,229	16,383
Other Salaries Instruction	24,360	2,245	26,605	26,505	100
General Supplies	3,100	110	3,210	3,188	22
Total Resource Room/Center	<u>1,122,933</u>	<u>102,494</u>	<u>1,225,427</u>	<u>1,208,922</u>	<u>16,505</u>
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	62,680	1,128	63,808	63,808	-
Other Salaries For Instruction	13,625	145	13,770	13,695	75
General Supplies	500	204	704	704	-
Total Pre-School Disabilities-Full-Time	<u>76,805</u>	<u>1,477</u>	<u>78,282</u>	<u>78,207</u>	<u>75</u>
Home Instruction					
Salaries of Teachers	11,000	7,645	18,645	18,645	-
Purchased Professional Educational Services	10,000	(7,102)	2,898	2,897	1
Total Home Instruction	<u>21,000</u>	<u>543</u>	<u>21,543</u>	<u>21,542</u>	<u>1</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Special Education - Instruction	1,701,648	95,111	1,796,759	1,768,176	28,583
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	5,940	1,310	7,250	7,250	-
General Supplies	1,000	(813)	187	187	-
Total Basic Skills/Remedial - Instruction	6,940	497	7,437	7,437	-
Bilingual Education - Instruction:					
Salaries of Teachers	81,610	58,657	140,267	140,266	1
General Supplies	405	(405)	-	-	-
Total Bilingual Education - Instruction	82,015	58,252	140,267	140,266	1
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	153,264	4,947	158,211	158,211	-
Purchased Services (300-500 Series)	6,825	(45)	6,780	6,633	147
Supplies and Materials	5,400	1,201	6,601	6,601	-
Other Objects	750	2,090	2,840	2,840	-
Total School Sponsored Co-Curricular	166,239	8,193	174,432	174,285	147
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	359,045	5,745	364,790	363,890	900
Purchased Services (300-500 Series)	70,180	(9,731)	60,449	60,447	2
Supplies and Materials	63,000	12,268	75,268	75,258	10
Other Objects	8,000	(1,830)	6,170	6,170	-
Transfers to Cover Deficit (Agency Fund)	26,500	(500)	26,000	26,000	-
Total School Sponsored Co-Curr. Athletics - Instruction	526,725	5,952	532,677	531,765	912
Total Distributed Expenditures	10,176,587	306,612	10,483,199	10,385,656	97,543

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition in State - Special	33,155	(20,743)	12,412	12,412	-
Tuition to County Vocational School:					
Regular	288,810	(42,675)	246,135	246,135	-
Special	26,810	24,590	51,400	51,400	-
Tuition to Private School for Handicapped - In State	410,937	55,057	465,994	412,043	53,951
Tuition State Facilities	25,000	(25,000)	-		-
Total Instruction	<u>784,712</u>	<u>(8,771)</u>	<u>775,941</u>	<u>721,990</u>	<u>53,951</u>
Attendance & Social Work:					
Salaries	32,365	1,319	33,684	33,683	1
Health Services:					
Salaries	194,440	(172)	194,268	192,886	1,382
Purchased Professional/Technical Services	30,300	(200)	30,100	8,082	22,018
Other Purchased Services (400-500 Series)	600		600	362	238
Supplies and Materials	3,180	7,965	11,145	10,778	367
Other Objects	725		725	604	121
Total Health Services	<u>229,245</u>	<u>7,593</u>	<u>236,838</u>	<u>212,712</u>	<u>24,126</u>
Other Support Services Students Related Services:					
Salaries	170,040	81,099	251,139	244,421	6,718
Purchased Professional Educational Services	79,720	(2,305)	77,415	53,600	23,815
Supplies and Materials	1,500		1,500	813	687
Total Other Support Services Students Related Services	<u>251,260</u>	<u>78,794</u>	<u>330,054</u>	<u>298,834</u>	<u>31,220</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services Students Extraordinary Services:					
Salaries	117,995	(30,658)	87,337	87,336	1
Purchased Professional Educational Services	179,545	(21,524)	158,021	157,747	274
Total Other Support Srvs. Students Extraordinary Srvs.	297,540	(52,182)	245,358	245,083	275
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	665,715	(66,162)	599,553	590,626	8,927
Salaries of Secretarial & Clerical Assistants	46,405	12,088	58,493	56,533	1,960
Other Professional/Technical Services	39,045	695	39,740	38,180	1,560
Other Purchased Services	6,500	(2,597)	3,903	3,010	893
Supplies and Materials	5,875	2,597	8,472	8,463	9
Other Objects	1,800		1,800	1,489	311
Total Other Support Srvs. Students - Regular Services	765,340	(53,379)	711,961	698,301	13,660
Other Support Services Students - Special:					
Salaries of Other Professional Staff	443,540	58,242	501,782	500,836	946
Salaries of Secretarial & Clerical Assistants	49,530	281	49,811	47,224	2,587
Purchased Professional Educational Services	2,000	30,965	32,965	32,700	265
Other Purchased Professional/Technical Services	1,500	(100)	1,400		1,400
Other Purchased Services (400-500 Series)	15,430		15,430	13,588	1,842
Supplies and Materials	5,755		5,755	5,346	409
Other Objects	1,000		1,000	891	109
Total Other Support Services Students - Special	518,755	89,388	608,143	600,585	7,558

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	251,040	25,753	276,793	276,667	126
Salaries of Other Professional Staff	4,000	3,800	7,800	7,800	-
Salaries of Secretarial & Clerical Assistants	41,095	1,450	42,545	42,504	41
Purchased Professional Educational Services	1,000	(426)	574	574	-
Other Purchased Services (400-500 Series)	3,400	(513)	2,887	2,146	741
Supplies & Materials	200		200	150	50
Other Objects	3,568	(106)	3,462	3,180	282
Total Improvement of Instructional Services	304,303	29,958	334,261	333,021	1,240
Educational Media/School Library:					
Salaries	151,980	(34,162)	117,818	117,817	1
Salaries-Tech Coordinators	181,165	3,355	184,520	184,068	452
Purchased Professional/Technical Services	6,920	255	7,175	7,173	2
Other Purchased Services (400-500 Series)	10,100	(360)	9,740	9,703	37
Supplies & Materials	8,650	287	8,937	8,776	161
Total Educational Media/School Library	358,815	(30,625)	328,190	327,537	653
Staff Training:					
Salaries of Secretarial/Clerical Assistants	4,570	147	4,717	4,712	5
Purchased Professional Educational Services	1,000		1,000	1,000	-
Other Purchased Services	18,445	2,172	20,617	18,734	1,883
Supplies & Materials	500		500	397	103
Total Staff Training	24,515	2,319	26,834	24,843	1,991

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	194,365	22,358	216,723	216,722	1
Legal Services	64,000	82,756	146,756	131,365	15,391
Audit Fees	12,500	59	12,559	12,500	59
Architectural/Engineering Services	30,000	(28,736)	1,264		1,264
Other Purchased Professional Services		13,370	13,370	13,230	140
Purchased Technical Services	7,215	1,851	9,066	9,065	1
Communications/Telephone	96,820	6,620	103,440	102,016	1,424
Miscellaneous Purchased Services	99,430	3,894	103,324	102,359	965
General Supplies	5,000	2,592	7,592	7,592	-
Judgments		2,300	2,300	2,300	-
Miscellaneous Expenditures	8,000	(4,265)	3,735	3,612	123
Membership Dues and Fees	11,075	41	11,116	11,116	-
Total Support Services - General Administration	528,405	102,840	631,245	611,877	19,368
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	667,495	14,900	682,395	680,975	1,420
Salaries of Other Professional Staff	143,685	2,849	146,534	146,534	-
Salaries of Secretarial & Clerical Assistants	350,785	6,989	357,774	352,405	5,369
Purchased Professional & Technical Services	5,494	(100)	5,394	1,323	4,071
Other Purchased Services (400-500 Series)	27,580	400	27,980	26,917	1,063
Supplies & Materials	27,200	(200)	27,000	23,270	3,730
Other Objects	5,870	(100)	5,770	5,491	279
Total Support Services - School Administration	1,228,109	24,738	1,252,847	1,236,915	15,932

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - Central Services:					
Salaries of Business Office	355,735	(27,026)	328,709	308,907	19,802
Purchased Technical Services	12,330	6,000	18,330	18,330	-
Other Purchased Services (400-500 Series)	3,555	736	4,291	4,239	52
Supplies	5,000	15,034	20,034	19,412	622
Miscellaneous Expenditures	5,875	256	6,131	6,028	103
Total Support Services - Central Services	<u>382,495</u>	<u>(5,000)</u>	<u>377,495</u>	<u>356,916</u>	<u>20,579</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	109,123	(37,196)	71,927	48,806	23,121
Total Required Maintenance for School Facilities	<u>109,123</u>	<u>(37,196)</u>	<u>71,927</u>	<u>48,806</u>	<u>23,121</u>
Other Operations & Maintenance of Plant:					
Salaries	656,200	34,717	690,917	690,185	732
Salaries of Non-Instructional Aides	58,970	(2,429)	56,541	56,245	296
Purchased Professional/Technical Services	2,100	(506)	1,594	1,594	-
Cleaning, Repair & Maintenance Services	171,800	5,489	177,289	166,099	11,190
Other Purchased Property Services	10,200		10,200	8,734	1,466
Insurance	150,095	(16,022)	134,073	133,036	1,037
General Supplies	61,000	19,038	80,038	76,747	3,291
Energy (Electricity)	390,000	(45,460)	344,540	314,406	30,134
Other Objects	100	200	300	200	100
Energy (Natural Gas)	205,000	15,095	220,095	215,142	4,953
Total Other Operations and Maintenance of Plant	<u>1,705,465</u>	<u>10,122</u>	<u>1,715,587</u>	<u>1,662,388</u>	<u>53,199</u>

MANASQUAN SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds					
Salaries	120,050	2,339	122,389	122,288	101
Cleaning, Repair and Maintenance Services	21,100	9,192	30,292	14,646	15,646
General Supplies	38,000	2,280	40,280	33,457	6,823
Total Care and Upkeep of Grounds	179,150	13,811	192,961	170,391	22,570
Total Operations & Maintenance	1,993,738	(13,263)	1,980,475	1,881,585	98,890
Security:					
Salaries	50,000		50,000	50,000	-
Purchased Professional and Technical Services	10,500	1,520	12,020	10,315	1,705
Total Security	60,500	1,520	62,020	60,315	1,705
Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	124,675	10,527	135,202	132,141	3,061
Contracted Services Home/School - Jointure		13,526	13,526	8,518	5,008
Contracted Services Home/School - Regular ESC	156,695	(21,096)	135,599	135,278	321
Contracted Services Special ESC	154,550	9,685	164,235	152,119	12,116
Contracted Services Aid-In-Lieu Non-Public	3,536	884	4,420	4,420	-
Total Student Transportation	439,456	13,526	452,982	432,476	20,506

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	262,000	44,895	306,895	303,568	3,327
Other Retirement Contributions-PERS	230,000	(3,087)	226,913	226,913	-
Unemployment Compensation	10,000	(3,203)	6,797		6,797
Workmen's Compensation	147,350	(12,762)	134,588	134,588	-
Health Benefits	3,223,723	(433,083)	2,790,640	2,626,830	163,810
Tuition Reimbursement	9,000	(261)	8,739	1,800	6,939
Other Employee Benefits	422,534	(68,304)	354,230	354,229	1
Total Unallocated Benefits	<u>4,304,607</u>	<u>(475,805)</u>	<u>3,828,802</u>	<u>3,647,928</u>	<u>180,874</u>
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	1,300,214	(1,300,214)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	817,214	(817,214)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,117,428</u>	<u>(2,117,428)</u>
Total Personal Services - Employee Benefits	<u>4,304,607</u>	<u>(475,805)</u>	<u>3,828,802</u>	<u>5,765,356</u>	<u>(1,936,554)</u>
Total Undistributed Expenditures	<u>12,504,160</u>	<u>(287,030)</u>	<u>12,217,130</u>	<u>13,842,029</u>	<u>(1,624,899)</u>
Total General Current Expense	<u>22,680,747</u>	<u>19,582</u>	<u>22,700,329</u>	<u>24,227,685</u>	<u>(1,527,356)</u>
Capital Outlay:					
Interest To Capital Reserve	2		2		
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	15,000		15,000	14,959	41
Grades 9-12	15,000		15,000	14,959	41
Upkeep of Grounds	50,000	(2,000)	48,000	44,049	3,951
Total Regular Programs - Instruction	<u>80,000</u>	<u>(2,000)</u>	<u>78,000</u>	<u>73,967</u>	<u>4,033</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisition & Construction Services:					
Architectural/Engineering	100,000	(12,026)	87,974	84,390	3,584
Purchased Professional and Technical Services		12,026	12,026	12,025	1
Construction Services	200,000		200,000		200,000
Land and Improvements	200,000		200,000		200,000
Infrastructure	50,000	2,000	52,000	52,000	-
Assessment for Debt Service on SDA Funding	41,800	(14,691)	27,109	27,109	-
Total Facilities Acquisition & Construction Services	<u>591,800</u>	<u>(12,691)</u>	<u>579,109</u>	<u>175,524</u>	<u>403,585</u>
Total Capital Outlay	<u>671,802</u>	<u>(14,691)</u>	<u>657,111</u>	<u>249,491</u>	<u>407,620</u>
Total Expenditures	<u>23,352,549</u>	<u>4,891</u>	<u>23,357,440</u>	<u>24,477,176</u>	<u>(1,119,736)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Uses	<u>(281,537)</u>	<u>(4,891)</u>	<u>(286,428)</u>	<u>748,305</u>	<u>1,034,733</u>
Fund Balance July 1	<u>1,069,888</u>		<u>1,069,888</u>	<u>1,069,888</u>	
Fund Balance June 30	<u>\$ 788,351</u>	<u>(4,891)</u>	<u>783,460</u>	<u>1,818,193</u>	<u>1,034,733</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 481,105	
Emergency Reserve				50,000	
Tuition Reserve				100,000	
Maintenance Reserve				10,000	
Excess Surplus				373,503	
Assigned Fund Balance:					
Designated For Subsequent Year's Expenditures by the Board of Education				255,000	
Designated For Subsequent Year's Expenditures - Tuition Reserve				100,000	
Unassigned Fund Balance				<u>448,585</u>	
				<u>1,818,193</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(52,231)</u>	
Fund Balance per Governmental Funds (GAAP)				<u><u>\$ 1,765,962</u></u>	

MANASQUAN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources	\$ -	21,037	21,037	21,037	
State Sources	71,817	(19,936)	51,881	51,881	
Federal Sources	270,553	82,397	352,950	352,950	
Total Revenues	<u>\$ 342,370</u>	<u>83,498</u>	<u>425,868</u>	<u>425,868</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 57,626	(15,851)	41,775	41,775	
Other Purchased Services	218,749	(16,691)	202,058	202,058	
General Supplies	42,560	65,043	107,603	107,603	
Textbooks	6,935	4,024	10,959	10,959	
Total Instruction	<u>325,870</u>	<u>36,525</u>	<u>362,395</u>	<u>362,395</u>	<u>-</u>
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits	3,500	4,183	7,683	7,683	
Purchased Professional - Educational Services	3,000	13,504	16,504	16,504	
Other Purchased Services					
Other Objects	10,000	25,786	35,786	35,786	
Total Support Services	<u>16,500</u>	<u>43,473</u>	<u>59,973</u>	<u>59,973</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		3,500	3,500	3,500	
Total Expenditures	<u>\$ 342,370</u>	<u>83,498</u>	<u>425,868</u>	<u>425,868</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 25,225,481	425,868
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	51,715	
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	(52,231)	
	<u> </u>	<u> </u>
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 25,224,965</u>	<u>425,868</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,477,176	425,868
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
	<u> </u>	<u> </u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,477,176</u>	<u>425,868</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

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, 2014

	Nonpublic									
	Textbooks	Comp. Education	Transportation	Initial Exam. & Classification	Annual Exam. & Classification	Corrective Speech	Supplementary Instruction	Technology	Nursing	Teacher Recognition
Revenues:										
State Sources	\$ 7,734	5,136	3,568	7,798	1,915	4,687	6,938	3,225	10,880	
Federal Sources										
Local Revenues										1,500
Total Revenues	\$ 7,734	5,136	3,568	7,798	1,915	4,687	6,938	3,225	10,880	1,500
Expenditures:										
Instruction:										
Salaries of Teachers	\$ -	5,136								
Purchased Professional Technical Services										
General Supplies										
Textbooks	7,734							3,225		1,500
Total Instruction	7,734	5,136	-	-	-	-	-	3,225	-	1,500
Support Services:										
Personal Services - Employee Benefits										
Purchased Professional Educational Services										
Other Objects			3,568	7,798	1,915	4,687	6,938		10,880	
Total Support Services	-	-	3,568	7,798	1,915	4,687	6,938	-	10,880	-
Facilities Acquisition and Construction Services:										
Instructional Equipment										
Total Expenditures	\$ 7,734	5,136	3,568	7,798	1,915	4,687	6,938	3,225	10,880	1,500

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, 2014

	Title I	Title II A	Title III	L.D.E.A. Flow-Thru Part B	L.D.E.A. Flow-Thru Preschool	Makerspace Library Grant	NJSBAIG Grant	Rutgers Health Grant	Elks Donation	Totals
Revenues:										
State Sources										
Federal Sources	90,638	23,267	10,612	222,091	6,342	2,814	5,658	9,065	2,000	352,950
Local Revenues										21,037
Total Revenues	90,638	23,267	10,612	222,091	6,342	2,814	5,658	9,065	2,000	425,868
Expenditures:										
Instruction:										
Salaries of Teachers	14,250	18,533	3,856							41,775
Other Purchased Services				202,058						202,058
General Supplies	73,110		6,614	4,000	2,842	2,814	5,658	9,065	2,000	107,603
Textbooks										10,959
Total Instruction	87,360	18,533	10,470	206,058	2,842	2,814	5,658	9,065	2,000	362,395
Support Services:										
Personal Services - Employee Benefits	3,278	4,263	142	16,033						7,683
Purchased Professional Educational Services		471								16,504
Other Objects										35,786
Total Support Services	3,278	4,734	142	16,033	-	-	-	-	-	59,973
Facilities Acquisition and Construction Services:										
Instructional Equipment					3,500					3,500
Total Expenditures	90,638	23,267	10,612	222,091	6,342	2,814	5,658	9,065	2,000	425,868

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

MANASQUAN SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET POSITIONENTERPRISE FUNDSJUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Food Service	Surf Team	Totals
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 22,708	1,032	23,740
Accounts Receivable:			
Federal	33,478		33,478
State	1,076		1,076
Other	856		856
Inventories	3,598		3,598
Total Current Assets	<u>61,716</u>	<u>1,032</u>	<u>62,748</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	433,077		433,077
Less: Accumulated Depreciation	<u>(266,544)</u>		<u>(266,544)</u>
Total Noncurrent Assets	<u>166,533</u>	<u>-</u>	<u>166,533</u>
Total Assets	<u>\$ 228,249</u>	<u>1,032</u>	<u>229,281</u>
<u>Net Position</u>			
Invested in Capital Assets net of Related			
Debt	\$ 166,533		166,533
Unrestricted	<u>61,716</u>	<u>1,032</u>	<u>62,748</u>
Total Net Position	<u>\$ 228,249</u>	<u>1,032</u>	<u>229,281</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES ANDCHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Food Service	Surf Team	Totals
Operating Revenues:			
Charge for Services:			
Daily Sales	\$ 538,926		538,926
Miscellaneous	63	15,929	15,992
Catering	9,530		9,530
Total Operating Revenues	548,519	15,929	564,448
Operating Expenses:			
Cost of Sales	299,228		299,228
Salaries	230,451	900	231,351
Employee Benefits	32,954		32,954
Worker's Compensation	6,750		6,750
Cost of Supplies	18,711		18,711
General Liability Insurance	30,935		30,935
Management Fees	18,000		18,000
Repairs	9,134		9,134
Miscellaneous	38,591	22,562	61,153
Depreciation	20,124		20,124
Total Operating Expenses	704,878	23,462	728,340
Operating Income (Loss)	(156,359)	(7,533)	(163,892)
Nonoperating Revenues (Expenses):			
Interest Revenue	11		11
State Sources:			
State School Lunch Program	3,969		3,969
Federal Sources:			
National School Lunch Program	109,885		109,885
HHFKA Lunch Program	4,854		4,854
Food Distribution Program	11,954		11,954
Total Nonoperating Revenues (Expenses)	130,673	-	130,673
Change in Net Position	(25,686)	(7,533)	(33,219)
Adjustment for Fixed Assets	17,371		17,371
Total Net Position - Beginning	236,564	8,565	245,129
Total Net Position - Ending	\$ 228,249	1,032	229,281

MANASQUAN SCHOOL DISTRICT**Exhibit G-3****COMBINING STATEMENT OF CASH FLOWS****ENTERPRISE FUNDS****JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds		Totals
	Food Service	Surf Team	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 548,519	15,929	564,448
Payments to Employees	(230,451)	(900)	(231,351)
Payments to Suppliers	(451,609)	(22,562)	(474,171)
Net Cash Provided (Used by) Operating Activities	(133,541)	(7,533)	(141,074)
Cash Flows from Noncapital Financing Activities:			
State Sources	3,969		3,969
Federal Sources	114,739		114,739
Net Cash Provided (Used by) Noncapital Financing Activities	118,708		118,708
Cash Flows from Investing Activities:			
Interest Received	11		11
Net Increase (Decrease) in Cash & Cash Equivalents	(14,822)	(7,533)	(22,355)
Balances - Beginning of Year	37,530	8,565	46,095
Balances - End of Year	\$ 22,708	1,032	23,740
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ (156,359)	(7,533)	(163,892)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	20,124		20,124
Federal Commodities	11,954		11,954
(Increase)/Decrease in Accounts Receivable	(10,951)		(10,951)
(Increase)/Decrease in Inventories	1,691		1,691
Net Cash Provided (Used by) Operating Activities	\$ (133,541)	(7,533)	(141,074)

FIDUCIARY FUND – H

MANASQUAN SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

	Student Activities	Flexible Spending Account	Salary Account	Agency Account	Non-Expendable Trust Scholarship	Unemployment	Totals June 30, 2014
Assets:							
Cash and Cash Equivalents	\$ 244,873	490	3	261	75,501	82,204	403,332
Total Assets	\$ 244,873	490	3	261	75,501	82,204	403,332
Liabilities:							
Due to Student Groups	\$ 244,873						244,873
Payroll Withholdings		490	3	261			754
Total Liabilities	\$ 244,873	490	3	261			245,627
Net Position:							
Reserved - Unemployment Benefits						82,204	82,204
Reserved - Scholarships					75,501		75,501
Total Net Position					\$ 75,501	82,204	157,705

MANASQUAN SCHOOL DISTRICT

Exhibit H-2

SCHOLARSHIP NONEXPENDABLE TRUST FUNDSTATEMENT OF CHANGESIN FIDUCIARY NET POSITIONJUNE 30, 2014

	<u>2014</u>
Additions:	
Deposits	\$ 21,994
Interest on Investments	15
Total Additions	<u>22,009</u>
Deductions:	
Scholarship Payments	<u>21,455</u>
Total Deductions	<u>21,455</u>
Change in Net Position	554
Net Position June 30, 2013	<u>74,947</u>
Net Position June 30, 2014	<u><u>\$ 75,501</u></u>

MANASQUAN SCHOOL DISTRICT**Exhibit H-3 78.****STUDENT ACTIVITY AGENCY FUND****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2014**

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
Elementary School:				
Manasquan Elementary	\$ 28,586	70,490	70,817	28,259
High School:				
Recording Studio	2,023	3,425	2,226	3,222
Manasquan High School	<u>252,113</u>	<u>365,902</u>	<u>404,623</u>	<u>213,392</u>
Total - All Schools	<u>\$ 282,722</u>	<u>439,817</u>	<u>477,666</u>	<u>244,873</u>

MANASQUAN SCHOOL DISTRICT

79.

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 1,143</u>	<u>9,387,479</u>	<u>9,388,361</u>	<u>261</u>
Total Assets	<u><u>\$ 1,143</u></u>	<u><u>9,387,479</u></u>	<u><u>9,388,361</u></u>	<u><u>261</u></u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	<u>\$ 1,143</u>	<u>9,387,479</u>	<u>9,388,361</u>	<u>261</u>
Total Liabilities	<u><u>\$ 1,143</u></u>	<u><u>9,387,479</u></u>	<u><u>9,388,361</u></u>	<u><u>261</u></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, 2014

<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, 2013</u>	<u>Paid</u>	<u>Ending Balance June 30, 2014</u>
Addition to High School	12-1-95	\$5,000,000	1-15-15 1-15-16	\$ 325,000 310,000	3.860%	\$ 955,000	320,000	635,000
Addition to Elementary School	2-23-05	9,652,000	1-15-15	460,000	3.500%	900,000	440,000	460,000
Refunding Issue of 2013								
Addition to Elementary School	4-30-13	5,550,000	1-15-16 1-15-17 1-15-18 1-15-19 1-15-20 1-15-21 1-15-22 1-15-23 1-15-24 1-15-25	460,000 475,000 490,000 510,000 530,000 555,000 580,000 615,000 645,000 635,000	3.000% 4.000% 5.000% 3.000%	5,550,000	55,000	5,495,000
						\$ 7,405,000	815,000	6,590,000

MANASQUAN SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-2

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2014

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2013</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2014</u>
Konica Copiers	5.40%	\$ 18,736	\$ 13,719		4,380	9,339
Ricoh Copiers	2.89%	71,556		71,556	7,671	63,885
			\$ 13,719	71,556	12,051	73,224

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 1,050,500		1,050,500	1,050,500	
Total Revenues	<u>1,050,500</u>	<u>-</u>	<u>1,050,500</u>	<u>1,050,500</u>	<u>-</u>
Expenditures:					
Regular Debt Service Interest	236,535		236,535	216,569	19,966
Redemption of Principal	815,000		815,000	815,000	
Total Expenditures	<u>1,051,535</u>	<u>-</u>	<u>1,051,535</u>	<u>1,031,569</u>	<u>19,966</u>
Excess Revenues Over Expenditures	(1,035)	-	(1,035)	18,931	19,966
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	(1,035)		(1,035)	18,931	19,966
Fund Balance July 1	<u>1,035</u>		<u>1,035</u>	<u>1,035</u>	<u>-</u>
Fund Balance June 30	<u>\$ -</u>		<u>-</u>	<u>19,966</u>	<u>19,966</u>

STATISTICAL SECTION

(Unaudited)

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

J-1

Fiscal Year Ending June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	(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	12,483,066
Restricted	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	1,765,962
Unrestricted	(378,198)	251,629	82,881	(406,971)	(315,336)	(389,542)	96,800	(38,284)	22,838	(594,876)
Total governmental activities net position	7,432,521	(156,405)	8,231,842	9,877,750	9,986,499	10,813,707	11,482,418	12,428,636	12,710,957	13,654,152
Business-type activities										
Invested in capital assets, net of related debt	48,523	52,641	45,482	44,255	174,596	178,410	159,107	169,502	169,286	166,533
Restricted	-	-	-	-	-	-	-	-	0	-
Unrestricted	102,224	105,610	127,280	112,055	88,842	89,060	81,322	72,550	75,843	62,748
Total business-type net position	150,747	158,251	172,762	156,310	263,438	267,470	240,429	242,052	245,129	229,281
District-wide										
Invested in capital assets, net of related debt	(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	12,649,599
Restricted	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	1,765,962
Unrestricted	(275,974)	357,239	210,161	(294,916)	(226,494)	(300,482)	178,122	34,266	98,681	(532,128)
Total District Net Position	7,583,268	1,846	8,404,604	10,034,060	10,249,937	11,081,177	11,722,847	12,670,688	12,956,086	13,883,433

Source: CAFRE Schedule A-1

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

J-2

Fiscal Year Ending June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	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	7,797,346
Special education	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	2,131,954
Other special education	299,630	313,255	327,044	368,333	264,954	279,203	134,068	139,112	112,527	147,703
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	621,533	658,604	684,287	717,953	759,997	772,300	760,384	797,543	710,900	706,050
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	585,609	566,782	597,070	653,166	744,955	648,534	574,831	728,556	788,073	721,990
Student & instruction related services	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	2,833,209
General administrative services	500,067	460,074	461,989	540,949	531,885	555,444	526,375	657,133	651,981	611,877
School & Business Administrative Svcs	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	1,593,831
Unallocated Benefits	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	5,765,356
Plant operations and maintenance	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	1,941,900
Pupil transportation	445,514	464,503	541,179	532,769	567,314	488,417	351,776	392,692	392,999	432,476
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	240,821	456,297	463,862	434,891	406,224	383,508	359,470	333,738	244,608	259,283
Unallocated depreciation	107,632	339,679	350,092	396,725	717,221	516,764	698,880	827,188	818,422	704,421
Total Governmental Activities Expenses	20,349,753	21,593,561	22,990,800	24,590,902	24,521,500	25,155,284	24,904,598	26,194,163	27,210,048	25,646,396
Business-Type Activities:										
Food service	612,216	601,081	626,349	661,200	664,102	637,527	659,787	629,346	647,049	704,878
Surf Team	14,580	19,206	10,196	16,111	10,641	-	3,870	9,749	2,828	23,462
Total Business-Type Activities Expense	626,796	620,287	636,545	677,311	674,743	637,527	663,657	639,095	649,877	728,340
Total District Expenses:	20,976,549	22,213,848	23,627,345	25,268,213	25,196,243	25,792,811	25,568,255	26,833,258	27,859,925	26,374,736
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	461,075	481,962	528,833	421,228	424,097	811,247	673,525	506,399	539,995	425,888
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Rev.	461,075	481,962	528,833	421,228	424,097	811,247	673,525	506,399	1,328,068	1,147,878

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

J-2

Business-Type Activities:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Charges for services										
Food service	556,344	551,879	575,066	567,742	565,989	534,310	537,854	531,265	528,258	548,519
Surf Team	13,700	17,595	11,450	17,460	11,260	-	-	11,000	10,000	15,929
Operating grants and contributions	55,830	53,700	58,301	72,086	73,012	89,158	98,686	98,439	113,147	130,662
Total Business Type Activities Program Rev.	625,874	623,174	644,817	657,288	650,261	623,468	636,540	640,704	651,405	695,110
Total district program revenues	1,086,949	1,105,136	1,173,650	1,078,516	1,074,358	1,434,715	1,310,065	1,147,103	1,979,473	1,842,988
Net (Expense)/Revenue										
Governmental activities	(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)	(24,498,518)
Business-type activities	(922)	2,887	8,272	(20,023)	(24,482)	(14,059)	(27,117)	1,609	1,528	(7,533)
Total District-Wide Net Expense	(19,889,600)	(21,108,712)	(22,453,695)	(24,189,697)	(24,121,885)	(24,358,096)	(24,258,190)	(25,686,155)	(25,880,452)	(24,506,051)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property taxes levied for general purposes, net	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	12,034,544
Taxes levied for debt service	512,268	1,203,012	1,155,296	821,788	880,839	1,061,323	1,079,710	1,065,700	1,063,883	1,050,500
Tuition	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	8,219,829
Unrestricted grants and contributions	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	4,149,705
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	74	31,000	435,322	192,281	28,399	5,047	4,924	926	772	-
Miscellaneous income	262,216	690,403	93,103	81,705	164,365	113,522	168,657	149,375	165,769	98,897
Transfers	(2,437)	9,295	65,899	-	-	-	-	-	-	-
Total Governmental Activities	23,237,474	22,603,030	24,032,320	24,350,816	24,152,537	25,034,809	25,377,213	25,988,807	25,174,974	25,553,475
Business-Type Activities:										
Investment earnings	1,594	4,617	6,239	3,571	649	94	76	14	8	11
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	1,594	4,617	6,239	3,571	649	94	76	14	8	11
Total District-Wide	23,239,068	22,607,647	24,038,559	24,354,387	24,153,186	25,034,903	25,377,289	25,988,821	25,174,982	25,553,486
Change in Net Position										
Governmental activities	3,348,796	1,491,431	1,570,353	181,142	55,134	690,772	1,146,140	301,043	-707,006	1,054,957
Business-type activities	672	7,504	14,511	(16,452)	(23,833)	-13,965	-27,041	1,623	1,536	-33,219
Total District	3,349,468	1,498,935	1,584,864	164,690	31,301	676,807	1,119,099	302,666	-705,470	1,021,738

Source: CAFR Schedule A-2

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

J-3

Fiscal Year Ending June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	168,225	384,327	315,048	360,590	240,278	732,302	1,405,664	1,593,851	527,515	1,369,608
Unreserved	676,381	841,674	862,251	680,832	690,981	489,371	536,680	568,825	490,658	396,354
Total General Fund	844,606	1,226,001	1,177,299	1,041,422	931,259	1,221,673	1,942,344	2,162,676	1,018,173	1,765,962
All Other Governmental Funds										
Reserved	-	-	-	-	22,887	-	-	-	1035	-
Unreserved, reported in										
Special revenue fund	8,365	-	-	-	-	-	-	-	-	19,996
Capital projects fund	12,457,081	2,696,545	2,258,395	1,303,654	597,982	450,142	1,029	-	-	-
Debt service fund	77,318	479,670	680,577	353,995	796	1,457	662	1,387	-	-
Total All Other Governmental Funds	12,542,764	3,176,215	2,938,972	1,657,649	621,665	451,599	1,691	1,387	1,035	19,996

Source: CAFR Schedule B-1

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

J-4

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	9,889,822	10,922,412	11,893,068	11,822,383	12,321,458	12,993,460	13,251,492	13,237,482	13,719,834	13,085,044
Tuition charges	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	8,941,819
Interest earnings	74	31,000	435,322	192,281	28,399	5,047	4,924	926	772	-
Miscellaneous	266,024	690,403	179,205	84,455	164,365	119,568	178,154	162,284	219,660	119,934
State sources	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	2,897,658
Federal sources	355,684	280,827	313,217	296,507	296,632	670,043	571,515	465,890	424,751	1,656,898
Total Revenue	23,700,986	23,075,697	24,495,254	24,772,044	24,576,534	25,846,056	26,050,738	26,495,206	26,503,042	26,701,353
Expenditures										
Instruction										
Regular Instruction	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	7,763,727
Special education instruction	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	2,131,954
Other special education	299,630	313,255	327,044	368,333	264,954	279,203	134,068	139,112	112,527	147,703
Other school programs	621,533	658,604	684,287	717,953	759,997	772,300	760,384	797,543	710,900	706,050
Support Services:										
Tuition	585,809	566,782	597,070	653,166	744,955	648,534	574,831	728,556	788,073	721,990
Student & Instruction related services	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	2,833,209
General administrative services	429,490	460,074	461,989	540,949	531,885	555,444	526,375	657,133	651,981	611,877
School administrative services	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	1,593,831
Business administrative services	493,074	469,720	479,857	367,990	388,939	395,869	404,532	413,442	-	-
Plant operations and maintenance	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	1,941,900
Pupil transportation	445,514	464,503	541,179	532,769	567,314	488,417	351,776	392,692	392,999	432,476
Other Support Services	-	-	-	190,694	157,546	-	-	-	-	-
Employee Benefits	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	5,765,356
Food Service	-	-	-	-	-	-	-	-	-	-
Capital outlay	563,408	10,002,723	1,368,959	1,291,326	999,399	512,995	653,262	180,989	443,671	252,991
Debt service:										
Principal	352,134	725,711	755,705	775,825	801,155	690,000	710,000	720,000	745,000	815,000
Interest and other charges	160,134	477,301	476,907	448,315	418,992	394,210	370,860	346,010	319,235	216,569
Total Expenditures	20,773,764	32,060,791	24,847,097	26,189,443	25,722,781	25,725,708	25,779,975	26,259,323	27,647,997	25,934,633
Excess (Deficiency) of Revenues over (under) Expenditures	2,927,222	(8,985,094)	(351,843)	(1,417,399)	(1,146,147)	120,348	270,763	235,883	(1,144,855)	766,720
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	65,899	-	-	-	-	18,736	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	9,652,000	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	(77,316)	403,343	278,224	75,770	8,896	661	355	1,035	0	0
Transfers out	77,316	(394,048)	(278,224)	(75,770)	(8,896)	(661)	(355)	(1,035)	0	0
Total Other Financing Sources (Uses)	9,652,000	9,295	65,899	0	0	0	0	18,736	0	0
Net Change in Fund Balances	12,579,222	(8,975,799)	(285,944)	(1,417,399)	(1,146,147)	120,348	270,763	254,619	(1,144,855)	766,720
Debt Service as a Percentage of Non-Capital Expenditures	2.466%	3.752%	4.961%	4.674%	4.743%	4.215%	4.193%	4.060%	3.849%	3.978%

Source: CAFR Schedule B-2

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

J-5 88.

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenues</u>	<u>Bus. Svcs/ CST/ Ath.</u>	<u>Misc.</u>	<u>Total</u>
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
2014	679	8,941,819	17,000	102,255	9,061,753

Source: District Records

Fiscal Year Ended June 30,	Vacant Land	Resid.	Farm Reg.	Qfarm	Com.	Ind.	Apt.	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities #	Net Valuation Taxable	Total Direct Sch. Tax Rate	Est. (Cty. Equal. Val.)
2005	133	2811	0	0	186	12	9	1,651,385,179	123,077,000	607,779	1,528,308,179	0.715	96.38
2006	128	2829	0	0	186	13	9	1,670,112,518	127,159,400	512,218	1,542,953,118	0.771	87.95
2007	130	2840	0	0	186	13	8	1,690,480,460	127,689,200	463,160	1,562,791,260	0.757	77.71
2008	121	2847	0	0	186	13	8	1,708,021,000	130,937,600	451,000	1,577,534,400	0.781	72.58
2009	106	2867	0	0	185	13	8	1,722,788,139	127,892,700	467,239	1,594,895,437	0.814	70.55
2010	94	2879	0	0	186	13	8	1,734,600,014	130,651,600	472,614	1,601,395,414	0.828	73.88
2011	108	2870	0	0	184	12	8	1,739,469,940	131,496,600	1,053,040	1,605,420,340	0.825	73.78
2012	95	2883	0	0	184	12	8	1,741,294,154	131,989,400	1,063,154	1,606,751,754	0.854	78.28
2013	97	2882	0	0	184	12	7	1,656,447,600	134,451,100	0	1,521,996,500	0.860	79.49
2014	135	2859	0	0	186	11	7	1,705,061,000	132,585,500	0	1,572,475,500	0.873	79.65

Source: County Abstract of Ratables & Municipal Tax Assesor

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

J-7 90.

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 & Overlapping Tax Rate</u>
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
2014	0.765	0.066	0.831	0.379	0.048	0.388	1.675

Source: District Records and Municipal Tax Collector

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

Taxpayer	2014			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Graham c/o Sprint Prop Tax Dept.	7,532,200	1	0.48%	7,532,200	2	0.49%
Dana, Ronald B.	6,884,400	2	0.44%	6,153,200	3	0.40%
Giunco Realty	4,289,200	3	0.27%	4,289,200	5	0.28%
208 Properties, LLC	3,246,700	4	0.21%			
Acme	3,141,400	5	0.20%	3,141,400	7	0.21%
Osprey Realty	2,822,000	6	0.18%	2,822,000	10	0.18%
S & B Associates	2,798,200	7	0.18%			
Leg-It LLC	2,500,000	8	0.16%	4,592,900	4	0.30%
SeaBreeze LLC	2,458,000	9	0.16%	3,000,000	9	0.20%
Manasquan Village Apartments, LLC	2,229,100	10	0.14%			
American Timber				9,106,600	1	1.00%
Clapp, Harvey, Ann & David				3,060,400	8	0.20%
Sea Watch Realty				3,468,200	6	0.23%

Source: Municipal Tax Assesor

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

J-9 92.

<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>
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%	-
2014	13,085,044.00	13,085,044.00	100.00%	-

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

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

J-10 93.

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Percentage Of Personal Income	Per Capita
2005	13,570,395	99,958	13,670,353	4.41%	2169
2006	12,844,684	55,151	12,899,835	3.83%	2058
2007	12,088,979	80,722	12,169,701	3.38%	1952
2008	11,313,154	46,438	11,359,592	3.06%	1818
2009	10,512,000	33,621	10,545,621	3.01%	1681
2010	9,822,000	19,878	9,841,878	2.93%	1667
2011	9,112,000	5,144	9,117,144	2.71%	1544
2012	8,392,000	17,117	8,409,117	2.50%	1345
2013	7,405,000	13,719	7,418,719	2.00%	1164
2014	6,590,000	73,224	6,663,224	2.06%	1157

Source: District CAFR Schedules I-1, I-2 & US Census Bureau

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

J-11 94.

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
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
2014	6,590,000	-	6,590,000	0.4330%	1,144.69

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

Manasquan Board of Education
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

J-12

95.

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes	8,033,855	100.00%	8,033,855
Manasquan Borough			
Other debt			
County of Monmouth Borough's Share	452,960,720	1.710%	7,745,628
Utility Authority- Borough's Share	24,732,156	13.37%	3,306,689
Utility Authority- Sanitary Sewer Rehabilitation			<u>439,847</u>
Subtotal, overlapping debt			11,492,164
Manasquan School District Direct Debt			<u>6,590,000</u>
Total direct and overlapping debt			<u><u>26,116,019</u></u>

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized valuation basis	
2014	1,555,731,800
2013	1,521,996,500
2012	1,606,751,754
	<u>4,684,480,054</u>
Average equalized valuation of taxable property	
	1,561,493,351
Debt limit (3% of average)	
	46,844,801
Net bonded school debt	
	<u>6,590,000</u>
Legal debt margin	
	<u>40,254,801</u>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	34,719,727	45,982,021	46,340,526	46,832,788	47,352,211	46,844,801	47,976,863	48,095,426	47,301,437	46,844,801
Total net debt appl. to limit	13,570,396	12,844,684	12,088,979	11,313,154	10,512,000	9,822,000	9,112,000	8,392,000	7,405,000	6,590,000
Legal debt margin	<u>21,149,331</u>	<u>33,137,337</u>	<u>34,251,547</u>	<u>35,519,634</u>	<u>36,840,211</u>	<u>37,022,801</u>	<u>38,864,863</u>	<u>39,703,426</u>	<u>39,896,437</u>	<u>40,254,801</u>
Total net debt applicable to	39.09%	27.93%	26.09%	24.16%	22.20%	20.97%	18.99%	17.45%	15.65%	14.07%

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

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

J-14 97.

Year	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
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
2014	5757	353,629,482	61,426	4.9

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

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

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

*No Information Available

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

J-16

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	109.5	105.5	105.5	106	113	116	110	110	102	103
Special education	16	16	16	15	18	19	20	18	20	22
Other special education	1	1	1	1	1	2	2	2	2	2
Other instruction	10	10	10	10	12	9	9	11	9	7
Support Services:										
Student & instruction related services	37.4	37.4	37.4	37.4	33.4	32.3	31.3	31.3	35	36
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	10.6	10.6	10.6	10.6	11.6	11.6	11.6	11.6	9	9
Central services	4	4	4	5	5	5	5	5	7	5
Administrative Information Technology	1.5	1.5	1.5	2	2	2	2	2	2	2.5
Plant operations and maintenance	16	16	16	16	18	19.1	19.1	19.1	18	17
Total	209.0	205.0	205.0	206.0	217.0	219.0	213.0	213.0	207.0	206.5

Source: District Personnel Records

Manasquan School District
Operating Statistics
Last Ten Years

J-17

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			ADA	% Change in ADE	Student Attendance %
						Elementary	School	High			
2005	1784	19,221,333	10,774		133	11.4	12.2		1632.1		94.75%
2006	1794	20,373,094	11,356	5.40%	127	11.6	12.7		1633.4	-0.15%	94.93%
2007	1716	21,716,693	12,655	11.44%	120	11.1	12.8		1634.8	-0.48%	95.47%
2008	1702	23,252,749	13,662	7.95%	121	11.0	12.6		1614.5	-0.60%	94.86%
2009	1711	23,043,147	13,472	-1.39%	131	11.0	12.1		1632.0	0.61%	95.31%
2010	1699	23,328,052	13,734	1.95%	132	10.8	11.9		1610.2	-0.80%	94.80%
2011	1697	23,372,328	13,773	0.28%	132	10.8	11.9		1604.3	-0.11%	94.55%
2012	1666	24,515,369	14,715	6.80%	130	10.8	11.9		1576.9	-1.81%	94.65%
2013	1593	25,599,996	16,070	9.20%	124	12	13.5		1513.0	-4.388	94.98%
2014	1635	24,227,685	14,818	-7.79%	127	11.3	14.2		1566.0	2.66%	95.76%

Source: District Records

Manasquan School District
School Building Information
Last Ten Fiscal Years

J-18

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>District Building</u>										
<u>Elementary</u>										
Manasquan Elementary School										
Square Feet	89,500	89,500	89,500	111,800	111,800	111,800	111,800	111,800	111,800	111,800
Capacity (students)	537	537	537	738	738	738	738	738	738	738
Enrollment	686	711	686	690	698	711	688	682	659	657
<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	1,098	1,083	1,030	1,012	1,014	988	1,009	984	934	978

Source: District Records, ASSA

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

J-19 102.

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

Year	School Facilities	Manasquan High School	Manasquan Elementary School
	Project # (s)		
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
2014		46,101	2,705
Total School Facilities		2,530,680	389,469

Source: District Records, CAFR Schedule C-1

**Manasquan School District
Insurance Schedule
June 30, 2014**

J-20 103.

	Coverage	Deductible
School Package Policy (1)		
Multi-Peril Policy (Incl. Boiler & Machinery)	48,235,760	2,500
General Automobile Liability	5,000,000	1,000
School Board Legal Liability	2,000,000	5,000
Catastrophic Excess Liability	10,000,000	-
Workers' Compensation	13,769,010	-
Student Accident Insurance (2)		
Maximum Benefit Blanket Coverage Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Lifetime Benefit Period Disability Plan for All Students	550,000	0
Surety Bonds (3)		
Treasurer	250,000	-
Board Secretary/Business Administrator	250,000	-

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

Source: District Records

SINGLE AUDIT SECTION

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, 2014, 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 October 23, 2014.

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

October 23, 2014

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, 2014. 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, 2014.

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

October 23, 2014

MANASQUAN SCHOOL DISTRICT

Schedule A
K-3

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2013	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2014	
			From	To							(Accounts Receivable)	Deferred Revenue
U.S. Department of Education: Passed Through State Department of Education: General Fund: Community Disaster Loan	97.030	N/A	9/1/2013	8/31/2014	\$1,303,948	\$ -	-	1,303,948	(1,303,948)	-	-	-
U.S. Department of Education: Passed Through State Department of Education: Special Revenue Fund: NCLB: Title I Cluster: Title I Title I Title I Title II Title II Title II Title III Title III Special Education Cluster: IDEA: Part B - Basic Part B - Basic Preschool Preschool Total Special Revenue	84.010 84.010 84.367A 84.367A 84.365A 84.365A	NCLB13 NCLB14 NCLB13 NCLB14 NCLB13 NCLB14	9/1/2012 9/1/2013 9/1/2012 9/1/2013 9/1/2012 9/1/2013	8/31/2013 8/31/2014 8/31/2013 8/31/2014 8/31/2013 8/31/2014	80,034 90,638 23,467 23,267 19,065 2,000	(19,748) (5,905) (7,141)	-	19,748 90,638 5,905 23,267 15,753	(90,638) (23,267) (8,612) (2,000)	-	-	-
U.S. Department of Agriculture - Passed Through State Department of Education: Child Nutrition Cluster: National School Lunch Program National School Lunch Program HHFKA Lunch Program HHFKA Lunch Program Food Distribution Program Total U.S. Dept. of Agriculture	84.027 84.027 84.173 84.173 10.555 10.555 10.555 10.550	FT13 FT14 FT13 FT14 N/A N/A N/A N/A	9/1/2012 9/1/2013 9/1/2012 9/1/2013 7/1/2013 7/1/2012 7/1/2013 7/1/2013	8/31/2013 8/31/2014 8/31/2013 8/31/2014 6/30/2014 6/30/2013 6/30/2014 6/30/2014	231,216 217,097 6,954 6,342 109,885 95,689 4,854 11,954	(68,402) (4,113) (105,309)	-	75,261 202,940 4,113 6,299 77,800 20,557 3,461 954 11,954 114,726	(6,859) (215,232) (6,342) (352,950)	-	(12,292) (43) (14,335)	-
Total Federal Financial Assistance					\$	(126,820)	-	1,862,598	(1,783,591)	-	(47,813)	-

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, 2014

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2013	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year Balances	Balance at June 30, 2014		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	(160,527)		(160,527)		(46,486)	160,527
Extraordinary Aid	14-495-034-5120-044	160,527	7/1/2013	6/30/2014			505,972	(505,972)				(2,089)	505,972
Special Education Categorical Aid	14-495-034-5120-089	505,972	7/1/2013	6/30/2014			23,093	(23,093)				(1,567)	23,093
Transportation Aid	14-495-034-5120-014	23,093	7/1/2013	6/30/2014			17,267	(17,267)				(2,089)	17,267
Security Aid	14-495-034-5120-084	17,267	7/1/2013	6/30/2014			20,596	(20,596)					20,596
Adjustment Aid	14-495-034-5120-085	20,596	7/1/2013	6/30/2014			814						
Non Public Transportation	13-495-034-5120-014	814	7/1/2012	6/30/2013	(814)			(1,390)		(1,390)			1,390
Non Public Transportation	14-495-034-5120-014	1,390	7/1/2013	6/30/2014			39,121	(817,214)		(40,708)			817,214
Reimbursed TPAF S.S. Contr.	13-100-034-5095-002	799,703	7/1/2012	6/30/2013	(39,121)		776,506	(1,546,059)		(202,625)		(52,231)	1,546,059
Reimbursed TPAF S.S. Contr.	14-100-034-5095-002	817,214	7/1/2013	6/30/2014	(231,042)		1,574,476						
Total General Fund													
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Chapter 192:													
Compensatory Education	13-100-034-5120-067	32,607	7/1/2012	6/30/2013	25,916		16,264	(5,136)	(25,916)				5,136
Compensatory Education	14-100-034-5120-067	16,264	7/1/2013	6/30/2014			3,568	(3,568)					3,568
Transportation	14-100-034-5120-067	3,568	7/1/2013	6/30/2014									
Chapter 193:													
Initial Exam and Classification	14-100-034-5120-066	13,368	7/1/2013	6/30/2014			13,368	(7,798)					7,798
Annual Exam and Classification	14-100-034-5120-066	5,106	7/1/2013	6/30/2014			5,106	(1,915)					1,915
Annual Exam and Classification	13-100-034-5120-066	4,788	7/1/2012	6/30/2013	1,604				(1,604)				
Corrective Speech	14-100-034-5120-066	6,250	7/1/2012	6/30/2013			6,250	(4,687)					4,687
Supplementary Instruction	13-100-034-5120-066	11,101	7/1/2012	6/30/2013	5,550				(5,550)				
Supplementary Instruction	14-100-034-5120-066	9,020	7/1/2013	6/30/2014			9,020	(6,938)					6,938
Non-Public Technology	13-100-034-5120-373	3,413	7/1/2012	6/30/2013	423				(423)				
Non-Public Technology	14-100-034-5120-373	3,240	7/1/2013	6/30/2014			3,240	(3,225)					3,225
Non-Public Textbooks	14-100-034-5120-064	8,886	7/1/2013	6/30/2014			8,886	(7,734)					7,734
Non-Public Textbooks	13-100-034-5120-064	9,247	7/1/2012	6/30/2013	1,060				(1,060)				
Non-Public Nursing	14-100-034-5120-070	10,885	7/1/2013	6/30/2014			10,885	(10,880)					10,880
Non-Public Nursing	13-100-034-5120-070	11,368	7/1/2012	6/30/2013	6				(6)				
Total Special Revenue					34,559		76,587	(51,881)	(34,559)				51,881
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	(732)		732	(3,969)		(1,076)			3,969
State Share	14-100-034-3360-023	3,969	7/1/2013	6/30/2014			2,893	(3,969)					
Total Enterprise Fund					(732)		3,625	(3,969)		(1,076)			3,969
Total State Financial Assistance					\$ (197,215)		1,654,688	(1,601,909)	(34,559)	(203,701)		(52,231)	1,601,909

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, 2014****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 \$(516) 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>
<u>State Assistance</u>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule				
of Expenditures of State				
Financial Assistance	\$ 1,546,059	51,881	3,969	1,601,909
 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	1,300,214			1,300,214
 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>(516)</u>	<u> </u>	<u> </u>	<u>(516)</u>
 Total State Revenue as Reported				
on the Statement of Revenues,				
Expenditures and Changes in				
Fund Balances	<u>\$ 2,845,757</u>	<u>51,881</u>	<u>3,969</u>	<u>2,901,607</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 1,303,948	352,950	126,693	1,783,591
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>\$ 1,303,948</u>	<u>352,950</u>	<u>126,693</u>	<u>1,783,591</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2014. 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, 2014.

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2014*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)

97.030

Name of Federal Program or Cluster

Community Disaster Loan

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

\$300,000

Auditee qualified as low-risk auditee?

 x Yes No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	0	1
2	1	0
3	0	1
4	1	0
5	0	1
6	1	0
7	0	1
8	1	0
9	0	1
10	1	0
11	0	1
12	1	0
13	0	1
14	1	0
15	0	1
16	1	0
17	0	1
18	1	0
19	0	1
20	1	0
21	0	1
22	1	0
23	0	1
24	1	0
25	0	1
26	1	0
27	0	1
28	1	0
29	0	1
30	1	0
31	0	1
32	1	0
33	0	1
34	1	0
35	0	1
36	1	0
37	0	1
38	1	0
39	0	1
40	1	0
41	0	1
42	1	0
43	0	1
44	1	0
45	0	1
46	1	0
47	0	1
48	1	0
49	0	1
50	1	0
51	0	1
52	1	0
53	0	1
54	1	0
55	0	1
56	1	0
57	0	1
58	1	0
59	0	1
60	1	0
61	0	1
62	1	0
63	0	1
64	1	0
65	0	1
66	1	0
67	0	1
68	1	0
69	0	1
70	1	0
71	0	1
72	1	0
73	0	1
74	1	0
75	0	1
76	1	0
77	0	1
78	1	0
79	0	1
80	1	0
81	0	1
82	1	0
83	0	1
84	1	0
85	0	1
86	1	0
87	0	1
88	1	0
89	0	1
90	1	0
91	0	1
92	1	0
93	0	1
94	1	0
95	0	1
96	1	0
97	0	1
98	1	0
99	0	1
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

14-495-034-5120-089

Special Education Categorical Aid (State Aid-Public Cluster)

14-495-034-5120-084

Security Aid (State Aid-Public Cluster)

14-495-034-5120-085

Adjustment Aid (State Aid-Public Cluster)

14-495-034-5095-002

Reimbursed TPAF Social Security Contribution

.....

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

117.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

118.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prior Audit Findings:

None