

SCHOOL DISTRICT

OF

MANASQUAN

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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FINANCIAL REPORT**

OF THE

MANASQUAN BOARD OF EDUCATION

MANASQUAN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY

**MANASQUAN BOARD OF EDUCATION
FINANCE DEPARTMENT**

MANASQUAN SCHOOL DISTRICT

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INTRODUCTORY SECTION

MANASQUAN BOARD OF EDUCATION

Central Administration Offices, 169 Broad Street, Manasquan, NJ 08736
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November 21, 2016

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, 2016. 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 Title 2 U.S. *CFR*, Part 200, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter NJ OMB 15-08, "Single Audit

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

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

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

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

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

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

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

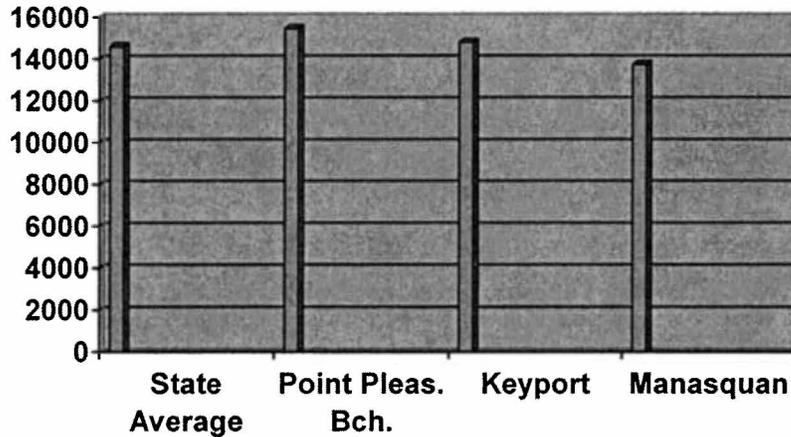
To maintain effective communications, the District has a website that is updated frequently. Information about the budget is posted on the website during the budget review process. Meetings are held and offers to present materials on the budget are extended to all community and civic groups within the 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 2016 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 \$13,739 per pupil (certified costs for 2014-15) while the average cost for similar districts was \$14,604. 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 22nd lowest in total cost per pupil.

Per Pupil Comparative Spending 2016 (Certified 2014-15 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, an additional computer lab, and a multi-purpose Cafeteria. However, there continues to be problems with the heating, ventilation, and air conditioning system that was installed throughout the building. The district has completed an independent evaluation of the poorly designed HVAC system and is still in the process of rectifying the situation.

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

With regards to technology, ActivBoards have been installed in every classroom. Every teacher is provided with a Dell Tablet and classrooms are also equipped with at least two thin client workstations or additional student desktop computers for student computer centers. Document scanners and digital cameras are also available for faculty use with their students. The district is a Windows 10 Microsoft Active Directory computer environment using MS Office 365. In the spring of 2013, a significant data rewiring project was completed for major sections of the building. New data wiring and network switching equipment was added to support additional devices, increase reliability of network

connections, and increase network capacity. A mobile iPad cart (holding 30 iPad 2s) was funded by a donation from the PTO for classroom use. In addition, iPad 2 tablets have been purchased for learning centers in every K-5 classroom and ESL classes, as well as a mobile Dell 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 middle school students in Grades 6-8.

Additional technological advances include increased usage of our Genesis Student Data Management System and our school website, hosted by Schoolwires. The guidance program, Naviance is implemented to provide a learning style inventory and career awareness activities for middle school students. Eighth grade students continue to participate in Digital Storytelling, in which they have an opportunity to participate in this project-based learning experience utilizing video- and sound-editing software. The Genesis Parent Portal is utilized for student attendance, real-time gradebook access, electronic report card and interim report distribution, all significantly reducing postal mailings. Furthermore, in order to provide teachers with more opportunities to assess individual student skills and track their academic progress, the on-line testing program, MAP (Measurement of Academic Progress) is administered to K-8 students 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 state-mandated PARCC assessment. The Canvas Learning Management System is also utilized by our middle school teachers with their students to connect all digital teaching and learning tools in one place.

Several new instructional programs have been implemented, including a K-5 language arts program, Houghton-Mifflin's Journeys which was selected for implementation to assist teachers in curriculum alignment to the Common Core State Standards for English Language Arts. To further assure alignment to the Common Core State Standards, a mathematics program for Grades K-6 (Pearson's enVision) was also purchased. In order to enhance differentiation of instruction, more time has been designated for guided reading lessons with the assistance of the school's Reading Specialist, who worked collaboratively with the classroom teachers. The language arts program was further expanded by the implementation of additional formative assessment opportunities using the Fountas & Pinnell Benchmark Assessment Program. A Basic Skills Program (FUNdamentals) has been established for students in Grades 1-8 in language arts and mathematics. In addition, a new science program, Pearson Interactive Science, has been adopted for use in Grades K-6, with goals to increase the digital platform in Grades 7 & 8 during the next school year. The program is aligned to the Next Generation Science Standards. A new STEM Initiative across all grade levels, K-8, has been implemented during this school year, including the creation of an Accelerated STEM Class for students in Grades 7 & 8. The school's Second Step Character Education Program was continued in grades 3-8, with assembly programs relating to tolerance, respect, and anti-bullying initiatives. Implementation of our middle school Cyberbullying Program was also maintained. Our school is also 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 the prevention of 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 2016, renovations on the Vic Kubu Warrior Field commenced. The multi-purpose field was re-sodded and a new press box is currently under construction. After a failed referendum vote in 2016, the district is preparing to go out for referendum in January, 2017. The referendum focuses on major facilities upgrades, including the construction of new science labs, a STEM Lab, modifications to the TV Production Studio and safety and security upgrades.

Manasquan High School continues to expand course offerings. For the first time, we will be offering the following courses: Painting, Italian II and AP Human Geography. This is also the second year that we will be offering Robotics. The Robotics class is taught in our Innovation Lab, a new technological instructional space that was funded by a \$10,000 grant to Manasquan High School by Oceans First Bank last year. The Robotics class also serves as the keystone course for our new Academy of Engineering.

In 2016, Manasquan High School was recognized by The College Board for a second time by being placed on the AP District Honor Roll, a national distinction which celebrates districts that increase participation and performance in their AP Program. All students enrolled in our AP courses took the College Board AP exam. In 2015-16, students scored an average of 3.22. The high school also had 77% of all tests score a “3” or above.

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 20 students received college credit in 2015-16.

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 2016, the Academy of Finance graduated over 25 students and was awarded “Model Academy” status by the National Academy Foundation for the fourth consecutive year.

In 2014, Manasquan High School used funds from a grant awarded by Oceans First Bank to develop a new Innovation Lab, an instructional space that will be utilized by our new Academy of Engineering. Funds from a previous grant have been employed by our Media Center Specialist to purchase a 3-D

printer that will be used by students and staff through our engineering and design classes. The Academy of Engineering begins its second year in 2016-2017, and the Robotics Team will seek out opportunities to compete at the county and state levels.

A program to recognize “Student of the Month” at all grade levels, continues as a partnership with The Brielle/Spring Lake Rotary. One student from each grade level and a teacher are selected each month. The award focuses on student achievement, leadership, and community service. With regards to technology, continued training was provided for staff and administrators related to the new 1 to 1 technology initiative. In 2015-2016, all students were provided with tablets, and teachers began training on the device. Our primary focus is to encourage our students to employ technology so as to enhance problem-solving skills and apply these skills to “real world” applications. The district initiative is focused on providing our students the skills to become 21st century learners.

Special Education

The Special Education program is an integral part of each school. In the 2015-2016 school year the number of educationally disabled students in the district was 178 High School Students, 129 Elementary School Students, 8 Pre-School Disabled Students and 47 (15 Manasquan, 32 Sending Districts) other students were sent to facilities outside the district. Most of the 330 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. A new Life Skills program was started in September 2015 to address the needs of the students in need of functional skills. There is also an in-house Integrated Preschool program operating in the Elementary School to provide preschool instruction/related services to preschoolers with disabilities as well as to typically developing preschoolers who attend on a tuition basis.

Core Curriculum Content Standards and the Common Core Standards

Throughout the 2015-2016 school year, the Manasquan School District ensured that our curriculum was rigorous, aligned to the standards, and engaged students in authentic learning as well as critical thinking. Teachers reviewed and updated existing curriculum, revised courses as needed to meet newly updated standards, and wrote new curriculum for the implementation of several new courses. A new curriculum template was designed for our elementary and high school programs which emphasized alignment to the standards, critical thinking, project-based learning activities and real-world application of knowledge. The chosen format was created with teacher-usability in mind. These curricula would serve as the roadmap for instruction with the ingredients for rigorous learning and understanding. In the new template all teachers were to connect their content area instructional practices and activities to the ELA and math standards as well as the technology standards to support our 1:1 technology initiative. Teachers were provided with three 3 hour sessions (December 10; March 3; April 21) to work on updating and revising curriculum using this new template. English language arts and mathematics teachers K-12 continued to align instruction with the standards and were, during the spring semester, cognizant of the changes that were occurring with the advent of the New Jersey Student Learning Standards. During the 2016-2017 school year both department/grade level LAL and mathematics teachers will finish aligning their curriculum with the New Jersey Student Learning Standards and articulate across the grade levels to ensure that all skills are being covered and students are progressing

from level to level. Last year our K-5 science teachers rewrote curriculum in accordance with the Next Generation Science Standards. After piloting the revisions throughout the 2015-2016 school year, these teachers updated their curriculum this summer and also added additional STEM activities to their programs. Rewriting of our science curriculum 6-12 began during the school year and was completed this summer. Presently all our programs are aligned with the NGSS and will be board approved at the September 2016 board meeting. Curriculum for two of our Engineering Academy courses – Business of Architecture & Construction and Business of Engineering & Design were updated to reflect connections with technology, ELA and math as well as the critical thinking skills and student-directed learning being emphasized in the district. In accordance with College Board requirements our AP World History curriculum has also been updated and will be submitted through the AP audit for approval. A new curriculum written this summer for a new course, AP Human Geography, 2016, will be submitted for approval. This summer curriculum was also written for other new course offerings for 2016-2017 - Fashion & Interior Design, Italian II, and Painting. All curricula will be board approved at the September 2016 meeting and implemented this fall.

Staff Development

During the 2015-2016 school year, Manasquan School District adopted an innovative plan which enabled all teachers to select professional development opportunities which best suited their needs and interests to grow as educators. The district focused primarily on instructional strategies and use of technology in the classroom. The previous year a group of teachers led by the district's Director of Curriculum and Instruction formed a Professional Development Academy. This group created the highly successful initiative of Teachers Teaching Teachers. To kick-start the program, a presenter from Microsoft, Ginno Kelly, presented a motivational program. He also taught two workshops during our first set of programs. Teacher leaders led workshops that spanned all types of instructional practices, project based learning ideas, interdisciplinary workshops, and use of technology in the classroom – how to use specific programs as well as how to enhance instruction through the use of technology. Staff members left each session with a product that they could use in their classrooms. This program ran three times – October 12, December 10, January 25. Teachers selected 2-3 workshops for each session. After each program, the Academy members surveyed the staff to determine what was needed to improve this professional development and noted what needed to be changed. For the 2016-2017, this program will continue; however, teachers will be afforded more collaboration time to work with their colleagues.

This summer many teachers attended professional development opportunities presented by our technology department. These workshops included the learning management system Canvas, digital assessments, Office 365, OneNote, and flipping the classroom.

All staff members attended the state-mandated trainings which were presented by administrators or content experts at faculty meetings, by a speaker Michael DeLeon from Steered Straight and through online programs offered through Safe Schools (Health Emergencies; Child Abuse; Cyberbullying; Safety Data Sheets; Ferpa; Gang Awareness; Drug & Alcohol; Youth Suicide).

Staff members were also encouraged and provided the means to attend workshops outside the district which were relevant to their content areas, roles within the district or needs determined through the evaluation tools. Groups of teachers also went to other districts to learn how they were using technology

in the classroom, the types of schedules other districts were using and the incorporation of a unit lunch. Teachers and specialists shared their findings and materials with their colleagues.

At the beginning of the school year teachers were informed of any changes to the evaluation instrument, the forms used by the district, and the implementation of Purpose-Driven Walk-throughs. Within departments and grade levels, teachers examined their previous year's SGOs to determine how to make the data more useful, to ensure the rigor was adequate, and that teaching strategies met the needs of all learners in order for them to meet their target goals. Many teachers revised and/or changed their SGOs to better accommodate all learners while maintaining rigorous, high expectations.

Teachers new to the district received a two hour training during our three day New Teacher Induction Program on the evaluation instrument, the use of the online platform, Genesis, and the observation policies established by the state and district. This induction program, run by teachers and administrators, welcomed the new hires to the district, introduced them to our expectations through modeling, time with department/grade level colleagues, discussions with administrators, and town and building tours. These teachers also attended monthly workshops – classroom management, communicating with parents, higher level questioning and critical thinking, use of technology in the classroom, guidance & counseling resources for teachers & students, and best practices. Those individuals who were first year teachers worked with a mentor. Logs were kept by both parties, meetings were held and together they met with the Director of Curriculum & Instruction to ensure that their needs and the requirements outlined by the state were being met.

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.

All classrooms are equipped with multi-media equipment including projectors and audio, most with interactive white boards. The district maintains some traditional desktop computer setups in some elementary school but has moved to 1 to 1 mobile technology program in grades 8-12 where all students and teachers are issued 2-in-1 tablet devices permitting them to be mobile throughout the school buildings and use at home. Upgraded wireless network access points supporting wireless-n and wireless-ac standards are now installed throughout the district allowing for high-speed network and internet connections from all classrooms and offices.

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

Personnel

The district employed 223 people during the 2015-2016 school year. The certificated staff numbered 170.5 and educational support personnel 52.5.

Pupil Enrollment

The district completed the 2015-2016 fiscal year with an Average Daily Enrollment of 1579.76 which is 20.22 students less than 2014-2015 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
1996-97	1577.1	2.756%
1997-98	1573.0	-0.260%
1998-99	1576.1	0.197%
1999-00	1595.9	1.256%
2000-01	1587.5	-0.526%
2001-02	1664.5	4.850%
2002-03	1726.3	3.713%
2003-04	1726.5	0.012%
2004-05	1723.1	-0.197%
2005-06	1720.6	-0.145%
2006-07	1712.3	-0.482%
2007-08	1702.0	-0.602%
2008-09	1712.3	0.605%
2009-10	1698.6	-0.800%
2010-11	1696.8	-0.106%
2011-12	1666.1	-1.809%
2012-13	1593.0	-4.388%
2013-14	1635.4	2.662%
2014-15	1598.9	-2.166%
2015-16	1579.8	-1.263%

2. ECONOMIC CONDITION AND OUTLOOK:

The population of families with school age children is relatively stable in Manasquan; however, the total school enrollment has decreased by 19.10 students. Any future changes in the population served could be due to continued home sales or changes resulting from expansion and/or development in Manasquan post Superstorm Sandy. It appears that any differences in the High School enrollment may be due to our

Sending/Receiving relationships with the seven surrounding towns, either through development, population shifts or both.

3. **MAJOR INITIATIVES:**

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

4. **INTERNAL ACCOUNTING CONTROLS:**

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

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

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

5. **BUDGETARY CONTROLS:**

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

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

6. **CASH MANAGEMENT:**

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

7. **RISK MANAGEMENT:**

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

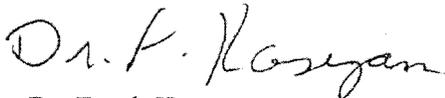
8. **OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA’s was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended and the related OMB Circular Title 2 U.S. *CFR*, Part 200 and the New Jersey OMB Circular NJ OMB 15-08. The Auditor’s Report on the basic financial statements and as well as both the required and other supplementary information is included in the financial section of this report. The Auditor’s reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS:

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

Respectfully submitted,



Dr. Frank Kasyan
Superintendent of Schools



Lynn Coates
Business Administrator/Bd. Secy.

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

**ROSTER OF OFFICIALS
JUNE 30, 2016**

Members of the Board of Education	Term Expires
Thomas Pellegrino, President	2018
Linda DiPalma, Vice President	2017
Donna Bossone	2018
Martin Burns	2018
Eugene Cattani	2017
Mark Furey (Belmar)	2016
Erik Gardner (SLH)	2016
Heather Garrett-Muly	2016
Joseph A. Loffredo, Jr. *appointed to replace J. Walsh 3/1/16 for 1-year of a 1-year unexpired term	2016
Colleen Smith *resigned 1/19/16	2017
Fred Sorino	2016
James Walsh *resigned 12/18/15	2016
Colin T. Warren *appointed to replace C. Smith 3/15/16 for 1-year of a 2-year unexpired term	2016
Tedd Vitale (Brielle)	2016
 Other Officials	
Dr. Frank Kasyan, Superintendent	
Lynn Coates, School Business Administrator/Board Secretary	
Joanne S. Madden, Treasurer	

**MANASQUAN BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

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

ATTORNEY

Kenney, Gross, Kovats & Parton
130 Maple Avenue – Bldg. 8
Red Bank, NJ 07701

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

FINANCIAL ADVISORS

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

OFFICIAL DEPOSITORY

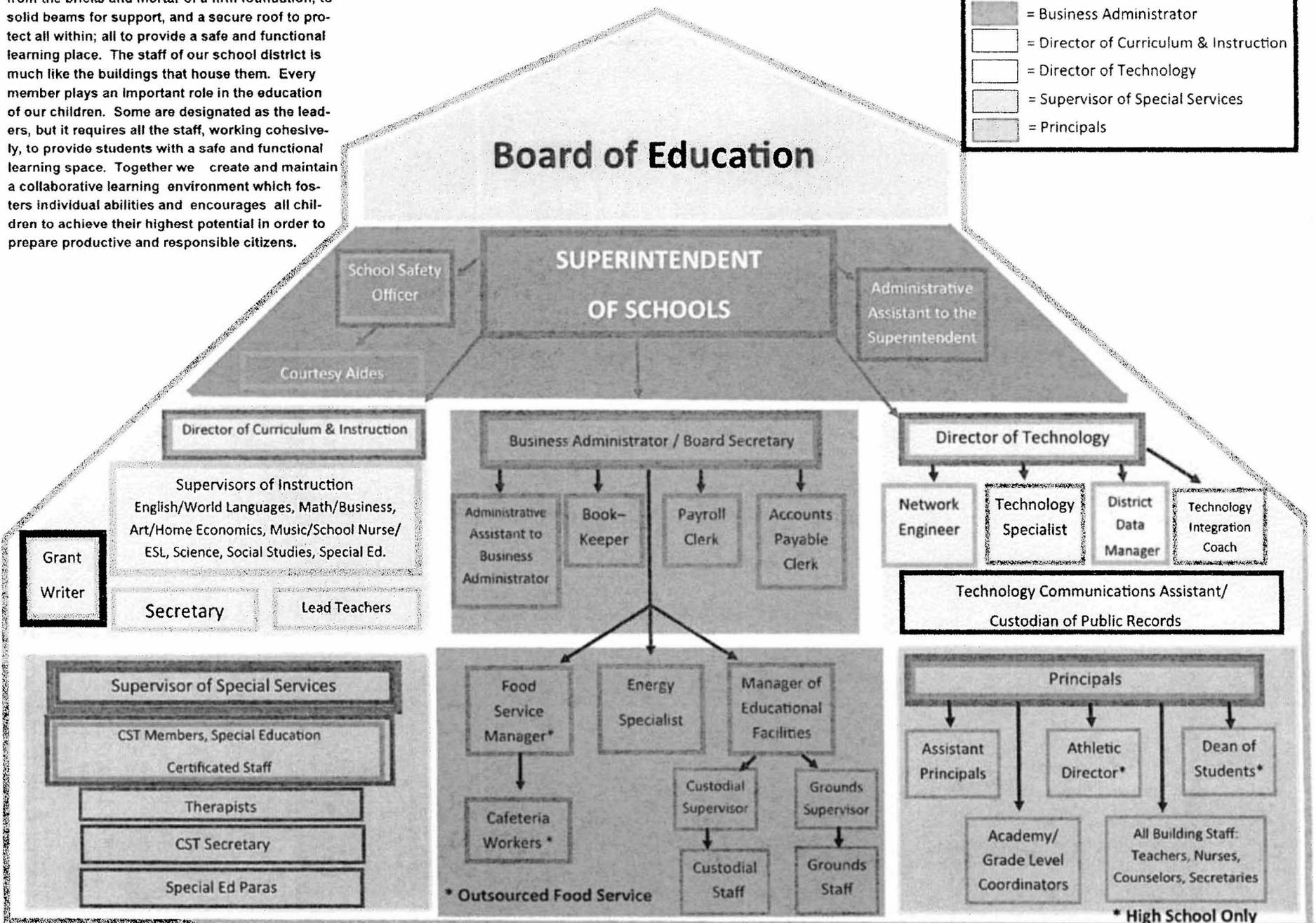
Wells Fargo Bank
Allaire Plaza
Wall, New Jersey 07719

Manasquan School District Organizational Chart

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

Color Designates Administrator Responsible:

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



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

16.

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, 2016, 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, 2016, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, 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 November 21, 2016 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

November 21, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

**MANASQUAN PUBLIC SCHOOL DISTRICT
BOROUGH OF MANASQUAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016. 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 2016 are as follows:

- ◆ General revenues accounted for \$26,183,180 in revenue or 92% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,263,782 or 8% to total revenues of \$28,446,962.
- ◆ Total Net Position of governmental activities decreased by \$1,104,346 as cash and cash equivalents, and receivables decreased by \$619,536, accounts payable and long-term liabilities increased by \$1,737,281 and capital assets decreased by \$542,478.
- ◆ The School District had \$29,549,391 in expenses; only \$2,263,762 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$26,183,180 were adequate to provide for these programs.
- ◆ The General Fund had \$26,132,480 revenues and \$26,243,926 in expenditures. The General Fund's balance increased \$111,446 from 2015. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Positions and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for 2015 and 2016.

	<u>2015</u>	<u>2016</u>
Assets		
Current and other assets	\$ 2,296,638	\$ 2,235,359
Capital assets, net	<u>18,845,484</u>	<u>18,289,144</u>
Total Assets	<u>\$21,142,122</u>	<u>\$20,524,503</u>
Deferred Outflow of Resources	<u>\$389,311</u>	<u>\$1,576,528</u>
Deferred Inflow of Resources	<u>\$781,791</u>	<u>\$501,019</u>
Liabilities		
Long-term liabilities	\$12,862,337	\$14,851,302
Other liabilities	<u>1,013,096</u>	<u>761,412</u>
Total Liabilities	<u>\$13,875,433</u>	<u>\$15,612,714</u>
Net Assets		
Invested in capital assets, net of debt	\$10,703,510	\$10,109,769
Restricted	1,773,033	1,659,785
Unrestricted	<u>(5,602,334)</u>	<u>(5,782,256)</u>
Total Net Position	<u>\$6,874,209</u>	<u>\$5,987,298</u>

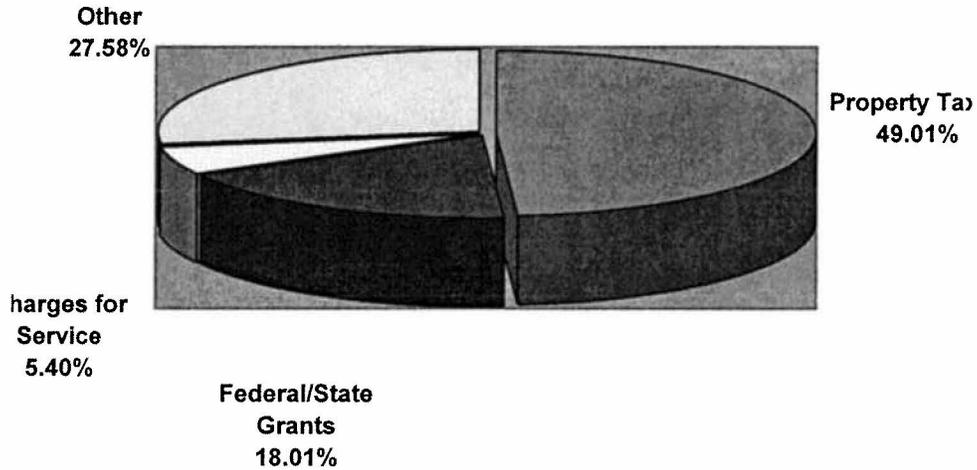
Table 2 shows the changes in net position from fiscal year 2015 to 2016.

	<u>2015</u>	<u>2016</u>
Revenues		
Program revenues		
Charges for services	\$1,317,660	\$1,538,206
Operating grants and contributions	594,391	725,576
General revenues		
Property taxes	13,587,490	13,940,608
Grants and entitlements	3,964,426	4,396,847
Other	<u>8,800,101</u>	<u>7,845,725</u>
Total Revenues	<u>28,264,068</u>	<u>28,446,962</u>
Program Expenses		
Instruction	11,338,164	11,253,998
Support services		
Pupils and instructional staff	3,651,357	3,914,558
General administration, school administration, business	8,790,629	9,276,858
Operations and maintenance of Facilities	2,139,894	2,029,373
Pupil Transportation	506,389	554,515
Interest on debt	259,874	240,110
Food service/Surf Team	714,761	704,194
FEMA Loan Payable	0	839,651
Capital Outlay	0	51,245
Other	<u>681,910</u>	<u>684,889</u>
Total Expenses	<u>28,082,978</u>	<u>29,549,391</u>
Inc./(Dec.) in Net Assets	<u>181,090</u>	<u>(1,102,429)</u>

Governmental Activities

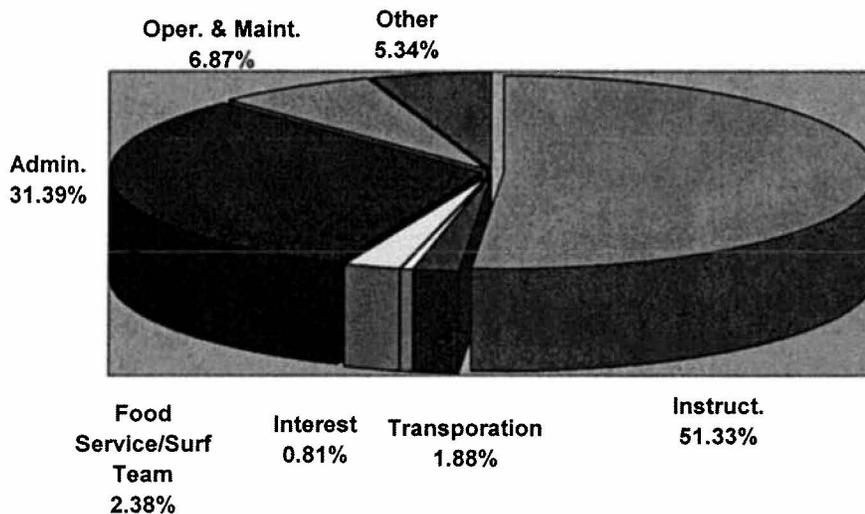
Property taxes made up 49.01% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2016. The District's total revenues were \$28,446,962 for the fiscal year ended June 30, 2016. Federal, state and local grants accounted for another 18.01%. Tuition, interest revenue and miscellaneous income make up 27.58% and charges for services equal 5.40%.

Sources of Revenues for Fiscal Year 2016



The total cost of all programs and services was \$29,549,391. Instruction comprised 51.33% of District expenses. Administration equaled 31.39% and the balance of 17.28% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

Expenses for Fiscal Year 2016



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 more than expenditures by \$1,917.
- ◆ Charges for services represent \$600,567 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 \$105,530.
- ◆ The Surf Team is partially supported by a parent group. The current year revenues and expenditures plus the beginning balance left positive net assets of \$536.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Comparisons to 2015 have been shown below.

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2016	Net Cost of Services 2016
Instruction	\$11,338,164	\$10,981,432	\$11,253,998	\$10,706,168
Support services				
Pupils and instructional staff	3,651,357	2,799,503	3,914,558	2,921,703
General administration, school administration, business	8,790,629	8,790,629	9,276,858	9,276,858
Operation and maintenance of facilities	2,139,894	2,139,894	2,029,373	2,029,373
Pupil transportation	506,389	506,389	554,515	537,515
Interest and fiscal charges	259,874	259,874	240,110	240,110
FEMA Loan Payable	0	0	839,651	839,651
Capital Outlay	0	0	51,245	51,245
Other	<u>681,910</u>	<u>681,910</u>	<u>684,889</u>	<u>684,889</u>
Total Expenses	<u>27,368,217</u>	<u>26,159,631</u>	<u>29,549,391</u>	<u>27,287,512</u>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts with Schedule B-2. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$27,740,851 and expenditures of \$27,852,297. The net change in fund balance for the year was in the General Fund, a decrease of \$111,446. The debt service fund balance had no decrease/increase.

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, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>
Local Sources	\$22,770,375	82.05%	\$(376,444)
State Sources	3,735,494	13.47%	606,905
Federal Sources	<u>1,234,982</u>	<u>4.48%</u>	<u>(50,153)</u>
Total Revenue	<u><u>\$27,740,851</u></u>	<u><u>100.00%</u></u>	<u><u>\$180,308</u></u>

The decrease in Local Sources of \$376,444 was attributed to an increase in the local general fund tax levy, a decrease in the debt service tax levy and a decrease in tuition revenues.

The increase in State Sources of \$606,905 was attributed to changes in state aid revenues.

The decrease in Federal Sources of \$50,153 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, 2016.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>
Current:			
Instruction	\$11,190,344	40.19%	\$ (147,280)
Undistributed expenditures	15,622,383	56.09%	938,167
Capital outlay	51,245	0.18%	(55,272)
Debt service:			
Principal	770,000	2.76%	(15,000)
Interest	218,325	0.78%	(29,100)
Total Expenditures	<u>\$27,852,297</u>	<u>100.00%</u>	<u>\$690,975</u>

The decrease in Current - Instruction of \$147,820 was attributed to an decrease in supplies, textbooks and 1-1 Technology.

The increase in Current-Undistributed Expenditures of \$938,167 was primarily attributed to the TPAF non-paid pension contribution and maintenance and repair.

The decrease of \$55,272 in capital outlay was based on requested expenditures.

The decrease in debt service of \$44,100 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 2016, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.
- ◆ Actual revenues were \$111,446 less than expenses. The original budget projected the use of \$258,374 from surplus. The actual general fund expenditures were \$27,852,297.

Capital Assets

At the end of the fiscal year 2016, the School District had \$18,157,394 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 balances compared to 2015 and 2014.

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

	2014	2015	2016
Land	\$1,068,000	\$1,068,000	\$1,068,000
Site Improvements	242,291	236,791	263,974
Buildings	17,232,299	16,821,241	16,355,430
Machinery and Equipment	603,500	567,111	469,990
Totals Capital Assets	\$19,146,290	\$18,693,143	\$18,157,394

Overall capital assets decreased \$535,749 from fiscal year 2015 to fiscal year 2016. This decrease was due primarily due to retirements and depreciation.

Debt Administration

At June 30, 2016, the School district had \$15,386,506 outstanding debt. Of this amount \$576,666 is for compensated absences, \$8,068,599 for bonds payable, \$110,776 for capital leases and \$6,630,465 for pension liability.

For the Future

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

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

MANASQUAN SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 284,114	57,504	341,618
Receivables, Net	460,784	19,359	480,143
Inventory		2,765	2,765
Restricted Assets:			
Cash and Cash Equivalents	914,084		914,084
Capital Reserve Account - Cash	496,749		496,749
Capital Assets Not Depreciated	1,068,000		1,068,000
Capital Assets, Net	17,089,394	131,750	17,221,144
Total Assets	<u>20,313,125</u>	<u>211,378</u>	<u>20,524,503</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>1,576,528</u>		<u>1,576,528</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>501,019</u>		<u>501,019</u>
<u>Liabilities</u>			
Accounts Payable	63,677		63,677
Accrued Interest	144,181		144,181
Deferred Revenue	18,350		18,350
Noncurrent Liabilities:			
Due Within One Year	535,204		535,204
Due Beyond One Year	14,851,302		14,851,302
Total Liabilities	<u>15,612,714</u>	<u>-</u>	<u>15,612,714</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	9,978,019	131,750	10,109,769
Restricted For:			
Other Purposes	1,659,785		1,659,785
Unrestricted	<u>(5,861,884)</u>	<u>79,628</u>	<u>(5,782,256)</u>
Total Net Position	<u>\$ 5,775,920</u>	<u>211,378</u>	<u>5,987,298</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, 2016

	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	\$7,732,999			(7,732,999)		(7,732,999)
Special Education	1,979,082		547,830	(1,431,252)		(1,431,252)
Other Special Instruction	798,855			(798,855)		(798,855)
Other Instruction	743,062			(743,062)		(743,062)
Support Services:						
Tuition	920,639	920,639		-		-
Student & Instruction Related Services	2,993,919		72,216	(2,921,703)		(2,921,703)
General Administrative Services	634,576			(634,576)		(634,576)
School and Business Administrative Services	1,758,684			(1,758,684)		(1,758,684)
Plant Operations and Maintenance	2,029,373			(2,029,373)		(2,029,373)
Pupil Transportation	554,515	17,000		(537,515)		(537,515)
Capital Outlay	51,245			(51,245)		(51,245)
F.E.M.A. Loan Payable	839,651			(839,651)		(839,651)
Unallocated Benefits	6,883,598			(6,883,598)		(6,883,598)
Interest on Long-Term Debt	240,110			(240,110)		(240,110)
Unallocated Depreciation	684,889			(684,889)		(684,889)
Total Government Activities	<u>28,845,197</u>	<u>937,639</u>	<u>620,046</u>	<u>(27,287,512)</u>	<u>-</u>	<u>(27,287,512)</u>
Business-Type Activities:						
Food Service	704,194	600,567	105,530		1,903	1,903
Total Business-Type Activities	<u>704,194</u>	<u>600,567</u>	<u>105,530</u>	<u>-</u>	<u>1,903</u>	<u>1,903</u>
Total Primary Government	<u>29,549,391</u>	<u>1,538,206</u>	<u>725,576</u>	<u>(27,287,512)</u>	<u>1,903</u>	<u>(27,285,609)</u>

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

MANASQUAN SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Exhibit A-2
Sheet 2 of 2

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purpose, Net			\$ 12,952,283		12,952,283
Taxes Levied for Debt Service			988,325		988,325
Tuition			7,801,435		7,801,435
Federal and State Aid Not Restricted			4,396,847		4,396,847
Miscellaneous Income			44,276	14	44,290
Total General Revenues, Special Items and Transfers			<u>26,183,166</u>	<u>14</u>	<u>26,183,180</u>
Change in Net Position			(1,104,346)	1,917	(1,102,429)
Net Position - Beginning			<u>6,880,266</u>	<u>209,461</u>	<u>7,089,727</u>
Net Position - Ending			<u>\$ 5,775,920</u>	<u>211,378</u>	<u>5,987,298</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents-Restricted	\$ 1,410,833		1,410,833
Cash and Cash Equivalents-Unrestricted	284,114		284,114
Interfund Receivable	184,172		184,172
Accounts Receivable	4,341		4,341
Receivables from Other Governments	<u>240,925</u>	<u>215,518</u>	<u>456,443</u>
Total Assets	<u>\$ 2,124,385</u>	<u>215,518</u>	<u>2,339,903</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts Payable	\$ 50,681	12,996	63,677
Interfund Payable		184,172	184,172
Deferred Revenue		<u>18,350</u>	<u>18,350</u>
Total Liabilities	<u>50,681</u>	<u>215,518</u>	<u>266,199</u>
Fund Balance:			
Restricted For:			
Tuition Reserve	135,000		135,000
Emergency Reserve	50,000		50,000
Maintenance Reserve	10,000		10,000
Capital Reserve Account	496,749		496,749
Assigned To:			
Designated for Subsequent Years Expenditures:			
Tuition Reserve	200,000		200,000
Capital Reserve	284,542		284,542
Excess Surplus	361,741		361,741
Designated by the Board of Education for Subsequent			
Year's Expenditures-Excess Surplus	258,374		258,374
Other Purposes	8,379		8,379
Unassigned:			
General Fund	<u>268,919</u>		<u>268,919</u>
Total Fund Balances	<u>2,073,704</u>	<u>-</u>	<u>2,073,704</u>
Total Liabilities and Fund Balance	<u>\$ 2,124,385</u>	<u>215,518</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 \$30,984,952 and the accumulated depreciation is \$12,827,558.	18,157,394
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.	(15,386,506)
Deferred outflow of resources - contributions to the pension plan	1,576,528
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(501,019)
Accrued Interest	<u>(144,181)</u>
Net Position of Governmental Activities	<u>\$ 5,775,920</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, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 12,952,283		988,325	13,940,608
Tuition Charges	8,722,074			8,722,074
Shared Services/Athletic Jointure	17,000			17,000
Miscellaneous	44,276	46,417		90,693
Total Local Sources	21,735,633	46,417	988,325	22,770,375
State Sources	3,557,196	178,298		3,735,494
Federal Sources	839,651	395,331		1,234,982
Total Revenues	26,132,480	620,046	988,325	27,740,851
<u>Expenditures</u>				
Current:				
Regular Instruction	7,669,345			7,669,345
Special Education Instruction	1,979,082			1,979,082
Other Special Instruction	251,025	547,830		798,855
Other Instruction	743,062			743,062
Support Services and Undistributed Costs:				
Tuition	920,639			920,639
Student and Instruction Related Services	2,925,203	68,716		2,993,919
General Administrative Services	634,576			634,576
School and Other Administrative Services	1,758,684			1,758,684
Plant Operations and Maintenance	1,907,333			1,907,333
Security	122,040			122,040
Pupil Transportation	554,515			554,515
Unallocated Benefits	6,730,677			6,730,677
Debt Service:				
Principal			770,000	770,000
Interest and Other Charges			218,325	218,325
Capital Outlay	47,745	3,500		51,245
Total Expenditures	26,243,926	620,046	988,325	27,852,297

MANASQUAN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(111,446)</u>	<u>-</u>	<u>-</u>	<u>(111,446)</u>
Net Change in Fund Balances	(111,446)	-	-	(111,446)
Fund Balance - July 1	<u>2,185,150</u>	<u>-</u>	<u>-</u>	<u>2,185,150</u>
Fund Balance - June 30	<u>\$ 2,073,704</u>	<u>-</u>	<u>-</u>	<u>2,073,704</u>

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

MANASQUAN SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (111,446)
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	(684,889)
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.	(1,694,017)
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.	(63,654)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,187,217
Pension related deferrals	280,772
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>(18,329)</u>
Change in Net Position of Governmental Activities (A-2)	<u><u>\$ (1,104,346)</u></u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF NET POSITIONPROPRIETARY FUNDSJUNE 30, 2016

	Enterprise Fund Totals
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 57,504
Accounts Receivable:	
Federal	16,159
State	554
Other	2,646
Inventories	2,765
Total Current Assets	<u>79,628</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	445,965
Less: Accumulated Depreciation	<u>(314,215)</u>
Total Noncurrent Assets	<u>131,750</u>
Total Assets	<u><u>\$ 211,378</u></u>
<u>Net Position</u>	
Invested in Capital Assets Net of Related Debt	\$ 131,750
Unrestricted	<u>79,628</u>
Total Net Position	<u><u>\$ 211,378</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, 2016

	<u>Enterprise Fund Totals</u>
Operating Revenues:	
Charge for Services:	
Daily Sales	\$ 586,178
Miscellaneous	474
Catering	13,915
Total Operating Revenues	<u>600,567</u>
Operating Expenses:	
Cost of Sales	295,671
Salaries	236,392
Employee Benefits	37,215
Worker's Compensation	9,970
Cost of Supplies	21,716
General Liability Insurance	29,856
Management Fees	21,000
Miscellaneous	31,784
Depreciation	20,590
Total Operating Expenses	<u>704,194</u>
Operating Income (Loss)	(103,627)
Nonoperating Revenues (Expenses):	
Interest Revenue	14
State Sources:	
State School Lunch Program	2,917
Federal Sources:	
National School Lunch Program	81,142
HHFKA Lunch Program	3,862
Food Distribution Program	17,609
Total Nonoperating Revenues (Expenses)	<u>105,544</u>
Change in Net Position	1,917
Total Net Position - Beginning	<u>209,461</u>
Total Net Position - Ending	<u>\$ 211,378</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, 2016

	Enterprise Fund Totals
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 600,568
Payments to Employees	(236,392)
Payments to Suppliers	(421,664)
Net Cash Provided (Used by) Operating Activities	<u>(57,488)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,917
Federal Sources	85,004
Net Cash Provided (Used by) Noncapital Financing Activities	<u>87,921</u>
Cash Flows from Investing Activities:	
Interest Received	<u>14</u>
Net Increase (Decrease) in Cash & Cash Equivalents	30,447
Balances - Beginning of Year	<u>27,057</u>
Balances - End of Year	<u>\$ 57,504</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (103,627)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities	
Depreciation	20,590
Federal Commodities	17,609
(Increase)/Decrease in Accounts Receivable	6,554
(Increase)/Decrease in Inventories	<u>1,386</u>
Net Cash Provided (Used by) Operating Activities	<u>\$ (57,488)</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, 2016

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 90,760	70,337
Total Assets	<u>\$ 90,760</u>	<u>70,337</u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 90,760	
Reserved for Scholarships		70,337
Total Net Position	<u>\$ 90,760</u>	<u>70,337</u>

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

MANASQUAN SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSFOR THE YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Plan Member	\$ 23,964	17,128
Total Contributions	<u>23,964</u>	<u>17,128</u>
Investment Earnings:		
Interest	17	14
Net Investments Earnings	<u>17</u>	<u>14</u>
Total Additions	<u>23,981</u>	<u>17,142</u>
<u>Deductions</u>		
Unemployment Claims	19,643	
Scholarships Awarded		19,750
Total Deductions	<u>19,643</u>	<u>19,750</u>
Change in Net Position	4,338	(2,608)
Net Position - Beginning of Year	<u>86,422</u>	<u>72,945</u>
Net Position - End of the Year	<u>\$ 90,760</u>	<u>70,337</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, 2016

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, 2016 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, 2016.

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 2016 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2015-2016 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2016, fiscal year 2016 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, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Land	\$ 1,068,000	_____	_____	1,068,000
Depreciable Assets:				
Site Improvements	1,345,007	55,657		1,400,664
Buildings	26,050,460	67,057		26,117,517
Equipment	<u>2,376,745</u>	<u>26,426</u>	(4,400)	<u>2,398,771</u>
Total	<u>29,772,212</u>	<u>149,140</u>	(4,400)	<u>29,916,952</u>

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>
Less: Accumulated Depreciation:				
Sites	1,108,216	28,474		1,136,690
Buildings	9,229,218	532,869		9,762,087
Equipment	<u>1,809,635</u>	<u>123,546</u>	(4,400)	<u>1,928,781</u>
Total Accumulated Depreciation	<u>12,147,069</u>	<u>684,889</u>	(4,400)	<u>12,827,558</u>
Net Depreciable Assets	<u>17,625,143</u>	(535,749)	_____	<u>17,089,394</u>
Governmental Activities Capital Assets (Net)	<u>\$ 18,693,143</u>	(535,749)	=====	<u>18,157,394</u>
Business-Type Activities:				
Equipment	\$ 445,965			445,965
Less: Accumulated Depreciation:				
Equipment	<u>293,625</u>	(20,590)	_____	<u>314,215</u>
Business-Type Capital Assets (Net)	<u>\$ 152,340</u>	(20,590)	=====	<u>131,750</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years' Accumulated Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Retirements</u>	<u>Total Accumulated Depreciation</u>
Unallocated	<u>\$ 12,147,069</u>	<u>684,889</u>	(4,400)	<u>12,827,558</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 2016. 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, 2016, 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>\$ 2,170,088</u>

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2016 was \$2,170,088 and the bank balance was \$2,490,547. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,240,547 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>2,240,547</u>
	<u>\$ 2,490,547</u>

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Long-Term</u> <u>Portion</u>	<u>2016-17</u> <u>Payment</u>
Compensated						
Absences Payable	\$ 513,012	63,654		576,666	576,666	
Capital Leases	173,699		62,923	110,776	50,572	60,204
Bonds Payable	7,998,948	839,651	770,000	8,068,599	7,593,599	475,000
Pension Liability	<u>5,009,555</u>	<u>1,620,910</u>	<u>_____</u>	<u>6,630,465</u>	<u>6,630,465</u>	<u>_____</u>
	<u>\$ 13,695,214</u>	<u>2,524,215</u>	<u>832,923</u>	<u>15,386,506</u>	<u>14,851,302</u>	<u>535,204</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. Community Disaster Loan for Hurricane Sandy for \$3,033,599 at interest of 1.375% with a balance of \$3,033,599 maturing July 17, 2022.
2. 2013 refunding bonds for an addition to the elementary school for \$5,550,000 at interest from 3% to 5% with a balance of \$5,035,000 maturing on January 15, 2025.

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016-2017	\$ 475,000	191,350	666,350
2017-2018	490,000	177,100	667,100
2018-2019	1,116,720	218,879	1,335,599
2019-2020	1,136,720	147,100	1,283,820
2020-2021	1,161,720	125,900	1,287,620
2022-2025	<u>3,688,439</u>	<u>224,750</u>	<u>3,913,189</u>
	<u>\$ 8,068,599</u>	<u>1,085,079</u>	<u>9,153,678</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, 2016</u>
Community Disaster Loan	2014-2015	1.375%	\$ 3,033,599
Refunding Bonds	04-30-13	3% to 5%	<u>5,035,000</u>
			<u>\$ 8,068,599</u>

B. Bonds Authorized But Not Issued

As of June 30, 2016, 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, 2016.

<u>Year Ended June 30</u>	<u>Amount</u>
2017	\$ 65,110
2018	30,139
2019	17,246
2020	<u>3,349</u>
	115,844
Less: Amount Representing Interest	<u>5,068</u>
Present Value of Net Minimum Lease Payments	<u>\$ 110,776</u>

Summary of Leases

Konica copier lease at 5.40% maturing 12-28-16 with a balance of \$1,384 at 6/30/16.
 Ricoh copier lease at 2.89% maturing 12-28-19 with a balance of \$35,964 at 6/30/16.
 Ricoh copier lease at 3.77% maturing 4-1-20 with a balance of \$15,396 at 6/30/16.
 Ricoh copier lease at 4.89% maturing 4-1-20 with a balance of \$25,238 at 6/30/16.
 Security camera lease at 2.27% maturing 1-13-17 with a balance of \$32,794 at 6/30/16.

NOTE 4: Pension Plans

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

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

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

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

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

NOTE 4: Pension Plans (Continued)

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

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% 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, 2016, the State of New Jersey contributed \$2,012,427 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 \$819,115 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/16	\$ 264,627	100%	0
6/30/15	231,784	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)**

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/16	\$ 2,012,427	100%	0
6/30/14	1,553,083	100%	0
6/30/15	1,300,214	100%	0

For the year ended June 30, 2016, the District recognized pension expense of \$264,627. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 158,180	
Changes of Assumptions	712,059	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		106,605
Changes in Proportion and Differences Between Districts Contributions and Proportionate Share of Contributions	441,662	394,414
District Contributions Subsequent to the Measurement Date	<u>264,627</u>	<u> </u>
Total	<u>\$ 1,576,528</u>	<u>501,019</u>

\$1,576,528 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

Collective balances at December 31, 2014 and 2015 are as follows:

	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Collective Deferred Outflows of Resources	\$ 1,311,901	389,311
Collective Deferred Inflows of Resources	501,019	781,791
Collective Net Pension Liability	6,630,465	5,009,555
District's Proportion	.02954%	.02676%

Components of Net Pension Liability

The components of the net pension liability of the participating employers for PERS as of June 30, 2015 and 2014 are as follows:

	2015		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%

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

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Intermediate Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

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

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2015		
	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>
	2014		
	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Total Pension Liability	\$ 89,182,662,000	81,095,320,000
Plan Fiduciary Net Position	<u>25,604,797,560</u>	<u>27,282,252,461</u>
Net Pension Liability	<u>\$ 63,577,864,440</u>	<u>53,813,067,539</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2015</u>	<u>2014</u>
District's Liability	<u>\$ 67,221,830</u>	<u>62,231,640</u>
District's Proportion	.10573%	.11564%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

NOTE 4: Pension Plans (Continued)

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign – Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds – Distressed	4.00%	4.30%

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

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2015 (3.13%, 4.13%, 5.13%)	\$ 75,559,915,440	63,577,864,440	53,254,610,440
2014 (3.68%, 4.68%, 5.68%)	64,722,984,539	53,813,067,539	44,738,870,539

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 (APB) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

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.

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, 2016 no liability existed for compensated absences in the Food Service Fund.

NOTE 7: Capital Reserve Account

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

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 781,127
Added Interest	<u>164</u>
Balance June 30, 2016	<u>\$ 781,291</u>

\$284,542 has been designated for use in the budget in 2016-17.

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.

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</u>		
	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2015-2016	\$ 23,978	19,643	90,960
2014-2015	23,031	18,812	86,422
2013-2014	20,708	15,724	82,204

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, 2016 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, 2016

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

2015-16 Total General Fund Expenditures Per the CAFR	\$ 26,243,926
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(2,831,452)</u>
Adjusted 2015-16 General Fund Expenditures	<u>\$ 23,412,474</u>
2% of Adjusted 2015-16 General Fund Expenditures	<u>\$ 468,249</u>
Enter Greater of Above or \$250,000	\$ 468,249
Increased by: Allowable Adjustment	<u>1,566</u>
Maximum Unassigned Fund Balance	<u>\$ 469,815</u>

Section 2

Total General Fund – Fund Balances @ 6-30-16	\$ 2,129,597
Decreased by:	
Reserve for Encumbrances	(8,379)
Designated for Subsequent Year's Expenditures:	
Tuition Reserve Budgeted Withdrawal	(200,000)
Capital Reserve Withdrawal	(284,542)
Excess Surplus	(258,374)
Other Reserves	<u>(691,749)</u>
Total Unassigned Fund Balance	<u>\$ 686,553</u>
Reserve Fund Balance – Excess Surplus	<u>\$ 216,738</u>

Section 3

Reserved Fund Balance - Excess Surplus Designated for Subsequent Expenditures	\$ 258,374
Excess Surplus	<u>216,738</u>
	<u>\$ 475,112</u>

Detail of Allowable Adjustments

Non-Public Transportation Aid	<u>\$ 1,566</u>
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Detail of Other Restricted Fund Balance

Tuition Reserve	\$ 135,000
Maintenance Reserve	10,000
Emergency Reserve	50,000
Capital Reserve	<u>496,749</u>
Total Other Reserved Fund Balance	<u>\$ 691,749</u>

NOTE 14: Fund Balance Appropriated

General Fund – Of the \$2,129,597 General Fund fund balance at June 30, 2016, \$135,000 has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23-3.1(f)(8)*; \$496,749 has been reserved in the Capital Reserve Account; \$50,000 has been reserved for emergencies; \$10,000 is reserved for maintenance reserve; \$284,542 of Capital Reserve has been designated for subsequent year's expenditures; \$258,374 of Excess Surplus has been designated for subsequent years expenditures, \$200,000 of Tuition Reserve has been designated for subsequent years expenditures, \$216,738 is Excess Surplus – Current Year, \$469,815 is unassigned and \$8,379 is reserved for Encumbrances.

NOTE 15: 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, 2016 of \$216,738.

NOTE 16: 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, 2016. 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, 2016 through November 21, 2016.

NOTE 17: FEMA Community Disaster Loan (CDL)

The School District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for \$4,719,338 total loan and chose to withdraw \$839,651 as a reduction of tax levy assessed for the 2015-2016 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.

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, 2016

	<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	\$ 12,952,283		12,952,283	12,952,283	-
Tuition From Other LEA's	8,602,812		8,602,812	8,661,109	58,297
Tuition From Individuals			-	60,965	60,965
Athletic Jointure/Business Office Shared Services	17,000		17,000	17,000	-
Miscellaneous Revenues - Unrestricted	49,950		49,950	44,276	(5,674)
Total Local Sources	<u>21,622,045</u>	<u>-</u>	<u>21,622,045</u>	<u>21,735,633</u>	<u>113,588</u>
State Sources:					
Extraordinary Aid	200,000		200,000	138,040	(61,960)
Special Education Categorical Aid	505,972		505,972	505,972	-
Transportation Aid	23,093		23,093	23,093	-
Security Aid	17,267		17,267	17,267	-
Adjustment Aid	20,596		20,596	20,596	-
PARCC Readiness Aid	9,560		9,560	9,560	-
Per Pupil Growth Aid	9,560		9,560	9,560	-
Non-Public Transportation			-	1,566	1,566
TPAF Pension Contribution			-	2,012,427	2,012,427
TPAF Social Security Contribution			-	819,115	819,115
Total State Sources	<u>786,048</u>	<u>-</u>	<u>786,048</u>	<u>3,557,196</u>	<u>2,771,148</u>
Federal Sources:					
Community Disaster Loans	839,651		839,651	839,651	-
Total Revenues	<u>23,247,744</u>	<u>-</u>	<u>23,247,744</u>	<u>26,132,480</u>	<u>2,884,736</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	446,602	(135,966)	310,636	310,635	1
Grades 1-5 - Salaries of Teachers	1,431,813	20,166	1,451,979	1,451,978	1
Grades 6-8 - Salaries of Teachers	1,087,513	(20,070)	1,067,443	1,067,443	-
Grades 9-12 - Salaries of Teachers	4,119,085	(10,756)	4,108,329	4,107,723	606
Total Regular Programs - Instruction	<u>7,085,013</u>	<u>(146,626)</u>	<u>6,938,387</u>	<u>6,937,779</u>	<u>608</u>
Regular Programs - Home Instruction:					
Salaries	31,000	22,036	53,036	53,036	-
Purchased Professional/Educational Services	11,156	19,502	30,658	30,658	-
Total Regular Programs - Home Instruction	<u>42,156</u>	<u>41,538</u>	<u>83,694</u>	<u>83,694</u>	<u>-</u>
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	73,227	7,308	80,535	80,534	1
Other Purchased Services	35,165	8,951	44,116	43,943	173
General Supplies	403,227	90,937	494,164	493,089	1,075
Textbooks	32,209	(6,411)	25,798	25,797	1
Other Objects	4,220	289	4,509	4,509	-
Total Regular Programs - Undistributed Instruction	<u>548,048</u>	<u>101,074</u>	<u>649,122</u>	<u>647,872</u>	<u>1,250</u>
Total Regular Programs - Instruction	<u>7,675,217</u>	<u>(4,014)</u>	<u>7,671,203</u>	<u>7,669,345</u>	<u>1,858</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	316,847	21,545	338,392	338,391	1
Other Salaries For Instruction	4,548	(1,264)	3,284	3,284	-
General Supplies	4,164	(296)	3,868	3,867	1
Textbooks	2,250	(1,515)	735	734	1
Total Learning and/or Language Disabilities	<u>327,809</u>	<u>18,470</u>	<u>346,279</u>	<u>346,276</u>	<u>3</u>
Multiple Disabilities:					
Salaries of Teachers	112,051	24,693	136,744	136,743	1
Other Salaries for Instruction	27,169	6,538	33,707	33,706	1
Total Multiple Disabilities	<u>139,220</u>	<u>31,231</u>	<u>170,451</u>	<u>170,449</u>	<u>2</u>
Resource Room/Center:					
Salaries of Teachers	1,338,503	(42,876)	1,295,627	1,295,626	1
Other Salaries Instruction	55,338	19,756	75,094	75,093	1
General Supplies	880	(457)	423	422	1
Total Resource Room/Center	<u>1,394,721</u>	<u>(23,577)</u>	<u>1,371,144</u>	<u>1,371,141</u>	<u>3</u>
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	74,876	(42,980)	31,896	31,895	1
Other Salaries For Instruction	28,361	9,892	38,253	38,252	1
General Supplies	1,129	(604)	525	525	-
Total Pre-School Disabilities-Full-Time	<u>104,366</u>	<u>(33,692)</u>	<u>70,674</u>	<u>70,672</u>	<u>2</u>
Home Instruction					
Salaries of Teachers	12,200	6,984	19,184	19,184	-
Purchased Professional Educational Services	8,000	(5,462)	2,538	1,360	1,178
Total Home Instruction	<u>20,200</u>	<u>1,522</u>	<u>21,722</u>	<u>20,544</u>	<u>1,178</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Special Education - Instruction	1,986,316	(6,046)	1,980,270	1,979,082	1,188
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	14,378	91,185	105,563	105,563	-
General Supplies	2,000	(1,209)	791	790	1
Textbooks	2,000	(212)	1,788	1,788	-
Total Basic Skills/Remedial - Instruction	18,378	89,976	108,142	108,141	1
Bilingual Education - Instruction:					
Salaries of Teachers	149,586	(7,765)	141,821	141,821	-
General Supplies	400	926	1,326	1,063	263
Total Bilingual Education - Instruction	149,986	(6,839)	143,147	142,884	263
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	152,169	18,362	170,531	170,530	1
Purchased Services (300-500 Series)	13,130	(6,374)	6,756	6,369	387
Supplies and Materials	8,804	(2,270)	6,534	5,254	1,280
Other Objects	6,725	(3,220)	3,505	3,424	81
Total School Sponsored Co-Curricular	180,828	6,498	187,326	185,577	1,749
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	375,156	1,669	376,825	376,677	148
Purchased Services (300-500 Series)	78,057	(13,285)	64,772	64,621	151
Supplies and Materials	75,928	5,944	81,872	74,487	7,385
Other Objects	8,200	(2,000)	6,200	6,200	-
Transfers to Cover Deficit (Agency Fund)	26,000	9,940	35,940	35,500	440
Total School Sponsored Co-Curr. Athletics - Instruction	563,341	2,268	565,609	557,485	8,124
Total Distributed Expenditures	10,574,066	81,843	10,655,697	10,642,514	13,183

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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-Regular	117,489	132,240	249,729	131,135	118,594
Tuition to County Vocational School:					
Regular	214,200	(36,985)	177,215	177,215	-
Special	41,400	(1,816)	39,584	20,290	19,294
Tuition to Private School for Handicapped - In State	734,392	(142,139)	592,253	591,999	254
Total Instruction	<u>1,107,481</u>	<u>(180,940)</u>	<u>1,058,781</u>	<u>920,639</u>	<u>138,142</u>
Attendance & Social Work:					
Salaries	<u>35,393</u>	<u>711</u>	<u>36,104</u>	<u>36,103</u>	<u>1</u>
Health Services:					
Salaries	202,247	(15,315)	186,932	186,808	124
Purchased Professional/Technical Services	6,000	(5,826)	174	173	1
Other Purchased Services (400-500 Series)	850	(260)	590	590	-
Supplies and Materials	10,500	350	10,850	10,849	1
Other Objects	315	14	329	329	-
Total Health Services	<u>219,912</u>	<u>(21,037)</u>	<u>198,875</u>	<u>198,749</u>	<u>126</u>
Other Support Services Students Related Services:					
Salaries	251,864	(293)	251,571	251,525	46
Purchased Professional Educational Services	45,000	10,287	55,287	54,861	426
Supplies and Materials	2,360	(700)	1,660	1,234	426
Total Other Support Services Students Related Services	<u>299,224</u>	<u>9,294</u>	<u>308,518</u>	<u>307,620</u>	<u>898</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services Students Extraordinary Services:					
Salaries	147,777	(11,536)	136,241	136,241	-
Purchased Professional Educational Services	250	(250)	-	-	-
Total Other Support Srvs. Students Extraordinary Srvs.	<u>148,027</u>	<u>(11,786)</u>	<u>136,241</u>	<u>136,241</u>	<u>-</u>
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	628,100	15,546	643,646	643,645	1
Salaries of Secretarial & Clerical Assistants	53,993	(13,055)	40,938	40,938	-
Purchased Professional/Technical Services	36,824	1,355	38,179	38,089	90
Other Purchased Services	3,489	(2,089)	1,400	1,399	1
Supplies and Materials	11,820	(8,316)	3,504	3,503	1
Other Objects	3,300		3,300	3,300	-
Total Other Support Srvs. Students - Regular Services	<u>737,526</u>	<u>(6,559)</u>	<u>730,967</u>	<u>730,874</u>	<u>93</u>
Other Support Services Students - Special:					
Salaries of Other Professional Staff	569,300	(59,681)	509,619	509,619	-
Salaries of Secretarial & Clerical Assistants	52,462	(1,866)	50,596	50,595	1
Purchased Professional Educational Services	6,000	47,342	53,342	53,342	-
Other Purchased Professional/Technical Services	14,000	6,490	20,490	20,489	1
Other Purchased Services (400-500 Series)	9,119	9,830	18,949	17,544	1,405
Supplies and Materials	8,937	4,039	12,976	11,558	1,418
Other Objects	1,100	(1,000)	100	100	100
Total Other Support Services Students - Special	<u>660,918</u>	<u>5,154</u>	<u>666,072</u>	<u>663,147</u>	<u>2,925</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	306,468	1,406	307,874	307,811	63
Salaries of Other Professional Staff	23,100	47,218	70,318	69,417	901
Salaries of Secretarial & Clerical Assistants	44,733	864	45,597	45,535	62
Other Purchased Services (400-500 Series)	2,300	917	3,217	2,459	758
Supplies & Materials	2,582	(1,983)	599	599	-
Other Objects	5,510	(3,853)	1,657	1,656	1
Total Improvement of Instructional Services	<u>384,693</u>	<u>44,569</u>	<u>429,262</u>	<u>427,477</u>	<u>1,785</u>
Educational Media/School Library:					
Salaries	123,440	4,291	127,731	127,639	92
Salaries-Tech Coordinators	240,747	(5,345)	235,402	235,235	167
Other Purchased Services (400-500 Series)	26,357	(1,257)	25,100	25,089	11
Supplies and Materials	10,400	(2,186)	8,214	8,151	63
Other Objects	380	(315)	65	65	-
Total Educational Media/School Library	<u>401,324</u>	<u>(4,812)</u>	<u>396,512</u>	<u>396,179</u>	<u>333</u>
Staff Training:					
Salaries of Other Professional Staff		6,390	6,390	6,390	-
Salaries of Secretarial/Clerical Assistants	4,960	100	5,060	5,060	-
Purchased Professional Educational Services	3,000	(1,510)	1,490	1,490	-
Other Purchased Services	15,092	(1,187)	13,905	13,709	196
Supplies & Materials	1,500	665	2,165	2,164	1
Total Staff Training	<u>24,552</u>	<u>4,458</u>	<u>29,010</u>	<u>28,813</u>	<u>197</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 8 of 13

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - General Administration:					
Salaries	248,538	8,920	257,458	257,448	10
Legal Services	82,500	(1,703)	80,797	80,796	1
Audit Fees	12,500		12,500	12,500	-
Architectural/Engineering Services	5,000	(5,000)	-		-
Other Purchased Services		17,263	17,263	17,263	-
Purchased Technical Services	22,166	(4,828)	17,338	17,337	1
Communications/Telephone	96,765	(4,292)	92,473	92,472	1
Miscellaneous Purchased Services	98,762	(2,818)	95,944	95,943	1
General Supplies	1,763	15,335	17,098	17,097	1
Judgments	2,500	(2,500)	-		-
Miscellaneous Expenditures	6,500	26,369	32,869	32,866	3
Membership Dues and Fees	12,000	(1,145)	10,855	10,854	1
Total Support Services - General Administration	<u>588,994</u>	<u>45,601</u>	<u>634,595</u>	<u>634,576</u>	<u>19</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	709,275	608	709,883	709,883	-
Salaries of Other Professional Staff	152,433		152,433	152,433	-
Salaries of Secretarial & Clerical Assistants	364,252	3,509	367,761	367,759	2
Purchased Professional & Technical Services	3,000	(2,482)	518	518	-
Other Purchased Services (400-500 Series)	75,554	(5,644)	69,910	69,586	324
Supplies & Materials	36,830	(1,345)	35,485	30,890	4,595
Other Objects	7,370	(4,223)	3,147	3,115	32
Total Support Services - School Administration	<u>1,348,714</u>	<u>(9,577)</u>	<u>1,339,137</u>	<u>1,334,184</u>	<u>4,953</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 9 of 13

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	379,030	3,331	382,361	382,360	1
Other Purchased Professional Services	1,500	(500)	1,000	1,000	-
Purchased Technical Services	15,758	351	16,109	16,109	-
Other Purchased Services (400-500 Series)	9,685	(1,629)	8,056	7,990	66
Supplies	1,841	7,918	9,759	9,759	-
Miscellaneous Expenditures	6,000	1,591	7,591	7,282	309
Total Support Services - Central Services	413,814	11,062	424,876	424,500	376
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	53,000	31,896	84,896	83,331	1,565
Total Required Maintenance for School Facilities	53,000	31,896	84,896	83,331	1,565
Other Operations & Maintenance of Plant:					
Salaries	747,345	(12,967)	734,378	733,982	396
Salaries of Non-Instructional Aides	76,253	(4,104)	72,149	72,148	1
Purchased Professional/Technical Services	54,600	375	54,975	54,975	-
Cleaning, Repair & Maintenance Services	162,854	32,460	195,314	189,359	5,955
Other Purchased Property Services	9,800	1,110	10,910	10,909	1
Insurance	101,987	40,207	142,194	142,193	1
General Supplies	114,000	(34,211)	79,789	79,715	74
Energy (Electricity)	404,750	(103,740)	301,010	242,238	58,772
Other Objects	7,650	2,951	10,601	10,600	1
Energy (Natural Gas)	210,000	(83,471)	126,529	87,079	39,450
Total Other Operations and Maintenance of Plant	1,889,239	(161,390)	1,727,849	1,623,198	104,651

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care and Upkeep of Grounds:					
Salaries	137,414	(7,637)	129,777	129,079	698
Purchased Professional and Technical Services			-		-
Cleaning, Repair and Maintenance Services	25,824	512	26,336	26,335	1
General Supplies	46,200	3,912	50,112	45,390	4,722
Total Care and Upkeep of Grounds	<u>209,438</u>	<u>(3,213)</u>	<u>206,225</u>	<u>200,804</u>	<u>5,421</u>
Total Operations & Maintenance	<u>2,151,677</u>	<u>(132,707)</u>	<u>2,018,970</u>	<u>1,907,333</u>	<u>111,637</u>
Security:					
Salaries	110,821	(16,813)	94,008	94,007	1
Purchased Professional and Technical Services	21,160	3,927	25,087	25,085	2
General Supplies	400	2,549	2,949	2,948	1
Total Security	<u>132,381</u>	<u>(10,337)</u>	<u>122,044</u>	<u>122,040</u>	<u>4</u>
Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	178,971	(18,740)	160,231	135,445	24,786
Contracted Services - Between Home/School - Vendors		7,216	7,216	1,774	5,442
Contracted Services Regular-ESCs & CTSAs	197,530	(9,524)	188,006	177,362	10,644
Contracted Services Special ESCs & CTSAs	230,526	1,453	231,979	231,978	1
Contracted Services Aid-In-Lieu Non-Public	6,056	1,900	7,956	7,956	-
Total Student Transportation	<u>613,083</u>	<u>(17,695)</u>	<u>595,388</u>	<u>554,515</u>	<u>40,873</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 11 of 13

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	275,000	47,876	322,876	322,149	727
Other Retirement Contributions-PERS	280,000	(15,373)	264,627	264,627	-
Unemployment Compensation	10,000	(10,000)	-	-	-
Workmen's Compensation	156,755	19,002	175,757	175,754	3
Health Benefits	2,790,604	(33,043)	2,757,561	2,755,179	2,382
Tuition Reimbursement	5,000	(1,400)	3,600	3,600	-
Other Employee Benefits	326,000	51,832	377,832	377,826	6
Total Unallocated Benefits	<u>3,843,359</u>	<u>58,894</u>	<u>3,902,253</u>	<u>3,899,135</u>	<u>3,118</u>
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	2,012,427	(2,012,427)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	819,115	(819,115)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,831,542</u>	<u>(2,831,542)</u>
Total Personal Services - Employee Benefits	<u>3,843,359</u>	<u>58,894</u>	<u>3,902,253</u>	<u>6,730,677</u>	<u>(2,828,424)</u>
Total Undistributed Expenditures	<u>13,111,072</u>	<u>(215,707)</u>	<u>13,027,605</u>	<u>15,553,667</u>	<u>(2,526,062)</u>
Total General Current Expense	<u>23,685,138</u>	<u>(133,864)</u>	<u>23,683,302</u>	<u>26,196,181</u>	<u>(2,512,879)</u>
Capital Outlay:					
Instruction					
Grades 9-12	19,000	(1,000)	18,000	17,786	214

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay (Continued):					
Equipment:					
Maintenance		2,851	2,851	2,850	1
Total Regular Programs - Instruction	<u>19,000</u>	<u>1,851</u>	<u>20,851</u>	<u>20,636</u>	<u>215</u>
Facilities Acquisition & Construction Services:					
Assessment for Debt Service on SDA Funding	<u>27,109</u>		<u>27,109</u>	<u>27,109</u>	<u>-</u>
Total Facilities Acquisition & Construction Services	<u>27,109</u>	<u>-</u>	<u>27,109</u>	<u>27,109</u>	<u>-</u>
Total Capital Outlay	<u>46,109</u>	<u>1,851</u>	<u>47,960</u>	<u>47,745</u>	<u>215</u>
Total Expenditures	<u>23,731,247</u>	<u>(132,013)</u>	<u>23,731,262</u>	<u>26,243,926</u>	<u>(2,512,664)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Uses	(483,503)	132,013	(483,518)	(111,446)	372,072
Fund Balance July 1	<u>2,241,043</u>		<u>2,241,043</u>	<u>2,241,043</u>	
Fund Balance June 30	<u>\$ 1,757,540</u>	<u>132,013</u>	<u>1,757,525</u>	<u>2,129,597</u>	<u>372,072</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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				\$ 496,749	
Emergency Reserve				50,000	
Tuition Reserve				135,000	
Maintenance Reserve				10,000	
Excess Surplus				216,738	
Assigned Fund Balance:					
Designated for Encumbrances				8,379	
Designated For Subsequent Year's Expenditures - Excess Surplus				258,374	
Designated For Subsequent Year's Expenditures - Tuition Reserve				200,000	
Designated For Subsequent Year's Expenditures - Capital Reserve				284,542	
Unassigned Fund Balance				<u>469,815</u>	
				2,129,597	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(55,893)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,073,704</u>	

MANASQUAN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources	\$ -	46,417	46,417	46,417	
State Sources	55,806	122,492	178,298	178,298	
Federal Sources	<u>358,049</u>	<u>37,282</u>	<u>395,331</u>	<u>395,331</u>	
Total Revenues	<u>\$ 413,855</u>	<u>206,191</u>	<u>620,046</u>	<u>620,046</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 20,000	41,261	61,261	61,261	
Other Purchased Services	200,000	53,850	253,850	253,850	
General Supplies	<u>147,855</u>	<u>84,864</u>	<u>232,719</u>	<u>232,719</u>	
Total Instruction	<u>367,855</u>	<u>179,975</u>	<u>547,830</u>	<u>547,830</u>	<u>-</u>
Support Services:					
Personal Services - Employee Benefits	14,000	85	14,085	14,085	
Purchased Professional - Educational Services	30,000	2,767	32,767	32,767	
Other Purchased Services	<u>2,000</u>	<u>19,864</u>	<u>21,864</u>	<u>21,864</u>	
Total Support Services	<u>46,000</u>	<u>22,716</u>	<u>68,716</u>	<u>68,716</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	
Total Expenditures	<u>\$ 413,855</u>	<u>206,191</u>	<u>620,046</u>	<u>620,046</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

MANASQUAN SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 26,132,480	620,046
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	55,893	
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	<u>(55,893)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 26,132,480</u>	<u>620,046</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,243,926	620,046
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,243,926</u>	<u>620,046</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

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

Exhibit L-1

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,630,465	5,009,555	5,685,786
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,630,465</u>	<u>5,009,555</u>	<u>5,685,786</u>
District's Covered-Employee Payroll	\$ 1,885,241	1,893,025	1,836,640
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	28.43%	37.79%	32.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.21%	42.74%	40.71%

MANASQUAN SCHOOL DISTRICTSCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 231,784	226,913	226,075
Contributions in Relation to the Contractually Required Contribution	<u>231,784</u>	<u>226,913</u>	<u>226,075</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 1,885,241	1,893,025	1,836,940
Contributions as a Percentage of Covered-Employee Payroll	12.29%	11.99%	12.31%

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

Exhibit L-3

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>67,221,830</u>	<u>62,231,640</u>	<u>57,010,446</u>
Total	<u>\$ 67,221,830</u>	<u>62,231,640</u>	<u>57,010,446</u>
District's Covered-Employee Payroll	\$ 11,512,471	10,797,761	10,782,970
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	17.13%	17.35%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

MANASQUAN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Teacher Recognition</u>	<u>Capital Building Sustain Jersey</u>	<u>Gatorade NTA Grant</u>	<u>LED Lighting Sustain Jersey</u>	<u>Safety Grant</u>	<u>Garden Grant Sustain Jersey</u>	<u>MFC Track Scoreboard</u>	<u>Future Ready</u>
Revenues:								
State Sources	\$ -							177,629
Federal Sources								
Local Revenues	497	1,450	1,000	10,000	1,908	4,000	2,445	
Total Revenues	<u>\$ 497</u>	<u>1,450</u>	<u>1,000</u>	<u>10,000</u>	<u>1,908</u>	<u>4,000</u>	<u>2,445</u>	<u>177,629</u>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -					1,650		2,295
Other Purchased Services		1,450		2,400				
General Supplies	497		1,000	7,600	1,908	2,350	2,445	170,361
Total Instruction	<u>497</u>	<u>1,450</u>	<u>1,000</u>	<u>10,000</u>	<u>1,908</u>	<u>4,000</u>	<u>2,445</u>	<u>172,656</u>
Support Services:								
Personal Services - Employee Benefits								155
Purchased Professional Educational Services								
Other Objects								4,818
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,973</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Total Expenditures	<u>\$ 497</u>	<u>1,450</u>	<u>1,000</u>	<u>10,000</u>	<u>1,908</u>	<u>4,000</u>	<u>2,445</u>	<u>177,629</u>

MANASQUAN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>I.D.E.A Flow-Thru Part B</u>	<u>I.D.E.A. Flow-Thru Preschool</u>	<u>Markerspace Library Grant</u>	<u>Ocean First</u>	<u>2015 MES Education Foundation</u>	<u>2016 MES Education Foundation</u>	<u>193 Corrective Speech</u>	<u>Totals</u>
Revenues:											
State Sources	-									669	178,298
Federal Sources	86,166	18,015	4,737	285,603	810						395,331
Local Revenues						148	5,384	7,892	11,693		46,417
Total Revenues	<u>86,166</u>	<u>18,015</u>	<u>4,737</u>	<u>285,603</u>	<u>810</u>	<u>148</u>	<u>5,384</u>	<u>7,892</u>	<u>11,693</u>	<u>669</u>	<u>620,046</u>
Expenditures:											
Instruction:											
Salaries of Teachers	52,016	900	4,400								61,261
Other Purchased Services				250,000							253,850
General Supplies	20,626			3,505	810	148	1,884	7,892	11,693		232,719
Total Instruction	<u>72,642</u>	<u>900</u>	<u>4,400</u>	<u>253,505</u>	<u>810</u>	<u>148</u>	<u>1,884</u>	<u>7,892</u>	<u>11,693</u>	<u>-</u>	<u>547,830</u>
Support Services:											
Personal Services - Employee Benefits	13,524	69	337								14,085
Purchased Professional Educational Services				32,098						669	32,767
Other Purchased Services		17,046									21,864
Total Support Services	<u>13,524</u>	<u>17,115</u>	<u>337</u>	<u>32,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>669</u>	<u>68,716</u>
Facilities Acquisition and Construction Services:											
Instructional Equipment							3,500				3,500
Total Expenditures	<u>86,166</u>	<u>18,015</u>	<u>4,737</u>	<u>285,603</u>	<u>810</u>	<u>148</u>	<u>5,384</u>	<u>7,892</u>	<u>11,693</u>	<u>669</u>	<u>620,046</u>

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

MANASQUAN SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET POSITIONENTERPRISE FUNDSJUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Surf Team</u>	
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 56,968	536	57,504
Accounts Receivable:			
Federal	16,159		16,159
State	554		554
Other	2,646		2,646
Inventories	2,765		2,765
Total Current Assets	<u>79,092</u>	<u>536</u>	<u>79,628</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	445,965		445,965
Less: Accumulated Depreciation	<u>(314,215)</u>		<u>(314,215)</u>
Total Noncurrent Assets	<u>131,750</u>	<u>-</u>	<u>131,750</u>
Total Assets	<u>\$ 210,842</u>	<u>536</u>	<u>211,378</u>
<u>Net Position</u>			
Invested in Capital Assets net of Related Debt	\$ 131,750		131,750
Unrestricted	<u>79,092</u>	<u>536</u>	<u>79,628</u>
Total Net Position	<u>\$ 210,842</u>	<u>536</u>	<u>211,378</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES ANDCHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Surf Team</u>	
Operating Revenues:			
Charge for Services:			
Daily Sales	\$ 586,178		586,178
Miscellaneous	474		474
Catering	13,915		13,915
Total Operating Revenues	<u>600,567</u>	<u>-</u>	<u>600,567</u>
Operating Expenses:			
Cost of Sales	295,671		295,671
Salaries	236,392		236,392
Employee Benefits	37,215		37,215
Worker's Compensation	9,970		9,970
Cost of Supplies	21,716		21,716
General Liability Insurance	29,856		29,856
Management Fees	21,000		21,000
Miscellaneous	31,784		31,784
Depreciation	20,590		20,590
Total Operating Expenses	<u>704,194</u>	<u>-</u>	<u>704,194</u>
Operating Income (Loss)	(103,627)	-	(103,627)
Nonoperating Revenues (Expenses):			
Interest Revenue	14		14
State Sources:			
State School Lunch Program	2,917		2,917
Federal Sources:			
National School Lunch Program	81,142		81,142
HHFKA Lunch Program	3,862		3,862
Food Distribution Program	17,609		17,609
Total Nonoperating Revenues (Expenses)	<u>105,544</u>	<u>-</u>	<u>105,544</u>
Change in Net Position	1,917	-	1,917
Total Net Position - Beginning	<u>208,925</u>	<u>536</u>	<u>209,461</u>
Total Net Position - Ending	<u>\$ 210,842</u>	<u>536</u>	<u>211,378</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWSENTERPRISE FUNDSJUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Surf Team</u>	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 600,568		600,568
Payments to Employees	(236,392)	-	(236,392)
Payments to Suppliers	(421,664)		(421,664)
Net Cash Provided (Used by) Operating Activities	<u>(57,488)</u>	<u>-</u>	<u>(57,488)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	2,917		2,917
Federal Sources	85,004		85,004
Net Cash Provided (Used by) Noncapital Financing Activities	<u>87,921</u>	<u>-</u>	<u>87,921</u>
Cash Flows from Investing Activities:			
Interest Received	14		14
Net Increase (Decrease) in Cash & Cash Equivalents	30,447	-	30,447
Balances - Beginning of Year	<u>26,521</u>	<u>536</u>	<u>27,057</u>
Balances - End of Year	<u>\$ 56,968</u>	<u>536</u>	<u>57,504</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ (103,627)		(103,627)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	20,590		20,590
Federal Commodities	17,609		17,609
(Increase)/Decrease in Accounts Receivable	6,554		6,554
(Increase)/Decrease in Inventories	1,386		1,386
Net Cash Provided (Used by) Operating Activities	<u>\$ (57,488)</u>	<u>-</u>	<u>(57,488)</u>

FIDUCIARY FUND – H

MANASQUAN SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

	<u>Student Activities</u>	<u>Flexible Spending Account</u>	<u>Agency Account</u>	<u>Staff Account</u>	<u>Non-Expendable Trust Scholarship</u>	<u>Unemployment</u>	<u>Totals June 30, 2016</u>
Assets:							
Cash and Cash Equivalents	\$ 248,778	6,664	290	808	70,337	90,760	417,637
Total Assets	<u>\$ 248,778</u>	<u>6,664</u>	<u>290</u>	<u>808</u>	<u>70,337</u>	<u>90,760</u>	<u>417,637</u>
Liabilities:							
Due to Student Groups	\$ 248,778						248,778
Payroll Withholdings		6,664	290				6,954
Total Liabilities	<u>\$ 248,778</u>	<u>6,664</u>	<u>290</u>				<u>255,732</u>
Net Position:							
Reserved - Unemployment Benefits				\$ -		90,760	90,760
Reserved - Staff Account				808			808
Reserved - Scholarships					70,337		70,337
Total Net Position				<u>\$ 808</u>	<u>70,337</u>	<u>90,760</u>	<u>161,905</u>

MANASQUAN SCHOOL DISTRICT
SCHOLARSHIP NONEXPENDABLE TRUST FUND

Exhibit H-2

STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION

JUNE 30, 2016

	<u>2016</u>
Additions:	
Deposits	\$ 17,128
Interest on Investments	14
Total Additions	<u>17,142</u>
Deductions:	
Scholarship Payments	<u>19,750</u>
Total Deductions	<u>19,750</u>
Change in Net Position	(2,608)
Net Position June 30, 2015	<u>72,945</u>
Net Position June 30, 2016	<u><u>\$ 70,337</u></u>

MANASQUAN SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Elementary School:				
Manasquan Elementary	\$ 26,854	60,000	54,612	32,242
High School:				
Recording Studio	3,723	4,615	942	7,396
Technology Device Account	13,712	51,777	46,238	19,251
Manasquan High School	<u>179,805</u>	<u>286,314</u>	<u>276,230</u>	<u>189,889</u>
Total - All Schools	<u>\$ 224,094</u>	<u>402,706</u>	<u>378,022</u>	<u>248,778</u>

MANASQUAN SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 5</u>	<u>9,742,865</u>	<u>9,742,580</u>	<u>290</u>
Total Assets	<u>\$ 5</u>	<u>9,742,865</u>	<u>9,742,580</u>	<u>290</u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	<u>\$ 5</u>	<u>9,742,865</u>	<u>9,742,580</u>	<u>290</u>
Total Liabilities	<u>\$ 5</u>	<u>9,742,865</u>	<u>9,742,580</u>	<u>290</u>

LONG-TERM DEBT – I

MANASQUAN SCHOOL DISTRICT

Exhibit I-1

GENERAL LONG-TERM DEBT ACCOUNT GROUP

SCHEDULE OF LONG-TERM DEBT GROUP

JUNE 30, 2016

<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, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance June 30, 2016</u>
Addition to High School	12-1-95	\$ 5,000,000	1-15-16	\$ 310,000	3.860%	\$ 310,000		310,000	-
Refunding Issue of 2013 Addition to Elementary School	4-30-13	5,550,000	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	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%	5,495,000		460,000	5,035,000
Community Disaster Loan	2014/2015	3,033,599	7-18-18 7-18-19 7-18-20 7-18-21 7-18-22	606,720 606,720 606,720 606,720 606,719	1.375%	2,193,948	839,651		3,033,599
						<u>\$ 7,998,948</u>	<u>839,651</u>	<u>770,000</u>	<u>8,068,599</u>

MANASQUAN SCHOOL DISTRICT



GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-2

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2016

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2015</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016</u>
Konica Copiers	5.40%	\$ 18,736	\$ 5,486	4,102	1,384
Ricoh Copiers	2.89%	71,556	50,126	14,162	35,964
Ricoh Copiers	3.77%	24,673	21,369	5,973	15,396
Ricoh Copiers	4.89%	35,436	31,863	6,625	25,238
Security Cameras	2.27%	98,401	64,854	32,060	32,794
			<u>\$ 173,698</u>	<u>62,922</u>	<u>110,776</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	\$ 988,325		988,325	988,325	
Total Revenues	<u>988,325</u>	<u>-</u>	<u>988,325</u>	<u>988,325</u>	<u>-</u>
Expenditures:					
Regular Debt Service Interest	218,325		218,325	218,325	
Redemption of Principal	770,000		770,000	770,000	
Total Expenditures	<u>988,325</u>	<u>-</u>	<u>988,325</u>	<u>988,325</u>	<u>-</u>
Excess Revenues Over Expenditures	-	-	-	-	-
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	-		-	-	-
Fund Balance July 1			-		-
Fund Balance June 30	<u>\$ -</u>	<u></u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

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

J-1

Fiscal Year Ending June 30,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	4,661,563	7,990,282	9,127,231	9,779,920	9,978,263	10,871,682	12,159,569	12,483,066	10,520,497	9,978,019
Restricted	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785
Unrestricted	82,881	(406,971)	(315,336)	(389,542)	96,800	(38,284)	22,838	(594,876)	(5,628,782)	(5,861,884)
Total governmental activities net position	8,231,842	9,877,750	9,986,499	10,813,707	11,482,418	12,428,636	12,710,957	13,654,152	6,664,748	5,775,920
Business-type activities										
Invested in capital assets, net of related debt	45,482	44,255	174,596	178,410	159,107	169,502	169,286	166,533	183,013	131,750
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	127,280	112,055	88,842	89,060	81,322	72,550	75,843	62,748	26,448	79,628
Total business-type net position	172,762	156,310	263,438	267,470	240,429	242,052	245,129	229,281	209,461	211,378
District-wide										
Invested in capital assets, net of related debt	4,707,045	8,034,537	9,301,827	9,958,330	10,137,370	11,041,184	12,328,855	12,649,599	10,703,510	10,109,769
Restricted	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785
Unrestricted	210,161	(294,916)	(226,494)	(300,482)	178,122	34,266	98,681	(532,128)	(5,602,334)	(5,782,256)
Total District net position	8,404,604	10,034,060	10,249,937	11,081,177	11,722,847	12,670,688	12,956,086	13,883,433	6,874,209	5,987,298

Source: CAFRE Schedule A-1

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

Fiscal Year Ending June 30,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	6,792,360	7,274,382	7,063,043	7,551,074	7,305,273	7,477,970	7,316,046	7,797,346	8,147,082	7,732,999
Special education	1,323,633	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851	1,979,082
Other special education	327,044	368,333	264,954	279,203	134,068	139,112	112,527	147,703	511,598	798,855
Vocational	-	-	-	-	-	-	-	-	-	0
Other instruction	684,287	717,953	759,997	772,300	760,384	797,543	710,900	706,050	731,633	743,062
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	597,070	653,166	744,955	648,534	574,831	728,556	788,073	721,990	751,334	920,639
Student & instruction related services	2,300,633	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,833,209	2,900,023	2,993,919
General administrative services	461,989	540,949	531,885	555,444	526,375	657,133	651,981	611,877	609,263	634,576
School & Business Administrative Svcs	1,499,213	1,603,060	1,663,493	1,597,796	1,611,840	1,630,154	1,622,452	1,593,831	1,739,955	1,758,684
Unallocated Benefits	5,863,013	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,441,411	6,883,598
Plant operations and maintenance	1,786,425	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,139,894	2,029,373
Pupil transportation	541,179	532,769	567,314	488,417	351,776	392,692	392,999	432,476	506,389	554,515
FEMA Loan Payable	-	-	-	-	-	-	-	-	-	839,651
Capital Outlay	-	-	-	-	-	-	-	-	-	51,245
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	463,862	434,891	406,224	383,508	359,470	333,738	244,608	258,283	259,874	240,110
Unallocated depreciation	350,092	396,725	717,221	516,764	698,880	827,188	818,422	704,421	681,910	684,889
Total Governmental Activities Expenses	22,990,800	24,590,902	24,521,500	25,155,284	24,904,598	26,194,163	27,210,048	25,646,396	27,368,217	28,845,197
Business-Type Activities:										
Food service	626,349	661,200	664,102	637,527	659,787	629,346	647,049	704,878	702,665	704,194
Surf Team	10,196	16,111	10,641	-	3,870	9,749	2,828	23,462	12,096	-
Total Business-Type Activities Expense	636,545	677,311	674,743	637,527	663,657	639,095	649,877	728,340	714,761	704,194
Total District Expenses:	23,627,345	25,268,213	25,196,243	25,792,811	25,568,255	26,833,258	27,859,925	26,374,736	28,082,978	29,549,391
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	-	788,073	721,990	751,334	937,639
Operating grants and contributions	528,833	421,228	424,097	811,247	673,525	506,399	539,995	425,888	457,252	620,046
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Rev.	528,833	421,228	424,097	811,247	673,525	506,399	1,328,068	1,147,878	1,208,586	1,557,685

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-Type Activities:										
Charges for services										
Food service	575,066	567,742	565,989	534,310	537,854	531,265	528,258	548,519	554,726	600,567
Surf Team	11,450	17,460	11,260	-	-	11,000	10,000	15,929	11,600	0
Operating grants and contributions	58,301	72,086	73,012	89,158	98,686	98,439	113,147	130,662	137,139	105,530
Total Business Type Activities Program Rev.	644,817	657,288	650,261	623,468	636,540	640,704	651,405	695,110	703,465	706,097
Total district program revenues	1,173,650	1,078,516	1,074,358	1,434,715	1,310,065	1,147,103	1,979,473	1,842,988	1,912,051	2,263,782
Net (Expense)/Revenue										
Governmental activities	(22,461,967)	(24,169,674)	(24,097,403)	(24,344,037)	(24,231,073)	(25,687,764)	(25,881,980)	(24,498,518)	(26,159,631)	(27,287,512)
Business-type activities	8,272	(20,023)	(24,482)	(14,059)	(27,117)	1,609	1,528	(7,533)	(11,296)	1,903
Total District-Wide Net Expense	(22,453,695)	(24,189,697)	(24,121,885)	(24,358,096)	(24,258,190)	(25,686,155)	(25,880,452)	(24,506,051)	(26,170,927)	(27,285,609)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property taxes levied for general purposes, net	10,737,772	11,000,595	11,440,619	11,922,137	12,171,782	12,171,782	12,655,951	12,034,544	12,575,032	12,952,283
Taxes levied for debt service	1,155,296	821,788	880,839	1,061,323	1,079,710	1,065,700	1,063,883	1,050,500	1,012,458	988,325
Tuition	8,272,855	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759	8,187,640	8,219,829	8,716,281	7,801,435
Unrestricted grants and contributions	3,272,073	3,351,361	2,413,944	2,559,540	1,826,029	2,607,265	3,100,959	4,149,705	3,964,426	4,396,847
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	0
Investment earnings	435,322	192,281	28,399	5,047	4,924	926	772	-	-	0
Miscellaneous income	93,103	81,705	164,365	113,522	168,657	149,375	165,769	98,897	83,760	44,276
Transfers	65,899	-	-	-	-	-	-	-	-	-
Total Governmental Activities	24,032,320	24,350,816	24,152,537	25,034,809	25,377,213	25,988,807	25,174,974	25,553,475	26,351,957	26,183,166
Business-Type Activities:										
Investment earnings	6,239	3,571	649	94	76	14	8	11	60	14
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	6,239	3,571	649	94	76	14	8	11	60	14
Total District-Wide	24,038,559	24,354,387	24,153,186	25,034,903	25,377,289	25,988,821	25,174,982	25,553,486	26,352,017	26,183,180
Change in Net Position										
Governmental activities	1,570,353	181,142	55,134	690,772	1,146,140	301,043	-707,006	1,054,957	192,326	-1,104,346
Business-type activities	14,511	(16,452)	(23,833)	-13,965	-27,041	1,623	1,536	-33,219	-11,236	1,917
Total District	1,584,864	164,690	31,301	676,807	1,119,099	302,666	-705,470	1,021,738	181,090	-1,102,429

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	315,048	360,590	240,278	732,302	1,405,664	1,593,851	527,515	1,369,608	1,811,647	1,815,330
Unreserved	862,251	680,832	690,981	489,371	536,680	568,825	490,658	396,354	373,503	258,374
Total General Fund	1,177,299	1,041,422	931,259	1,221,673	1,942,344	2,162,676	1,018,173	1,765,962	2,185,150	2,073,704
All Other Governmental Funds										
Reserved	-	-	22,887	-	-	-	1035	-	-	-
Unreserved, reported in										
Special revenue fund	-	-	-	-	-	-	-	19,996	-	-
Capital projects fund	2,258,395	1,303,654	597,982	450,142	1,029	-	-	-	-	-
Debt service fund	680,577	353,995	796	1,457	662	1,387	-	-	-	-
Total All Other Governmental Funds	2,938,972	1,657,649	621,665	451,599	1,691	1,387	1,035	19,996	0	0

Source: CAFR Schedule B-1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	11,893,068	11,822,383	12,321,458	12,983,460	13,251,492	13,237,482	13,719,834	13,085,044	13,587,490	13,940,608
Tuition charges	8,272,855	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759	8,975,713	8,941,819	9,467,615	8,722,074
Interest earnings	435,322	192,281	28,399	5,047	4,924	926	772	-	-	-
Miscellaneous	179,205	84,455	164,365	119,568	178,154	162,284	219,660	119,934	91,714	107,693
State sources	3,401,587	3,473,332	2,541,409	2,694,698	1,918,542	2,634,865	3,162,312	2,897,658	3,128,589	3,735,494
Federal sources	313,217	296,507	296,632	670,043	571,515	465,890	424,751	1,656,898	1,285,135	1,234,982
Total Revenue	24,495,254	24,772,044	24,576,634	25,846,056	26,050,738	26,495,206	26,503,042	26,701,353	27,560,543	27,740,851
Expenditures										
Instruction										
Regular Instruction	6,861,042	7,189,073	7,168,323	7,424,565	7,504,878	7,457,057	7,309,019	7,763,727	8,147,082	7,669,345
Special education instruction	1,323,633	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851	1,979,082
Other special education	327,044	368,333	264,954	279,203	134,068	139,112	112,527	147,703	511,598	798,855
Other school programs	684,287	717,953	759,997	772,300	760,384	797,543	710,900	706,050	731,633	743,062
Support Services:										
Tuition	597,070	653,166	744,955	648,534	574,831	728,556	788,073	721,990	751,334	920,639
Student & Instruction related services	2,300,631	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,833,209	2,900,023	2,993,919
General administrative services	461,989	540,949	531,885	555,444	526,375	657,133	651,981	611,877	609,263	634,576
School administrative services	1,019,356	1,044,376	1,117,008	1,201,927	1,207,308	1,216,712	1,622,452	1,593,831	1,739,955	1,758,684
Business administrative services	479,857	367,990	388,939	395,869	404,532	413,442	-	-	-	-
Plant operations and maintenance	1,786,425	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,014,574	1,907,333
Security	-	-	-	-	-	-	-	-	125,320	122,040
Pupil transportation	541,179	532,769	567,314	488,417	351,776	392,692	392,999	432,476	506,389	554,515
Other Support Services	-	190,694	157,546	-	-	-	-	-	-	-
Employee Benefits	5,863,013	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,037,358	6,730,677
Food Service	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,368,959	1,291,326	999,399	512,995	653,262	180,989	443,671	252,991	106,517	51,245
Debt service:										
Principal	755,705	775,825	801,155	690,000	710,000	720,000	745,000	815,000	785,000	770,000
Interest and other charges	476,907	448,315	418,892	394,210	370,860	346,010	319,235	216,569	247,425	218,325
Total Expenditures	24,847,097	26,189,443	25,722,781	25,725,708	25,779,975	26,259,323	27,647,897	25,934,633	27,161,322	27,852,297
Excess (Deficiency) of Revenues over (under) Expenditures	(351,843)	(1,417,399)	(1,146,147)	120,348	270,763	235,883	(1,144,855)	766,720	399,221	(111,446)
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	65,899	-	-	-	-	18,736	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	278,224	75,770	8,896	661	355	1,035	-	-	-	-
Transfers out	(278,224)	(75,770)	(8,896)	(661)	(355)	(1,035)	-	-	-	-
Total Other Financing Sources (Uses)	65,899	0	0	0	0	18,736	0	0	0	0
Net Change in Fund Balances	(285,944)	(1,417,399)	(1,146,147)	120,348	270,763	254,619	(1,144,855)	766,720	399,221	(111,446)
Debt Service as a Percentage of Non-Capital Expenditures	4.961%	4.674%	4.743%	4.215%	4.193%	4.060%	3.849%	3.978%	3.801%	3.548%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenues</u>	<u>Bus. Svcs/</u> <u>CST/ Ath.</u>	<u>Misc.</u>	<u>Total</u>
2007	157,098	8,272,855	33,000	60,997	8,523,950
2008	116,511	8,903,086	34,320	47,385	9,101,302
2009	19,503	9,224,371	35,690	92,584	9,372,148
2010	4,386	9,373,240	53,115	60,407	9,491,148
2011	4,569	10,126,111	84,580	84,077	10,299,337
2012	926	9,993,759	78,800	83,484	10,156,969
2013	772	8,975,713	47,600	172,060	9,196,145
2014	679	8,941,819	17,000	102,255	9,061,753
2015	826	9,467,615	17,000	65,754	9,551,195
2016	778	8,722,074	17,000	43,498	8,783,350

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Resid.	Farm Reg.	Qfarm	Com.	Ind.	Apt.	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities #	Net Valuation Taxable	Total Direct Sch. Tax Rate	Est. (Cty. Equal. Val.)
2007	130	2840	0	0	186	13	8	1,690,480,460	127,689,200	463,160	1,562,791,260	0.757	77.71
2008	121	2847	0	0	186	13	8	1,708,021,000	130,937,600	451,000	1,577,534,400	0.781	72.58
2009	106	2867	0	0	185	13	8	1,722,788,139	127,892,700	467,239	1,594,895,437	0.814	70.55
2010	94	2879	0	0	186	13	8	1,734,600,014	130,651,600	472,614	1,601,395,414	0.828	73.88
2011	108	2870	0	0	184	12	8	1,739,469,940	131,496,600	1,053,040	1,605,420,340	0.825	73.78
2012	95	2883	0	0	184	12	8	1,741,294,154	131,989,400	1,063,154	1,606,751,754	0.854	78.28
2013	97	2882	0	0	184	12	7	1,656,447,600	134,451,100	0	1,521,996,500	0.860	79.49
2014	135	2859	0	0	186	11	7	1,705,061,000	132,585,500	0	1,572,475,500	0.873	79.65
2015	137	2858	0	0	188	11	7	1,723,847,700	132,717,600	0	1,591,130,100	0.876	80.59
2016	107	2873	0	0	205	11	6	2,112,687,200	136,928,400	0	1,975,758,800	0.753	100.00 Re-Val

Source: County Abstract of Ratables & Municipal Tax Assesor

Fiscal Year Ended June 30,	<u>Manasquan Board of Education</u>			<u>Overlapping Debt</u>			Total Direct & Overlapping Tax Rate
	<u>Basic Rate</u>	<u>General Obligation Debt Svc.</u>	<u>Total Direct</u>	<u>Borough of Manasquan</u>	<u>Fire Districts</u>	<u>Monmouth County</u>	
2007	0.704	0.053	0.757	0.321	0.041	0.353	1.472
2008	0.725	0.056	0.781	0.331	0.040	0.357	1.509
2009	0.747	0.067	0.814	0.331	0.042	0.372	1.559
2010	0.760	0.068	0.828	0.345	0.044	0.373	1.590
2011	0.758	0.067	0.825	0.352	0.044	0.388	1.609
2012	0.788	0.066	0.854	0.368	0.045	0.377	1.644
2013	0.791	0.069	0.860	0.379	0.048	0.388	1.675
2014	0.765	0.066	0.831	0.379	0.048	0.388	1.646
2015	0.790	0.063	0.853	0.384	0.048	0.388	1.673
2016	0.655	0.050	0.705	0.334	0.039	0.303	1.381

Source: District Records and Municipal Tax Collector

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

Taxpayer	2016			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Dana, Ronald B.	11,142,900	1	0.56%	6,153,200	3	0.40%
208 Properties, LLC	4,248,200	2	0.21%	2,693,600	10	0.17%
Giunco Realty	4,110,700	3	0.20%	4,289,200	5	0.28%
Acme	3,141,400	4	0.18%	3,141,400	6	0.20%
Carbone, John V. & Diane M.	3,544,400	5	0.18%			
Sprint Comm Co LP c/o Prop Tax Dept.	3,346,200	6	0.17%	7,532,200	1	0.49%
Williamson, Mark	3,266,200	7	0.16%			
S & B Associates	3,217,100	8	0.16%	2,798,200	9	0.18%
SeaBreeze LLC	2,892,500	9	0.15%	3,000,000	7	0.19%
Osprey Realty	2,886,900	10	0.14%	2,822,000	8	0.18%
American Timber Co.				6,336,700	2	0.41%
Leg-It LLC				4,592,900	4	0.30%

Source: Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
2007	11,893,068.00	11,893,068.00	100.00%	-
2008	11,822,383.00	11,822,383.00	100.00%	-
2009	12,321,458.00	12,321,458.00	100.00%	-
2010	12,983,460.00	12,983,460.00	100.00%	-
2011	13,251,492.00	13,251,492.00	100.00%	-
2012	13,237,482.00	13,237,482.00	100.00%	-
2013	13,719,834.00	13,719,834.00	100.00%	-
2014	13,085,044.00	13,085,044.00	100.00%	-
2015	13,587,490.00	13,587,490.00	100.00%	-
2016	13,940,608.00	13,940,608.00	100.00%	-

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

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

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Percentage Of Personal Income	Per Capita
2007	12,088,979	80,722	12,169,701	3.38%	1952
2008	11,313,154	46,438	11,359,592	3.06%	1818
2009	10,512,000	33,621	10,545,621	3.01%	1681
2010	9,822,000	19,878	9,841,878	2.93%	1667
2011	9,112,000	5,144	9,117,144	2.71%	1544
2012	8,392,000	17,117	8,409,117	2.50%	1345
2013	7,405,000	13,719	7,418,719	2.00%	1164
2014	6,590,000	73,224	6,663,224	2.06%	1157
*2015	7,998,948	173,698	8,172,646	2.52%	1418
*2016	8,068,599	110,776	8,179,375	2.29%	1406

*Includes FEMA Loans

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2007	12,088,979	-	12,088,979	0.7736%	1,938.58
2008	11,313,154	-	11,313,154	0.7171%	1,810.97
2009	10,512,000	-	10,512,000	0.6591%	1,675.75
2010	9,822,000	-	9,822,000	0.6133%	1,663.90
2011	9,112,000	-	9,112,000	0.5676%	1,543.62
2012	8,392,000	-	8,392,000	0.5223%	1,429.40
2013	7,405,000	-	7,405,000	0.4865%	1,261.28
2014	6,590,000	-	6,590,000	0.4330%	1,144.69
2015	7,998,948	-	7,998,948	0.5027%	1,387.74
2016	8,068,599	-	8,068,599	0.4083%	1387.54

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

Manasquan Board of Education
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2016

	<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	\$ 12,779,074	100.00%	12,779,074
Manasquan Borough			
Other debt			
County of Monmouth Borough's Share	437,154,080	1.740%	7,606,481
Utility Authority- Borough's Share	20,933,744	12.74%	2,666,959
Utility Authority- Sanitary Sewer Rehabilitation			<u>291,355</u>
Subtotal, overlapping debt			10,564,795
Manasquan School District Direct Debt			<u>8,068,599</u>
Total direct and overlapping debt			<u><u>\$ 31,412,468</u></u>

**Manasquan Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis

2016	1,594,575,100
2015	1,594,575,100
2014	<u>1,555,731,800</u>
	<u>4,744,882,000</u>

Average equalized valuation of taxable property 1,581,627,333

Debt limit (3% of average)	47,448,820
Net bonded school debt	<u>8,068,599</u>
Legal debt margin	<u>39,380,221</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	46,340,526	46,832,788	47,352,211	47,448,820	47,976,863	48,095,426	47,301,437	46,844,801	46,723,034	47,448,820
Total net debt appl. to limit	12,088,979	11,313,154	10,512,000	9,822,000	9,112,000	8,392,000	7,405,000	6,590,000	7,998,948	7,998,948
Legal debt margin	<u>34,251,547</u>	<u>35,519,634</u>	<u>36,840,211</u>	<u>37,626,820</u>	<u>38,864,863</u>	<u>39,703,426</u>	<u>39,896,437</u>	<u>40,254,801</u>	<u>38,724,086</u>	<u>39,449,872</u>
Total net debt applicable to	26.09%	24.16%	22.20%	20.70%	18.99%	17.45%	15.65%	14.07%	17.12%	16.86%

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

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

Year	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
2007	6236	359,754,840	57,690	3.2
2008	6247	370,659,498	59,334	2.9
2009	6273	349,807,572	55,764	4.8
2010	5903	336,205,365	56,955	4.8
2011	5903	344,469,565	58,355	4.9
2012	5871	342,602,205	58,355	4.9
2013	5871	342,602,205	58,355	5.1
2014	5757	353,629,482	61,426	4.9
2015	5764	362,561,364	62,901	5.1
2016	5815	383,900,485	66,019	4.6

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

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

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

Employer	2016			2007		
	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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	105.5	106	113	116	110	110	102	103	101.5	98.5
Special education	16	15	18	19	20	18	20	22	30	34
Other special education	1	1	1	2	2	2	2	2	2	2
Other instruction	10	10	12	9	9	11	9	7	7	9
Support Services:										
Student & instruction related services	37.4	37.4	33.4	32.3	31.3	31.3	35	36	41	37
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	10.6	10.6	11.6	11.6	11.6	11.6	9	9	9	11
Central services	4	5	5	5	5	5	7	5	5	7
Administrative Information Technology	1.5	2	2	2	2	2	2	2.5	3.5	3.5
Plant operations and maintenance	16	16	18	19.1	19.1	19.1	18	17	16	18
Total	205.0	206.0	217.0	219.0	213.0	213.0	207.0	206.5	218.0	223.0

Source: District Personnel Records

**Manasquan School District
Operating Statistics
Last Ten Years**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		ADE	ADA	% Change in ADE	Student Attendance %
						Elementary	High School				
2007	1716	21,716,693	12,655		120	11.1	12.8	1712.3	1634.8		95.47%
2008	1702	23,252,749	13,662	7.95%	121	11.0	12.6	1702.0	1614.5	-0.60%	94.86%
2009	1711	23,043,147	13,472	-1.39%	131	11.0	12.1	1712.3	1632.0	0.61%	95.31%
2010	1699	23,328,052	13,734	1.95%	132	10.8	11.9	1698.6	1610.2	-0.80%	94.80%
2011	1697	23,372,328	13,773	0.28%	132	10.8	11.9	1696.8	1604.3	-0.11%	94.55%
2012	1666	24,515,369	14,715	6.80%	130	10.8	11.9	1666.1	1576.9	-1.81%	94.65%
2013	1593	25,599,996	16,070	9.20%	124	12	13.5	1593.0	1513.0	-4.39%	94.98%
2014	1635	24,227,685	14,818	-7.79%	127	11.3	14.2	1635.4	1566.0	2.66%	95.76%
2015	1599	25,671,645	16,055	8.35%	133.5	9.9	14.3	1599.98	1522.7	-2.17%	95.17%
2016	1580	26,243,926	16,610	3.46%	134.5	9.9	13.5	1579.76	1499.82	-1.26%	94.94%

From C-1

Source: District Records

**Manasquan School District
School Building Information
Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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District Building

Elementary

Manasquan Elementary School

Square Feet	89,500	111,800	111,800	111,800	111,800	111,800	111,800	111,800	111,800	111,800
Capacity (students)	537	738	738	738	738	738	738	738	738	738
Enrollment	686	690	698	711	688	682	659	657	622	641

High School

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	1,030	1,012	1,014	988	1,009	984	934	978	977	939

Source: District Records, ASSA

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

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

Year	School Facilities	Manasquan	Manasquan
	Project # (s)	High School	Elementary School
2007		105,647	14,164
2008		359,326	54,936
2009		279,560	84,797
2010		71,550	32,000
2011		305,438	4,291
2012		189,954	24,356
2013		847,925	152,482
2014		46,101	2,705
2015		72,274	27,302
2016		40,175	43,156
Total School Facilities		2,317,950	440,189

Source: District Records, CAFR Schedule C-1

**Manasquan School District
Insurance Schedule
June 30, 2016**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Multi-Peril Policy (Incl. Boiler & Machinery)	49,643,685	2,500
General Automobile Liability	5,000,000	1,000
School Board Legal Liability	5,000,000	10,000
Catastrophic Excess Liability	5,000,000	-
Workers' Compensation	2,000,000	-
Flood/Earthquake	25,000	
Student Accident Insurance (2)		
Maximum Benefit Blanket Coverage Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Lifetime Benefit Period Disability Plan for All Students	550,000	0
Surety Bonds (3)		
Treasurer	250,000	-
Board Secretary/Business Administrator	250,000	-

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

(2) Bollinger, Inc.

(3) Boynton & Boynton (Selective)

SINGLE AUDIT SECTION

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.
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**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, 2016, 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 November 21, 2016.

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, and 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**

November 21, 2016

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

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 *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 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 state programs for the year ended June 30, 2016. 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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 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, 2016.

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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Manasquan School District, County of Monmouth, and 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 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 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. 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**

November 21, 2016

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2015	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances Adjustments	Balance at June 30, 2016															
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor													
U.S. Department of Education: Passed Through State Department of Education: General Fund: Community Disaster Loan													97.030	70070301453	N/A	9/1/2015	8/31/2016		\$ -		839,651	(839,651)					
U.S. Department of Education: Passed Through State Department of Education: Special Revenue Fund: NCLB:																											
Title I													84.010	S010A150030	NCLB15	9/1/2014	8/31/2015	87,413	(39,142)	39,142							
Title I													84.010	S010A150030	NCLB16	9/1/2015	8/31/2016	86,166		71,195	(86,166)			(14,971)			
Title IIA													84.367A	S367A150029	NCLB15	9/1/2014	8/31/2015	23,688	(2,099)	11,541	(14,850)			(5,408)			
Title IIA													84.367A	S367A150029	NCLB16	9/1/2015	8/31/2016	22,600			(3,165)			(3,165)			
Title III													84.365A	S365A150030	NCLB16	9/1/2015	8/31/2016	4,737			(4,737)			(4,737)			
Special Education Cluster: IDEA:																											
Part B - Basic													84.027	H027A150100	FT15	9/1/2014	8/31/2015	302,984	(24,971)	29,049	(4,078)						
Part B - Basic													84.027	H027A150100	FT16	9/1/2015	8/31/2016	321,603		277,362	(281,525)			(4,163)			
Preschool													84.173	H173A150114	FT15	9/1/2014	8/31/2015	7,149	(2,201)	2,237	(480)			(444)			
Preschool													84.173	H173A150114	FT16	9/1/2015	8/31/2016	7,617		330	(330)						
Total Special Revenue							(68,413)	-	430,856	(395,331)	-	(32,888)	-	-													
U.S. Department of Agriculture - Passed Through State Department of Education: Child Nutrition Cluster:																											
National School Lunch Program													10.555	16161NJ304N1099	N/A	7/1/2015	6/30/2016	81,142		65,717	(81,142)			(15,425)			
National School Lunch Program													10.555	16161NJ304N1099	N/A	7/1/2014	6/30/2015	114,449	(23,060)	23,060							
HHFKA Lunch Program													10.555	16161NJ304N1099	N/A	7/1/2015	6/30/2016	3,862		3,128	(3,862)			(734)			
HHFKA Lunch Program													10.555	16161NJ304N1099	N/A	7/1/2014	6/30/2015	4,612	(904)	904							
Food Distribution Program													10.550	16161NJ304N1099	N/A	7/1/2015	6/30/2016	17,609		17,609	(17,609)						
Total U.S. Dept. of Agriculture							(23,964)	-	110,418	(102,613)	-	(16,159)	-	-													
Total Federal Financial Assistance							\$ (92,377)	-	1,380,925	(1,337,595)	-	(49,047)	-	-													

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

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program State Department of	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015					Adjustments/ Repayment of Prior Year Balances	Balance at June 30, 2016			MEMO	
					Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Education:															
General Fund:															
Extraordinary Aid	15-495-034-5120-044	\$ 149,083	7/1/2014	6/30/2015	\$ (149,083)			149,083							
Extraordinary Aid	16-495-034-5120-044	138,040	7/1/2015	6/30/2016					(138,040)		(138,040)				138,040
Special Education Categorical Aid	16-495-034-5120-089	505,972	7/1/2015	6/30/2016			505,972		(505,972)				(48,253)	505,972	
Transportation Aid	15-495-034-5120-014	23,093	7/1/2015	6/30/2016			23,093		(23,093)				(2,202)	23,093	
Security Aid	15-495-034-5120-084	17,267	7/1/2015	6/30/2016			17,267		(17,267)				(1,649)	17,267	
Adjustment Aid	15-495-034-5120-085	20,596	7/1/2015	6/30/2016			20,596		(20,596)				(1,967)	20,596	
PARCC Readiness Aid	15-495-034-5120-098	9,560	7/1/2015	6/30/2016			9,560		(9,560)				(911)	9,560	
Per Pupil Growth Aid	15-495-034-5120-097	9,560	7/1/2015	6/30/2016			9,560		(9,560)				(911)	9,560	
Non Public Transportation	15-495-034-5120-014	1,392	7/1/2014	6/30/2015	(1,392)		1,392								
Non Public Transportation	16-495-034-5120-014	1,566	7/1/2015	6/30/2016				(1,566)		(1,566)				1,566	
Reimbursed TPAF S.S. Contr.	15-100-034-5095-003	852,250	7/1/2014	6/30/2015	(41,731)		41,731								
Reimbursed TPAF S.S. Contr.	16-100-034-5095-003	819,115	7/1/2015	6/30/2016			778,532	(819,115)		(40,583)				819,115	
Total General Fund					(192,206)		1,556,786	(1,544,769)	-	(180,189)	-	-	(55,893)	1,544,769	
Special Revenue Fund:															
Future Ready		177,629	7/1/2015	6/30/2016			177,629	(177,629)						177,629	
N.J. Nonpublic Aid:															
Chapter 192:															
Compensatory Education	15-100-034-5120-067	7,166	7/1/2014	6/30/2015		3,838				3,838					
Chapter 193:															
Initial Exam and Classification	15-100-034-5120-066	12,599	7/1/2014	6/30/2015		5,041				5,041					
Corrective Speech	15-100-034-5120-066	11,486	7/1/2014	6/30/2015		3,534				3,534					
Corrective Speech	16-100-034-5120-066	669	7/1/2015	6/30/2016			669	(669)						669	
Non-Public Technology	15-100-034-5120-373	4,064	7/1/2014	6/30/2015		70				70					
Non-Public Textbooks	15-100-034-5120-064	7,567	7/1/2014	6/30/2015		558				558					
Non-Public Nursing	15-100-034-5120-070	12,046	7/1/2014	6/30/2015		256				256					
Total Special Revenue					-	13,297	178,298	(178,298)	13,297	-	-	-	-	178,298	
State Department of Agriculture:															
Enterprise Fund															
National School Lunch Program															
State Share	15-100-034-3360-023	3,601	7/1/2014	6/30/2015	(709)		709								
State Share	16-100-034-3360-023	2,917	7/1/2015	6/30/2016			2,363	(2,917)		(554)				2,917	
Total Enterprise Fund					(709)		3,072	(2,917)	-	(554)	-	-	-	2,917	
Total State Financial Assistance					\$ (192,915)	13,297	1,738,156	(1,725,984)	13,297	(180,743)	-	-	(55,893)	1,725,984	

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

BOARD OF EDUCATION

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MANASQUAN SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2016****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 15-08 *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 \$(0) 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	\$ 1,544,769	178,298	2,917	1,726,984
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	2,012,427			2,012,427
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)	_____	_____	_____	_____
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 3,557,196</u>	<u>178,298</u>	<u>2,917</u>	<u>3,739,411</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	\$ 839,651	395,331	102,612	1,337,594
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>\$ 839,651</u>	<u>395,331</u>	<u>102,612</u>	<u>1,337,594</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

BOROUGH OF MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part I - Summary of Auditor's Results

Financial Statement Section

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

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

_____ Yes x None Reported

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

_____ Yes x No

Federal Awards

Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes x No

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

_____ Yes x None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported Uniform Administrative Requirements Cost Principles and Audit Requirements For Federal Awards 2 CFR 200

_____ 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:

\$750,000

Auditee qualified as low-risk auditee?

 x Yes _____ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

State Awards Section

(D) Dollar threshold used to determine Type A programs: \$750,000

(E) Auditee qualified as low-risk auditee? x Yes No

(F) Internal control over major programs:
(1) Material Weakness(es) identified? Yes x No

(2) Significant Deficiencies identified that were not considered to material weaknesses? Yes x No

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

(H) Any audit findings disclosed that are required to be reported in accordance with N.J. Treasury Circular OMB 15-08 Yes x No

(I) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-089</u>	<u>Special Education Categorical Aid (State Aid-Public Cluster)</u>
<u>16-495-034-5120-084</u>	<u>Security Aid (State Aid-Public Cluster)</u>
<u>16-495-034-5120-085</u>	<u>Adjustment Aid (State Aid-Public Cluster)</u>
<u>16-495-034-5120-097</u>	<u>Per Pupil Growth Aid (State Aid - Public Cluster)</u>
<u>16-495-034-5120-098</u>	<u>PARCC Readiness (State Aid - Public Cluster)</u>
<u>16-495-034-5120-014</u>	<u>Transportation Aid (State Aid - Public Cluster)</u>
<u>16-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016***Part II - Schedule of Financial Statement Findings***

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

Finding: No matters were reported.

Criteria or specific requirement: N/A

Condition: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Views of Responsible Officials and Planned Corrective Actions:

BOROUGH OF MANASQUAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulation Part 200 and OMB Circular Letter 15-08.

FEDERAL AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016*Part III - State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by section 200.515 paragraph C of Circular 2 CFR 200 and OMB 15-08.

STATE AWARDS

Finding: No matters were reported.

Information on the State Program: N/A

Criteria or specific requirement:

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause:

Recommendation: N/A

Management's response: N/A

BOROUGH OF MANASQUAN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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Prior Audit Findings:

None