

**SCHOOL DISTRICT**

**OF**

**MANASQUAN**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**MANASQUAN BOARD OF EDUCATION**

**MANASQUAN, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**PREPARED BY**

**MANASQUAN BOARD OF EDUCATION  
FINANCE DEPARTMENT**

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## **INTRODUCTORY SECTION**

# MANASQUAN BOARD OF EDUCATION

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

November 14, 2018

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, 2018. 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 II 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 and human resources, a high school principal, two vice principals, an elementary school principal, one vice principal, dean of students and supervisors.

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.

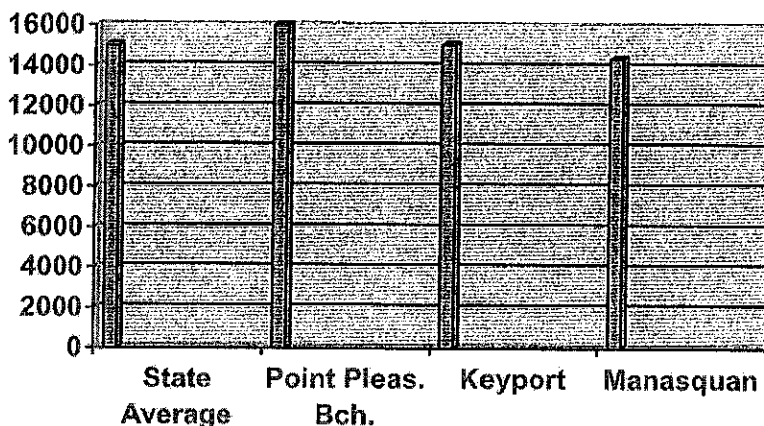
The PTO's and Education Foundation are highly active in the District and provide community support for a variety of programs and activities for the children.

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 available 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 2018 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 \$14,374 per pupil (certified costs for 2016-17) while the average cost for similar districts was \$15,036. According to the report of the 50 other K-12 school districts in the state with enrollments between 0 and 1800 children, Manasquan was ranked the 18<sup>th</sup> lowest in total cost per pupil.

**Per Pupil Comparative Spending 2018 (Certified 2016-17 Costs)**



***Manasquan Elementary School***

Manasquan Elementary School is comprised primarily of Manasquan students, but receives a small number of students on a tuition basis. Overall, our school is in very good condition, especially after the completion of an addition to create middle school classrooms, an additional computer lab, a Multi-purpose Cafetorium, upgrades to our HVAC system, and most recently as a result of a Referendum project, the complete renovation of our Media Center that includes the creation of a new STEM Lab. In addition, our back sports fields were realigned, sodded, and a new playground unit was added.

Manasquan Elementary School holds classes for students in Kindergarten through Eighth Grade. Integrated Pre-School classes are also offered for both three-year olds and four-year olds. 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 are installed in every classroom. Every teacher is provided with a Dell Laptop and classrooms are also equipped with at least two thin client workstations or additional desktop computers for student computer centers. Document scanners, video cameras 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. A mobile iPad cart was funded by a donation from the PTO for classroom use. In addition, iPads have been purchased for learning centers in every K-5 classroom and ESL classes, as well as a mobile Dell tablet cart, funded by our Education Foundation in order to add a second mobile cart. Furthermore, a Student Mobile technology initiative has been implemented, providing 1:1 Dell tablets to all of our middle school students in Grades 6-8. With regards to our STEM Lab, an additional classroom set of tablets and iPads are available for student projects.

Additional technological advances include increased usage of our Genesis Student Data Management System and our school website, hosted by Schoolwires. Our school website also now includes a virtual

"E-backpack" for all school notices and information. Eighth grade students continue to participate in multi-media digital storytelling, in which they have an opportunity to participate in this project-based learning experience utilizing video- and sound-editing software. STEM units have also been added to our Technology Education curriculum, as well as the inclusion of STEM rotation classes, including Technology and Engineering Design. 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 in the early primary grades, the on-line testing program, MAP (Measurement of Academic Progress) is administered to K-2 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 beginning in Grade 3. In addition, the Canvas Learning Management System is utilized by our middle school teachers with their students to connect all digital teaching and learning tools in one place.

Currently, our K-5 language arts program, Houghton-Mifflin's Journeys, is implemented with curriculum alignment to the NJ Student Learning Standards for English Language Arts. 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 works collaboratively with the classroom teachers. The language arts program was further expanded by the implementation of the Wilson Foundations Program in Grades K-3 and additional formative assessment opportunities using the Fountas & Pinnell Benchmark Assessment Program. With regards to mathematics, to assure alignment to the NJ Student Learning Standards, Pearson's K-6 enVision program is implemented. Furthermore, a Basic Skills Program (FUNDamentals) has been established for students in Grades K-8 in both language arts and mathematics. Our science program, Pearson Interactive Science, has been adopted for use in Grades K-6, with goals to include a digital platform in Grades 7 & 8. Our curriculum is aligned to the Next Generation Science Standards and the NJ Student Learning Standards. A school-wide STEM initiative across all grade levels, K-8, has been implemented that will now include instructional access for all students in our STEM Lab.

With regards to our school's Guidance Department, the Second Step Character Education Program was continued in Grades 3-5, with classroom lessons relating to tolerance, respect, and anti-bullying initiatives. Important life skills such as conflict resolution, stress management and coping skills are also an integral part of the program. The guidance program, Naviance is also implemented to provide a learning style inventory and career awareness activities for middle school students and our middle school cyberbullying program was also maintained. In Grades K-3, the Kelso's Choice Program remains in place to help our youngest students begin to learn conflict resolution and coping skills. Furthermore, an active *Intervention & Referral Services Team (I&RS)* and Child Study Team (CST) both support students, teachers, and parents to promote the academic, behavioral, and social success of our students. In addition, a Summer Skills Program is offered for identified students in Grades 1-3 to provide remedial assistance in mathematics and language arts. In addition, school-wide anti-bullying, respect, and violence awareness programs and assemblies are presented during every school year.

In addition to our academic program and our athletic teams (soccer, basketball, baseball, softball, tennis, field hockey, cross-country), our students also participate in a wide variety of extracurricular activities including Cheerleading, Chorus, Band, Drama Club, School Yearbook, School Newspaper, Mathematics Club, Environmental Club, Art Club, STEM, Student Council, Road Runners Club, Video Production

Club and a Peer Helper Program. A variety of after-school enrichment activities are also offered, as well as opportunities for participation in chorus and band competitions. In addition to our school's commitment to differentiation of instruction to meet the academic needs of all of our students, accelerated classes have been established in Grades 5-8.

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. Primary grade level musical performances are presented each year in Grades K-2. In addition, Field Days for Grades 5-7 and Grades K-4 were implemented once again this year. Furthermore, the students participated in a K-8 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 Parent-Teacher Organization 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 are present for middle school students in order to create a second area for outdoor classroom activities.

### ***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 January of 2017, a referendum was passed and a major building upgrade was approved. 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. This project will be completed in December of 2018. In addition, the Manasquan High School Alumni Endowment funded a major technology-based renovation to our Media Center in the summer of 2017.

The administration and staff of Manasquan High School believes in the potential and promise of all learners. Manasquan High School adopted a new "drop and rotate schedule" for the 2018-19 school year. The move to this schedule was created so as to increase the rigor for our students. To that end, MHS offers students the opportunity to experience an academy model within the context of a comprehensive high school. Through participation in one or more of MHS's four academies, students can earn college credits and/or develop important vocational skills. There are plans to add a fifth academy, the Academy of Performing Arts, in the Fall of 2019. Supported by its 1:1 technology initiative, the cornerstones of MHS's instructional program are academic rigor and personalized learning.

Manasquan High School uses curriculum that is aligned to the NJSLs and meets the needs & interests of diverse learners. In addition to our honors, general education and life skills classes, 19 AP courses are offered. For students with specialized interests, they can enter one of three Academies - Finance, Health Careers, and Engineering. Through Georgian Court's Course Ahead Program and the Health Careers Academy's affiliation with Rutgers, students can earn college credits while at MHS. In 2018,

Manasquan High School partnered with Brookdale Community College in developing an Early College, dual enrollment program for incoming freshmen.

Students from the class of 2018 were accepted into a prestigious & diverse group of colleges & universities. 95% of students planned to attend 4 or 2-year post-secondary schools. Over 5% of students planned to enter the workforce, while nearly 2% planned to enlist in the military. Through Naviance, students were guided through the college & career planning process, including required testing and financial aid resources. MHS continues to administer the PSAT to 10th & 11th graders annually.

In addition to the comprehensive services provided by the Manasquan High School Child Study Team, MHS offers a complete English Language Learners program, a Freshman Transition program, student mentoring/tutoring through PEERS, and guided college & career guidance through Naviance. MHS Life Skills program completed its 3rd year, blending academic, daily living, personal/social, and occupational skills into integrated lessons designed to help students learn to function independently in society.

To complement its Health & Physical Education curriculum, MHS offers courses in the Academy of Health Careers. Through its partnership with Rutgers University, students have the opportunity to earn college credits in Nutrition, Anatomy & Physiology, Emergency and Clinical Care. MHS again partnered with Simplified Culinary Services to ensure that student have access to a variety of affordable and appealing foods that meet health and nutrition needs as well as state and federal requirements.

Manasquan High School houses a wide array of extracurricular clubs and activities, from honors societies to civic organizations and the performing arts. Over 85% of our students participate in extracurricular activities, as Manasquan High School offers 29 varsity sports and 40 clubs and activities. Each year, hundreds of students participate in Squan-a-thon, a 12-hour dance-a-thon to benefit children with cancer, raising over \$250,000 over the last three years. In addition, the MHS Robotics Team has earned distinction competing in the FIRST Tech Challenge, designing, building, testing, and programming robots to perform a series of tasks.

In addition to a motivated PTO and Big Blue Booster Club, MHS partners with a variety of community stakeholders such as the MHS Endowment & Alumni Foundation and the Manasquan Athletic Hall of Fame. Bi-annual parents' nights, open houses, freshman orientations, and fine & performing arts shows welcome the community to our halls to see the best of our programs. MHS continues to value communication with parents through Genesis Parent Portal, the Canvas LMS, and Honeywell Instant Alert System.

### ***Special Education***

The Special Education program is an integral part of each school. In the 2017-2018 school year the number of educationally disabled students in the district was 157 High School Students, 106 Elementary School Students, 9 Pre-School Disabled Students and 39 (16 Manasquan, 23 Sending Districts) other students were sent to facilities outside the district. Most of the 263 students were placed in general education classes with in class resource supports and services. In addition, Manasquan has three Learning Language Disabled teachers instructing many Learning and Language Disabilities classes in the high school and one teacher assigned to the Multiply Disabled class in the elementary school that accepts students from other districts due to the comprehensive nature of the program. The Life Skills program continues to address the needs of the students in need of functional academic, social and

vocational skills. There is also an in-house Integrated Preschool program ( two classes: one for the 3 year olds and one for the 4 year olds) 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 2017-2018 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 the newly updated New Jersey Student Learning Standards, and wrote new curriculum for the implementation of several new courses. Teachers were trained in the components of the district's newly adopted curriculum template before beginning. This training emphasized the connections between each component (Essential Questions, Unit Goals, Objectives, Tasks, Activities, Resources & Assessments) as well as its links to the standards. 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. These curricula would serve as the roadmap for instruction with the ingredients for rigorous learning and understanding.

In the spring of 2017 all teachers were trained on the new curriculum template, its use, standard alignment, and requirements of each component. During the summer, nineteen curricula were written and/or revised in grades K-12. Our elementary school continued to refine our K-8 science curriculum. Teachers made revisions, added resources and modified STEM activities. They added projects which connected to our STEM program as well as other real-world application. Visual and Performing Arts did a total rewrite of their curricula with the focus on band and music. At the high school, the focus was Visual & Performing Arts, Business & Technology, Physical Education and World Language. Curriculum for several new courses were written – Italian III & III Honors, Sports in American Culture, AP Computer Science Principals, AP US Government and Politics. The two AP curriculum were submitted and approved by College Board. Our academies also updated some of their curriculum and added curriculum for several new courses. The Public Safety Academy developed Public Safety I & II and Criminal Investigations curriculum. The Health Careers Academy wrote curriculum for a new course, Fundamentals of Health & Wellness.

Any alignment with the New Jersey Student Learning Standards for English language arts and mathematics teachers which were not completed during the previous school year, were finished during the summer of 2017 for fall implementation. In addition, our Grade 8 (middle school) and 9 teachers, through articulation meetings, vertically aligned the curriculum to ensure that all skills were being covered and students were progressing from one unit to the next. Teachers also examined the District Evidence Statement Analysis reports which identified the standards with which students struggled. We then examined the curriculum to ensure that all topics were being sufficiently addressed as well as the order in which they were being taught.

All courses, in addition to the Essential Questions, assessments, pacing and differentiation, added interdisciplinary connections with technology and English Language Arts.

All curriculum was board approved before the start of the 2017-2018 school year

During the year, as teachers prepared for a new schedule, on April 25<sup>th</sup>, they reviewed all curriculum and the pacing needed for year-long classes in a drop/rotate schedule. Classes would no longer be 77 minutes but 58 minutes. Each department evaluated its courses, responded to a questionnaire concerning their needs to ensure that the district-approved curriculum could be effectively implemented in this new schedule. Based on teacher recommendations and department needs, monies would be allotted for 2018 summer work. Teachers would be revising, modifying and adding to curriculum and/or developing pacing guides for every course.

### *Staff Development*

During the 2017-2018 school year, Manasquan School District continued to ensure that every teacher received the professional development he/she needed to grow as educators. The district had three initiatives – strategies which support high student achievement and growth, personalized learning-alternate pathways to achievement, and the development of a strong co-teaching model. On September 6, and October 9, 2017 two professors from Monmouth University led individual workshops for high school and elementary school teachers on the importance of parity in a co-teaching model as well as the major models of co-teaching. On December 5, 2017, Steve Barkley, an educational consultant, met with administrators to provide insight into the type of leadership which supports teacher growth and strong student achievement. An afternoon session was held for teachers during which Mr. Barkley demonstrated the benefits of planning backwards for success and how students cause/drive high student achievement. Both sessions aligned with the district initiative of personalized learning. This method of differentiation continued as teachers discussed alternate pathways to success at two in-services (January (22<sup>nd</sup>, 29<sup>th</sup>) which were led by two district administrators. Planning time for co-teachers, as they developed different pathways for students, was incorporated into these sessions.

As the district investigated new schedules, administrators visited other districts, River Dell and Nutley in addition to the ones they had visited the previous years to observe a community lunch and the block drop/rotate schedule. After an extensive day at Nutley High School (November 29), administrators provided all interested teachers with the opportunity to shadow a teacher at Nutley (April 10). Our Business Administrator and facilities supervisor also visited Nutley and Wall high school in order to assess our needs in going to a similar schedule.

Upon their return, teachers shared their reflections concerning this schedule. A Transition Solutions Committee was formed which brainstormed all the possible needs of the teaching staff as they transitioned to this new schedule. They developed, in collaboration with the District Integration Technology Coach, four summer workshops which would be offered to the teaching staff in August of 2018. The workshops would address teaching strategies, developing pacing guides, using the Genesis Lesson Planner and Canvas in a drop/rotate schedule.

Three administrators visited the Freehold Regional School District elementary schools on March 9 to continue their investigation into the best practices for STEM programs. Our Technology Integration Coach and two STEM teachers returned on June 9<sup>th</sup> to talk with the Freehold teachers and see first-hand the types of programs and facilities they have in place – push-in, pull-out and co-teaching, media center, classroom space, etc.

Our elementary school continued its work with Foundations. Deanne Opatosky, Balanced Literacy Consultant, continued to provide collaborative writing workshops for our teachers both in-district and at our neighboring sending schools with whom we have developed a consortium.

Presenter Cory Muscara delivered Mindfulness training to our MES teachers, Brian McCann, a district special education teacher, trained staff members in Crisis Prevention Intervention (October 10) and Dr. Stephen Greco a neuropsychologist of neuropsychology and rehabilitation, conducted an Executive Functioning workshop.

Over four days, March 7, 8, 9, 10, Manasquan High School teachers met with our 8<sup>th</sup> grade sending district teachers. Teachers discussed curriculum and content, pacing, assessments, resources and homework. Participants were informed of the rigor and expectations of a 9<sup>th</sup> grader. Teachers shared their beliefs as to why and with what incoming freshmen struggle. Ideas of how to best prepare students for high school were developed. Our elementary school teachers participated in weekly PLC meetings during which they reviewed curriculum, content, instructional strategies, assessments and student progress. Based on their findings, they made modifications to their practice as well as asked for any professional development opportunities which would strengthen their instruction and student achievement.

All staff members attended the state-mandated trainings which were presented by administrators or content experts at faculty meetings. Staff members also, using Safe Schools' online programs, viewed videos pertinent to relevant district issues as well as topics required by the state (School Safety: School Intruders; Child Abuse: Mandatory Reporting; Online Safety: Cyberbullying; Online Safety: What Every Educator Needs to Know; Bullying: Recognition & Response; Youth Suicide; Gang Awareness; Safety Data Sheets; Managing the Angry Parent; Making Schools Safe for LGBT Students; Disruptive Behavior; Student Mental Health; Conflict Management: Student to Student; Cybersecurity; Sexual Harassment: Student Issues & Response; Ferpa; Hazard Communication: Right to Understand).

Teachers new to teaching AP courses attended the Rutgers Summer Institute Programs in August 2017- Environmental Science, US Government and Politics, and French.

At the beginning of the school year teachers were informed of any changes to the evaluation instrument, and the forms used by the district. The district's creation and adoption of a Reflective Practice Protocol for highly effective teachers was introduced at a district meeting. Additional meetings were held for interested teachers to outline the process and expectations. 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.

In September 2017, teachers new to the district received training on our evaluation model, a district-created tool, the online platform, and the observation policies established by the state and district as well as. TeachNJ. In August 2017 all new hires attended a three day New Teacher Induction Program. This 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 – positive parental contact, innovative instruction- purposeful grouping & flexible seating, reaching difficult students, data-drive decision-making & unpacking the standards, GRIT & celebrating failure, empowering students, developing your teacher character. 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 21<sup>st</sup> 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 only two traditional computer labs having expanded its mobile technology program to all faculty and students in grades 6-12 where all students and teachers are issued 2-in-1 laptop/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 continues its migration to more cloud computing and storage, leveraging the Microsoft Azure platform for, among others, Exchange online cloud-based email and OneDrive for cloud file storage. The district has and will continue to emphasize technology training in district in-service programs for all staff.

### *Personnel*

The district employed 229.5 people during the 2017-2018 school year. The certificated staff numbered 173 and educational support personnel 56.5.

### *Pupil Enrollment*

The district completed the 2017-2018 fiscal year with an Average Daily Enrollment of 1504.62 which is 55.65 students less than 2016-2017 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
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%
2016-17	1560.2	-1.240%
2017-18	1504.6	-3.560%

## 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 55.65 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.

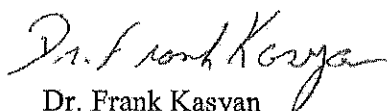
8. **OTHER INFORMATION:**

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/Board Secretary

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

**ROSTER OF OFFICIALS  
JUNE 30, 2018**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Thomas Pellegrino, President	2018
Alfred Sorino, Vice President	2019
Bruce Bolderman	2020
Donna Bossone	2018
Eugene Cattani	2020
Linda DiPalma	2018
Mark Furey (Belmar)	2018
Terence Hoverter	2020
Joseph A. Loffredo, Jr.	2019
Anne McGarry (SLH)	2018
Colin t. Warren	2019
Tedd Vitale (Brielle)	2018

**Other Officials**

Dr. Frank Kasyan, Superintendent of Schools

Lynn Coates, School Business Administrator/Board Secretary

Patricia A. Christopher, 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

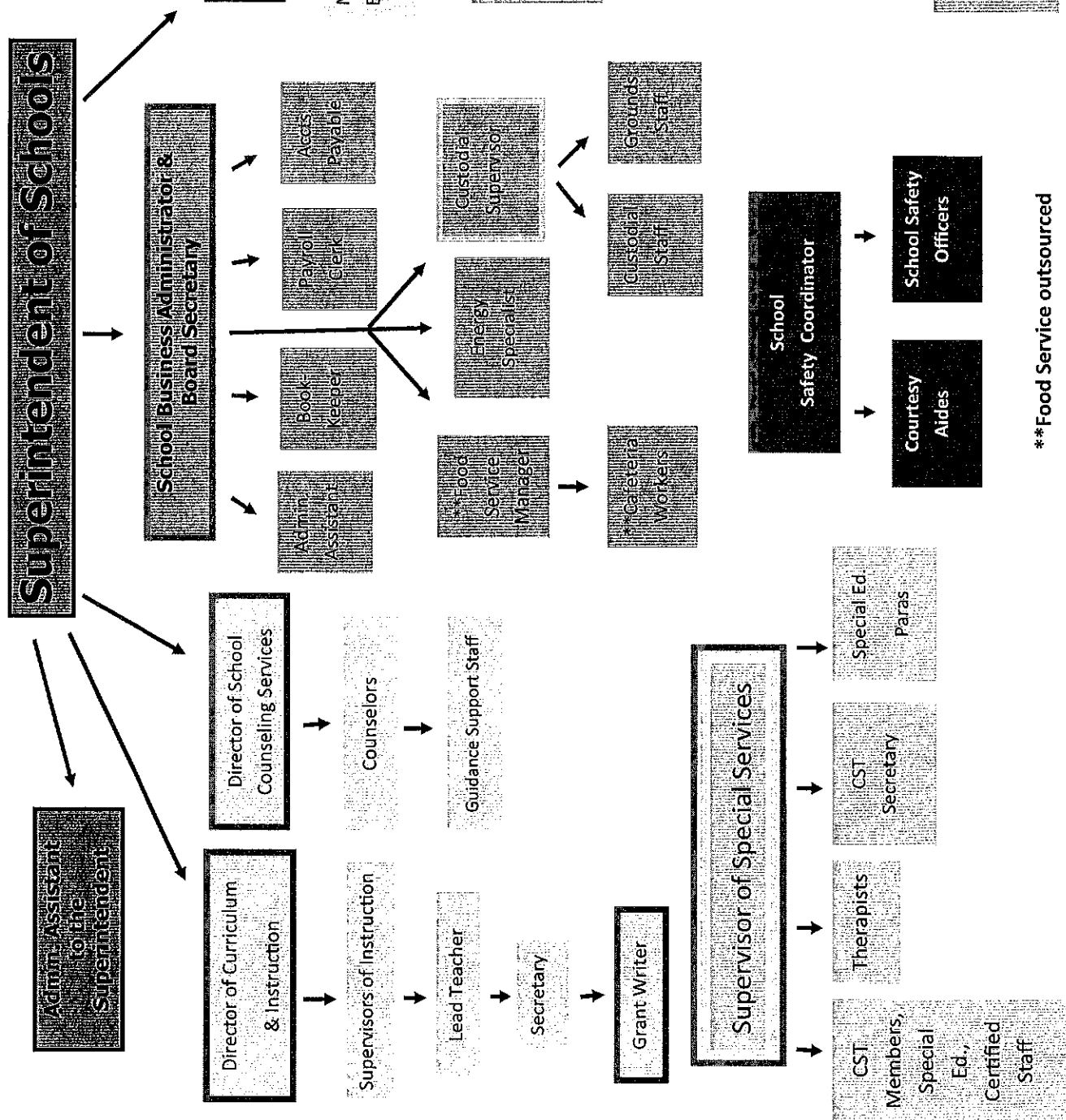
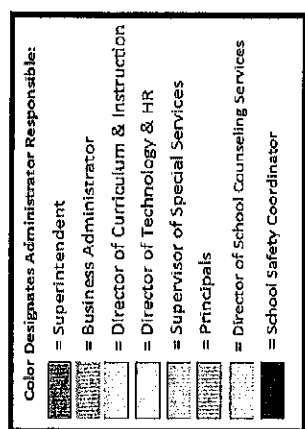
**FINANCIAL ADVISORS**

Phoenix Advisors, LLC  
625 Farnsworth Avenue  
Bordentown, NJ 08505

**OFFICIAL DEPOSITORY**

Manasquan Bank  
2221 Landmark Place  
Wall, New Jersey 08736

# Manasquan Board of Education



**\*\* Food Service outsourced  
Simplified Culinary**

## **FINANCIAL SECTION**



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

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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **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, 2018, 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 14, 2018 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**

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

November 14, 2018

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

**MANASQUAN PUBLIC SCHOOL DISTRICT  
BOROUGH OF MANASQUAN**

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

**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, 2018. 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 2018 are as follows:

- ◆ General revenues accounted for \$28,270,216 in revenue or 92.5% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,293,478 or 7.5% to total revenues of \$30,564,194.
- ◆ Total Net Position of governmental activities decreased by \$2,541,829 as cash and cash equivalents, and receivables decreased by \$531,101, accounts payable and long-term liabilities increased by \$517,296 and capital assets decreased by \$178,393; Net Pension changes accounted for the remaining \$1,315,039. The Board borrowed a short term note in the amount of \$12,033,754 to fund the referendum building project.
- ◆ The School District had \$33,086,342 in expenses; only \$2,293,978 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$28,270,216 were adequate to provide for these programs.
- ◆ The General Fund had \$28,608,824 revenues and \$28,967,272 in expenditures. The General Fund's balance decreased \$358,548 from 2017. This decrease was anticipated by the Board of Education.

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

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

The *Statement of Net 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 2018?" 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 2017 and 2018.

<b>Table 1</b>		
<b>Net Positions</b>		
	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Assets</b>		
Current and other assets	\$ 8,525,984	\$ 8,120,523
Capital assets, net	18,753,154	18,581,820
<b>Total Assets</b>	<b><u>\$27,279,138</u></b>	<b><u>\$26,702,343</u></b>
<b>Deferred Outflow of Resources</b>	<b><u>\$2,810,324</u></b>	<b><u>\$2,719,653</u></b>
<b>Deferred Inflow of Resources</b>	<b><u>\$524,929</u></b>	<b><u>\$1,835,613</u></b>
<b>Liabilities</b>		
Long-term liabilities	\$16,152,949	\$12,263,682
Other liabilities	8,639,220	13,045,784
<b>Total Liabilities</b>	<b><u>\$24,792,169</u></b>	<b><u>\$25,309,466</u></b>
<b>Net Assets</b>		
Invested in capital assets, net of debt	\$6,600,719	\$2,478,066
Restricted	554,816	385,185
Unrestricted	(2,383,171)	(586,334)
<b>Total Net Position</b>	<b><u>\$4,772,364</u></b>	<b><u>\$2,276,917</u></b>

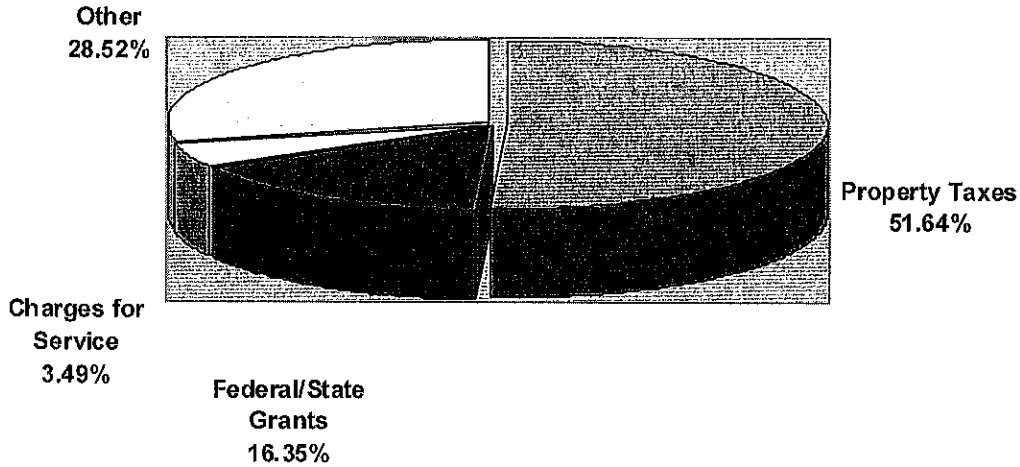
Table 2 shows the changes in net position from fiscal year 2017 to 2018.

<b>Table 2</b>		
<b>Changes in Net Positions</b>		
	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$1,393,875	\$1,753,197
Operating grants and contributions	668,315	540,781
General revenues		
Property taxes	14,819,969	15,365,790
Grants and entitlements	3,927,921	4,419,193
Other	8,361,818	8,485,233
<b>Total Revenues</b>	<b><u>29,171,898</u></b>	<b><u>30,564,194</u></b>
<b>Program Expenses</b>		
Instruction	11,217,544	11,368,610
Support services		
Pupils and instructional staff	4,179,151	4,432,622
General administration, school administration, business	10,085,578	10,494,633
Operations and maintenance of Facilities	2,032,233	2,156,165
Pupil Transportation	553,740	654,897
Interest on debt	239,612	219,914
Food service/Surf Team/Aftercare	742,636	788,855
FEMA Loan Payable	0	0
Capital Outlay	646,257	2,260,389
Other	690,081	710,257
<b>Total Expenses</b>	<b><u>30,386,832</u></b>	<b><u>33,086,342</u></b>
<b>Inc./(Dec.) in Net Assets</b>	<b><u>(1,214,934)</u></b>	<b><u>(2,522,148)</u></b>

### Governmental Activities

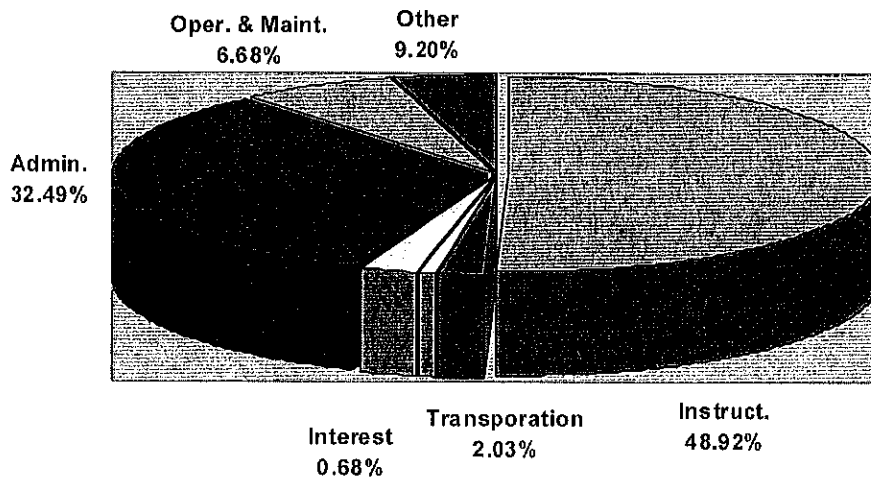
Property taxes made up 51.64% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2018. The District's total revenues were \$29,755,658 for the fiscal year ended June 30, 2018. Federal, state and local grants accounted for another 16.35%. Tuition, interest revenue and miscellaneous income make up 28.52% and charges for services equal 3.49%.

**Sources of Revenues for Fiscal Year 2018**



The total cost of all programs and services was \$32,297,487. Instruction comprised 48.92% of District expenses. Administration equaled 32.49% and the balance of 18.58% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

**Expenses for Fiscal Year 2018**





### 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 less than expenditures by \$2,000.
- ◆ Charges for services represent \$714,135 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 \$94,401.
- ◆ The Surf Team is partially supported by a parent group. The current year revenues and expenditures plus the beginning balance left a positive net assets of \$1,227.
- ◆ The Before and After Care Program is supported by participant revenues. The current year revenues and expenditures left a positive net assets of \$39,161.

### 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 2017 have been shown below.

	<b>Total Cost of Services 2017</b>	<b>Net Cost of Services 2017</b>	<b>Total Cost of Services 2018</b>	<b>Net Cost of Services 2018</b>
Instruction	\$11,217,544	\$10,764,875	\$11,368,610	\$10,985,075
Support services				
Pupils and instructional staff	4,179,151	3,314,036	4,432,622	3,337,315
General administration, school administration, business	10,085,578	10,085,578	10,494,633	10,494,633
Operation and maintenance of facilities	2,032,233	2,032,233	2,156,165	2,156,165
Pupil transportation	553,740	553,740	654,897	654,897
Interest and fiscal charges	239,612	239,612	219,914	219,914
FEMA Loan Payable	0	0	0	0
Capital Outlay	646,257	646,257	2,260,389	2,253,789
Other	<u>690,081</u>	<u>690,081</u>	<u>710,257</u>	<u>710,257</u>
<b>Total Expenses</b>	<b><u>29,644,196</u></b>	<b><u>28,326,412</u></b>	<b><u>32,297,487</u></b>	<b><u>30,812,045</u></b>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

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

Information about the School District's major funds starts with Schedule B-2. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$29,755,658 and expenditures of \$34,386,690. The net change in fund balance for the year was made up of the General Fund, a decrease of \$358,548. The debt service fund balance had no increase. The revenues of \$29,755,658 does not include the short term note of \$12,033,754 borrowed from Manasquan Bank for the referendum building project.

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, 2018, 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 2017</u>
Local Sources	\$24,939,241	83.81%	\$954,956
State Sources	4,399,177	14.78%	410,477
Federal Sources	<u>417,240</u>	<u>1.41%</u>	<u>(37,200)</u>
<b>Total Revenue</b>	<b><u>\$29,755,658</u></b>	<b><u>100.00%</u></b>	<b><u>\$1,328,233</u></b>

The increase in Local Sources of \$954,456 was attributed to an increase in the local general fund tax levy, an increase in the debt service tax levy and an increase in tuition revenues.

The increase in State Sources of \$410,477 was attributed to changes in the on-behalf pension.

The decrease in Federal Sources of \$37,200 was attributed to normal fluctuations.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2018.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase/ (Decrease) from 2017</b>
Current:			
Instruction	\$11,363,240	37.06%	240,330
Undistributed expenditures	17,503,786	54.66%	1,100,151
Capital outlay	546,626	6.06%	(289,706)
Debt service:			
Principal	490,000	1.58%	15,000
Interest	177,100	0.64%	(14,250)
<b>Total Expenditures</b>	<b><u>\$30,080,752</u></b>	<b><u>100.00%</u></b>	<b><u>\$68,239</u></b>

The increase in Current - Instruction of \$240,330 was attributed to an increase in supplies, textbooks and technology supplies.

The increase in Current-Undistributed Expenditures of \$1,100,151 was primarily attributed to the TPAF non-paid pension contribution and maintenance and repair.

The decrease of \$289,706 in capital outlay was based on needed expenditures.

The increase in debt service of \$750 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 2018, 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.
- ◆ Changes in appropriations to prevent budget overruns.

### **Capital Assets**

At the end of the fiscal year 2018, the School District had \$18,462,282 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2018 balances compared to 2017 and 2016.

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

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Land	\$1,068,000	\$1,068,000	\$1,068,000
Site Improvements	263,974	569,058	818,668
Buildings	16,355,430	16,544,613	16,221,242
Machinery and Equipment	469,990	459,004	354,372
<b>Totals Capital Assets</b>	<b>\$18,157,394</b>	<b>\$18,640,675</b>	<b>\$18,462,282</b>

Overall capital assets increased \$889,607 from fiscal year 2017 to fiscal year 2018. This increase was due primarily due to a referendum building project.

### **Debt Administration**

At June 30, 2018, the School district had \$24,963,476 outstanding debt. Of this amount \$676,670 is for compensated absences, \$4,070,000 for bonds payable, \$20,114 for capital leases, \$951,656 for loans payable, \$12,033,754 for notes payable and \$7,211,282 for pension liability.

### **For the Future**

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

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

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

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

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

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**MANASQUAN SCHOOL DISTRICT****STATEMENT OF NET POSITION****Exhibit A-1****JUNE 30, 2018**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 513,205	117,492	630,697
Receivables, Net	313,886	20,454	334,340
Inventory		2,114	2,114
Restricted Assets:			
Cash and Cash Equivalents	6,778,187		6,778,187
Capital Reserve Account - Cash	375,185		375,185
Capital Assets Not Depreciated	1,068,000		1,068,000
Capital Assets, Net	17,394,282	119,538	17,513,820
Total Assets	<u>26,442,745</u>	<u>259,598</u>	<u>26,702,343</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>2,719,653</u>		<u>2,719,653</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>1,835,613</u>		<u>1,835,613</u>
<b><u>Liabilities</u></b>			
Accounts Payable	56,731		56,731
Accrued Interest	235,279		235,279
Deferred Revenue	53,980		53,980
Noncurrent Liabilities:			
Due Within One Year	12,699,794		12,699,794
Due Beyond One Year	12,263,682		12,263,682
Total Liabilities	<u>25,309,466</u>	<u>-</u>	<u>25,309,466</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	2,358,528	119,538	2,478,066
Restricted For:			
Other Purposes	385,185		385,185
Unrestricted	<u>(726,394)</u>	<u>140,060</u>	<u>(586,334)</u>
Total Net Position	<u>\$ 2,017,319</u>	<u>259,598</u>	<u>2,276,917</u>

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

**MANASQUAN SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2018**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 7,813,618			(7,813,618)		(7,813,618)
Special Education	2,518,264		383,535	(2,134,729)		(2,134,729)
Other Special Instruction	191,261			(191,261)		(191,261)
Other Instruction	845,467			(845,467)		(845,467)
Support Services:						
Tuition	1,039,062	1,039,062		-		-
Student & Instruction Related Services	3,393,560		56,245	(3,337,315)		(3,337,315)
General Administrative Services	620,418			(620,418)		(620,418)
School and Business Administrative Services	1,708,346			(1,708,346)		(1,708,346)
Plant Operations and Maintenance	2,156,165			(2,156,165)		(2,156,165)
Pupil Transportation	654,897			(654,897)		(654,897)
Capital Outlay	2,260,389		6,600	(2,253,789)		(2,253,789)
Unallocated Benefits	8,165,869			(8,165,869)		(8,165,869)
Interest on Long-Term Debt	219,914			(219,914)		(219,914)
Unallocated Depreciation	710,257			(710,257)		(710,257)
Total Governmental Activities	32,297,487	1,039,062	446,380	(30,812,045)	-	(30,812,045)
Business-Type Activities:						
Enterprise Funds	788,855	714,135	94,401		19,681	19,681
Total Business-Type Activities	788,855	714,135	94,401	-	19,681	19,681
Total Primary Government	33,086,342	1,753,197	540,781	(30,812,045)	19,681	(30,792,364)

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



MANASQUAN SCHOOL DISTRICT

Exhibit A-2  
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose,						
Net				14,698,690		14,698,690
Taxes Levied for Debt Service				667,100		667,100
Tuition				8,328,696		8,328,696
Federal and State Aid Not Restricted				4,419,193		4,419,193
Miscellaneous Income				156,537		156,537
Total General Revenues, Special Items and Transfers				28,270,216	-	28,270,216
Change in Net Position				(2,541,829)	19,681	(2,522,148)
Net Position - Beginning				4,559,148	239,917	4,799,065
Net Position - Ending				\$ 2,017,319	259,598	2,276,917

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents-Restricted	\$ 385,185	8,991	6,759,195	1	7,153,372
Cash and Cash Equivalents-Unrestricted	513,205				513,205
Interfund Receivable			21,486	36,151	57,637
Accounts Receivable	2,000	35,903			37,903
Receivables from Other Governments	275,983				275,983
Total Assets	<u>\$ 1,176,373</u>	<u>44,894</u>	<u>6,780,681</u>	<u>36,152</u>	<u>8,038,100</u>
<u>Liabilities and Fund Balance</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 56,731				56,731
Interfund Payable			36,151	21,486	57,637
Deferred Revenue	9,086	44,894			53,980
Total Liabilities	<u>65,817</u>	<u>44,894</u>	<u>36,151</u>	<u>21,486</u>	<u>168,348</u>
<u>Fund Balance:</u>					
<u>Restricted For:</u>					
Maintenance Reserve	10,000				10,000
Capital Reserve Account	25,185				25,185
<u>Assigned To:</u>					
Designated for Subsequent Years Expenditures:					
Capital Reserve	350,000				350,000
Excess Surplus	92,835				92,835
Designated by the Board of Education for Subsequent Year's Expenditures-Excess Surplus	112,699				112,699
Other Purposes	70,703		6,481,659		6,552,362
<u>Unassigned:</u>					
Capital Projects			262,871		262,871
Debt Service				14,666	14,666
General Fund	449,134				449,134
Total Fund Balances	<u>1,110,556</u>	<u>-</u>	<u>6,744,530</u>	<u>14,666</u>	<u>7,869,752</u>
Total Liabilities and Fund Balance	<u>\$ 1,176,373</u>	<u>44,894</u>	<u>6,780,681</u>	<u>36,152</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 \$32,337,048 and the accumulated  
depreciation is \$13,874,766.

18,462,282

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.

(24,963,476)

Deferred outflow of resources - contributions to the pension plan

2,719,653

Deferred inflow of resources - acquisition of assets applicable  
to future reporting periods

(1,835,613)

Accrued Interest

(235,279)

Net Position of Governmental Activities

\$ 2,017,319

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2018

<u>Revenues</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Local Sources:					
Local Tax Levy	\$ 14,698,690			667,100	15,365,790
Tuition Charges	9,367,758				9,367,758
Shared Services/Athletic Jointure	17,000				17,000
Miscellaneous	106,183	49,156	33,354		188,693
Total Local Sources	24,189,631	49,156	33,354	667,100	24,939,241
State Sources	4,397,600	1,577			4,399,177
Federal Sources	21,593	395,647			417,240
Total Revenues	28,608,824	446,380	33,354	667,100	29,755,658
<u>Expenditures</u>					
Current:					
Regular Instruction	7,808,248				7,808,248
Special Education Instruction	2,134,729	383,535			2,518,264
Other Special Instruction	191,261				191,261
Other Instruction	845,467				845,467
Support Services and Undistributed Costs:					
Tuition	1,039,062				1,039,062
Student and Instruction Related Services	3,337,315	56,245			3,393,560
General Administrative Services	620,418				620,418
School and Other Administrative Services	1,708,346				1,708,346
Plant Operations and Maintenance	2,040,438				2,040,438
Security	144,475				144,475
Pupil Transportation	654,897				654,897
Unallocated Benefits	7,902,590				7,902,590
Debt Service:					
Principal				490,000	490,000
Interest and Other Charges				177,100	177,100
Capital Outlay	540,026	6,600	4,305,938		4,852,564
Total Expenditures	28,967,272	446,380	4,305,938	667,100	34,386,690

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(358,448)	-	(4,272,584)	-	(4,631,032)
Other Financing Sources and Uses:					
Other Financing Sources - Transfer from Capital Projects			(33,354)	33,354	-
Other Financing Uses - Transfer to Capital Projects			21,486	(21,486)	-
Other Financing Sources - Accounts Receivable Cancelled	(100)				(100)
Other Financing Use - Payment of Temporary Notes			(5,000,000)		(5,000,000)
Other Financing Sources - Temporary Notes			12,012,268		12,012,268
Total Other Financing Sources and Uses	(100)	-	7,000,400	11,868	7,012,168
Total Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources and Uses	(358,548)	-	2,727,816	11,868	2,381,136
Net Change in Fund Balances	(358,548)	-	2,727,816	11,868	2,381,136
Fund Balance - July 1	1,469,104		4,016,714	2,798	5,488,616
Fund Balance - June 30	\$ 1,110,556	-	6,744,530	14,666	7,869,752

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, 2018

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 2,381,136
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	(710,257)
Capital Outlay	2,613,761
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.	(6,515,006)
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.	(5,370)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(90,671)
Pension related deferrals	(1,310,664)
Change in Net Pension Liability	1,138,056
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.	(42,814)
Change in Net Position of Governmental Activities (A-2)	<u>\$ (2,541,829)</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, 2018

	<b><u>Enterprise Fund Totals</u></b>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 117,492
Accounts Receivable:	
Federal	14,022
State	532
Other	5,900
Inventories	2,114
Total Current Assets	<u>140,060</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	472,668
Less: Accumulated Depreciation	<u>(353,130)</u>
Total Noncurrent Assets	<u>119,538</u>
Total Assets	<u><u>\$ 259,598</u></u>
 <b><u>Net Position</u></b>	
Invested in Capital Assets Net of Related Debt	\$ 119,538
Unrestricted	<u>140,060</u>
Total Net Position	<u><u>\$ 259,598</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, 2018

	<u>Enterprise Fund Totals</u>
Operating Revenues:	
Charge for Services:	
Daily Sales-Reimbursable Programs	\$ 140,122
Daily Sales-Non-Reimbursable Programs	496,844
Fees	62,515
Catering	14,654
Total Operating Revenues	<u>714,135</u>
Operating Expenses:	
Cost of Sales-Reimbursable Programs	67,951
Cost of Sales-Non-Reimbursable Programs	240,917
Salaries	282,298
Employee Benefits	37,839
Worker's Compensation	8,750
Cost of Supplies	33,365
General Liability Insurance	28,447
Management Fees	21,000
Miscellaneous	48,646
Depreciation	19,642
Total Operating Expenses	<u>788,855</u>
Operating Income (Loss)	(74,720)
Nonoperating Revenues (Expenses):	
Interest Revenue	457
State Sources:	
State School Lunch Program	2,824
Federal Sources:	
National School Lunch Program	71,115
HHFKA Lunch Program	3,274
Food Distribution Program	16,731
Total Nonoperating Revenues (Expenses)	<u>94,401</u>
Change in Net Position	19,681
Adjustment for Fixed Assets	26,702
Total Net Position - Beginning	<u>213,215</u>
Total Net Position - Ending	<u>\$ 259,598</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, 2018

	<b>Enterprise Fund Totals</b>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 714,135
Payments to Employees	(282,298)
Payments to Suppliers	(478,331)
Net Cash Provided (Used by) Operating Activities	<u>(46,494)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,824
Federal Sources	74,389
Net Cash Provided (Used by) Noncapital Financing Activities	<u>77,213</u>
Cash Flows from Investing Activities:	
Interest Received	<u>457</u>
Net Increase (Decrease) in Cash & Cash Equivalents	31,176
Balances - Beginning of Year	<u>86,316</u>
Balances - End of Year	<u><u>\$ 117,492</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (74,720)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities	
Depreciation	19,642
Federal Commodities	16,731
(Increase)/Decrease in Accounts Receivable	(9,667)
(Increase)/Decrease in Inventories	<u>1,520</u>
Net Cash Provided (Used by) Operating Activities	<u><u>\$ (46,494)</u></u>

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

MANASQUAN SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2018

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 112,646	70,122
Total Assets	<u>\$ 112,646</u>	<u>70,122</u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 112,646	
Reserved for Scholarships		70,122
Total Net Position	<u>\$ 112,646</u>	<u>70,122</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, 2018

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b><u>Additions</u></b>		
Contributions:		
Plan Member	\$ 26,530	
Donations		22,756
Total Contributions	<u>26,530</u>	<u>22,756</u>
Investment Earnings:		
Interest	485	314
Net Investments Earnings	<u>485</u>	<u>314</u>
Total Additions	<u>27,015</u>	<u>23,070</u>
<b><u>Deductions</u></b>		
Unemployment Claims	22,757	
Scholarships Awarded		21,800
Total Deductions	<u>22,757</u>	<u>21,800</u>
Change in Net Position	4,258	1,270
Net Position - Beginning of Year	<u>108,388</u>	<u>68,852</u>
Net Position - End of the Year	<u>\$ 112,646</u>	<u>70,122</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, 2018**

**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 School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

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

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

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

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

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

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

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

**D. Fund Accounting:**

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

**Governmental Fund Types**

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

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

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

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

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

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

**Proprietary Fund Type**

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

**Fiduciary Fund Types**

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

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

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2018 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, 2018.

**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 2018 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2017-2018 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2018, fiscal year 2018 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, 2018 was as follows:

	<b><u>Balance</u></b> <b><u>July 1, 2017</u></b>	<b><u>Additions</u></b>	<b><u>Adjustments</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2018</u></b>
Governmental Activities:				
Land	\$ 1,068,000	_____	_____	<u>1,068,000</u>
Depreciable Assets:				
Site Improvements	1,737,496	294,514		2,032,010
Buildings	26,848,790	232,387		27,081,177
Equipment	<u>2,504,028</u>	<u>124,501</u>	(472,668)	<u>2,155,861</u>
Total	<u>31,090,314</u>	<u>651,402</u>	(472,668)	<u>31,269,048</u>

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

	<b><u>Balance July 1, 2017</u></b>	<b><u>Additions</u></b>	<b><u>Adjustments</u></b>	<b><u>Balance June 30, 2018</u></b>
Less: Accumulated Depreciation:				
Sites	1,168,439	44,903		1,213,342
Buildings	10,304,177	555,758		10,859,935
Equipment	<u>2,045,023</u>	<u>109,596</u>	<u>(353,130)</u>	<u>1,801,489</u>
Total Accumulated Depreciation	<u>13,517,639</u>	<u>710,257</u>	<u>(353,130)</u>	<u>13,874,766</u>
Net Depreciable Assets	<u>17,572,675</u>	<u>(58,855)</u>	<u>(119,538)</u>	<u>17,394,282</u>
Governmental Activities Capital Assets (Net)	<u>\$ 18,640,675</u>	<u>(58,855)</u>	<u>(119,538)</u>	<u>18,462,282</u>
Business-Type Activities:				
Equipment	\$ 445,966	26,702		472,668
Less: Accumulated Depreciation:				
Equipment	<u>333,487</u>	<u>19,643</u>	<u>      </u>	<u>353,130</u>
Business-Type Capital Assets (Net)	<u>\$ 112,479</u>	<u>7,059</u>	<u>      </u>	<u>119,538</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<b><u>Prior Years' Accumulated Depreciation</u></b>	<b><u>Current Year Depreciation Expense</u></b>	<b><u>Adjustments</u></b>	<b><u>Total Accumulated Depreciation</u></b>
Unallocated	<u>\$ 13,517,639</u>	<u>710,257</u>	<u>(353,130)</u>	<u>13,874,766</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 2018. 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).

**M. Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

***Assigned*** – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

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

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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%.

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.

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

As of June 30, 2018, cash and cash equivalents and investments of the District consisted of the following:

	<b><u>Cash and Cash Equivalents</u></b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 8,265,142</u>

During the period ended June 30, 2018, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2018 was \$8,265,142 and the bank balance was \$8,742,661. Of the bank balance, \$250,000 was covered by federal depository insurance and \$8,492,661 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>8,492,661</u>
	<u>\$ 8,742,661</u>

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

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the general long-term debt account group:

	<b><u>Balance June 30, 2017</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance June 30, 2018</u></b>	<b><u>Long-Term Portion</u></b>	<b><u>2018-19 Payment</u></b>
Pension Liability	\$ 8,349,338		(1,138,056)	7,211,282	7,211,282	
Compensated Absences Payable	671,300	5,370		676,670	676,670	
Capital Leases Payable	48,862		(28,748)	20,114	3,308	16,806
Notes Payable	5,000,000	12,033,754	(5,000,000)	12,033,754		12,033,754
Loans Payable	3,033,599		(2,081,943)	951,656	812,422	139,234
Bonds Payable	<u>4,560,000</u>		<u>(490,000)</u>	<u>4,070,000</u>	<u>3,560,000</u>	<u>510,000</u>
	<u>\$ 21,663,099</u>	<u>12,039,124</u>	<u>(8,738,747)</u>	<u>24,963,476</u>	<u>12,263,682</u>	<u>12,699,794</u>

**NOTE 3:     General Long-Term Debt (Continued)****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 \$951,656 at interest of 1.375% with a balance of \$951,656 maturing July 17, 2023.
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 \$4,070,000 maturing on January 15, 2025.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2018-2019	\$ 649,234	192,379	841,613
2019-2020	688,042	158,271	846,313
2020-2021	715,215	134,898	850,113
2021-2022	742,418	104,945	847,363
2022-2023	779,650	73,711	853,361
2023/24 thru 2024/25	<u>1,447,097</u>	<u>59,565</u>	<u>1,506,662</u>
	<u>\$ 5,021,656</u>	<u>723,769</u>	<u>5,745,425</u>

**Schedule of Bonds Payable**

<u>Description</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2018</u>
Community Disaster Loan	2014-2015	1.375%	\$ 951,656
Refunding Bonds	04-30-13	3% to 5%	<u>4,070,000</u>
			<u>\$ 5,021,656</u>

**B.     Bonds Authorized But Not Issued**

As of June 30, 2018, the Board had no authorized but not issued bonds.



**NOTE 3:      General Long-Term Debt (Continued)****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, 2018.

<b><u>Year Ended</u></b>	
<b><u>June 30</u></b>	<b><u>Amount</u></b>
2019	\$ 17,245
2020	3,349
	<u>20,594</u>
Less: Amount Representing Interest	<u>480</u>
Present Value of Net Minimum Lease Payments	<u>\$ 20,114</u>

**Summary of Leases**

Ricoh copier lease at 2.89% maturing 12-28-19 with a balance of \$6,381 at 6/30/18.

Ricoh copier lease at 3.77% maturing 4-1-20 with a balance of \$2,755 at 6/30/18.

Ricoh copier lease at 4.89% maturing 4-1-20 with a balance of \$10,978 at 6/30/18.

**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.

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

**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.

**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 7.20% 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.

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

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, 2018, the State of New Jersey contributed \$2,759,005 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 \$856,688 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/18	\$ 296,574	100%	0
6/30/17	259,057	100%	0
6/30/16	264,627	100%	0

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/18	\$ 2,759,005	100%	0
6/30/17	2,326,778	100%	0
6/30/16	2,012,427	100%	0

**Pension Expense Deferred Outflows/Inflows – PERS****Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 43:15A, PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**NOTE 4: Pension Plans (Continued)****Pension Expense Deferred Outflows/Inflows – PERS (Continued)****Plan Description**

The following represents the membership tiers for PERS:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation**

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2016 through June 30, 2017. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

**Allocation Methodology and Reconciliation to Financial Statements (Continued)**

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2017 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2017.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

For the year ended June 30, 2018, the District recognized pension expense of \$296,574. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 169,801	
Changes of Assumptions	1,452,825	1,447,498
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	49,104	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	751,349	388,115
District Contributions Subsequent to the Measurement Date	<u>296,574</u>	<u>          </u>
Total	<b><u>\$ 2,719,653</u></b>	<b><u>1,835,613</u></b>

\$2,719,653 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, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Additional Information**

Collective balances at December 31, 2017 and 2016 are as follows:

	<b><u>Dec. 31, 2017</u></b>	<b><u>Dec. 31, 2016</u></b>
Collective Deferred Outflows of Resources	\$ 2,719,653	2,810,324
Collective Deferred Inflows of Resources	1,835,613	524,949
Collective Net Pension Liability	7,211,282	8,349,338
District's Proportion	.03098%	.02819%

**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2017 were as follows:

	<b><u>2017</u></b>		
	<b><u>State</u></b>	<b><u>Local</u></b>	<b><u>Total</u></b>
Total Pension Liability	\$ 32,535,896,852	44,852,367,051	77,388,263,903
Plan Fiduciary Net Position	<u>6,890,274,055</u>	<u>21,573,965,463</u>	<u>28,464,239,518</u>
Net Pension Liability	<u>\$ 25,645,622,797</u>	<u>23,278,401,588</u>	<u>48,924,024,385</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.18%	48.10%	36.78%

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

The components of the collective net pension liability of the participating employers as of June 30, 2016 were as follows:

	<b>2016</b>		
	<b><u>State</u></b>	<b><u>Local</u></b>	<b><u>Total</u></b>
Total Pension Liability	\$ 36,295,189,928	49,474,698,146	85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
Net Pension Liability	<u>\$ 29,390,685,705</u>	<u>29,617,131,759</u>	<u>59,007,817,464</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.02%	40.14%	31.20%

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

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



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

The following presents the collective net pension liability of the participating employers as of June 30, 2017, 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:

<b>2017</b>			
	<b>At 1% Decrease (4.00%)</b>	<b>At Current Discount Rate (5.00%)</b>	<b>At 1% Increase (6.00%)</b>
State	\$ 29,818,581,732	25,645,622,797	22,179,578,513
Local	<u>28,878,437,027</u>	<u>23,278,401,588</u>	<u>18,612,878,069</u>
Total	<u>\$ 58,697,018,759</u>	<u>48,924,024,385</u>	<u>40,792,456,582</u>

<b>2016</b>			
	<b>At 1% Decrease (3.90%)</b>	<b>At Current Discount Rate (4.90%)</b>	<b>At 1% Increase (5.90%)</b>
State	\$ 34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>

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

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the members' accounts.

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

The following represents the membership tiers for TPAF:

<b>Tier</b>	<b>Definition</b>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of  $1/55^{\text{th}}$  of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation**

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

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

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation**

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

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Total Pension Liability	\$ 90,726,371,000	101,746,770,000
Plan Fiduciary Net Position	<u>23,056,161,829</u>	<u>22,717,862,967</u>
Net Pension Liability	<u>\$ 67,670,209,171</u>	<u>79,028,907,033</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2017</u>	<u>2016</u>
District's Liability	<u>\$ 76,015,774</u>	<u>90,257,822</u>
District's Proportion	.11233%	.11421%

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

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

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

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

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2017 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>
2017 (3.25%, 4.25%, 5.25%)	\$ 80,394,331,171	67,670,209,171	57,188,022,171
2016 (2.22%, 3.22%, 4.22%)	94,378,176,033	79,028,907,033	66,494,248,033

**NOTE 5: Post-Retirement Benefits****General Information about the OPEB Plan****Plan description and benefits provided**

P.O. 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. 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 pre-funding 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. (GASB Cod. Sec. 2300.106(g))

**NOTE 5: Post-Retirement Benefits (Continued)**

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

**Total OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's CAFR.

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate     2.50%

	<u>TPAF</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.55% based on years of service	2.15% - 4.15% based on age
Thereafter	2.00% - 5.45% based on years of service	3.15% - 5.15% based on age

**NOTE 5: Post-Retirement Benefits (Continued)****Total OPEB Liability (Continued)**

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

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

***Health Care Trend Assumptions***

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

***Discount Rate***

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

Changes in the Total OPEB Liability reported by the State of New Jersey.

	<b><u>Total OPEB Liability</u></b>
Balance at 6/30/2016 Measurement Date	\$ 57,831,784,184
Changes for the Year:	
Service Cost	2,391,878,884
Interest on Total OPEB Liability	1,699,441,736
Change of Assumptions	(7,086,599,129)
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	
Gross Benefit Payments	(1,242,412,566)
Contributions from the Member	<u>45,748,749</u>
Balance at 6/30/2017 Measurement Date	<u>\$ 53,639,841,858</u>

**NOTE 5:      Post-Retirement Benefits (Continued)*****Discount Rate (Continued)***

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease (2.58%)</b>	<b>Discount Rate (3.58%)</b>	<b>1% Increase (4.58%)</b>
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	53,639,841,858	45,680,364,453

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	53,639,841,858	66,290,599,457

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2018, the Board of Education recognized OPEB expense of \$3,519,600 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Manasquan Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Change in Proportion	\$ 99,843,255	99,843,255
Changes of Assumptions		6,343,769,032
Total	<u>\$ 99,843,255</u>	<u>6,443,612,287</u>



**NOTE 5: Post-Retirement Benefits (Continued)*****Discount Rate (Continued)***

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

Year Ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)

**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, 2018 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.

**NOTE 7:      Capital Reserve Account (Continued)**

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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 497,177
Add: Interest Earned	3,154
Less: Budgeted Withdrawal	(2,361)
Board Resolution Withdrawal	<u>(122,785)</u>
Balance June 30, 2018	<u>\$ 375,185</u>

\$350,000 has been designated for use in the budget in 2018-19.

**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 Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2017-2018	\$ 27,015	22,757	112,646
2016-2017	25,181	7,553	108,388
2015-2016	23,978	19,643	90,960

**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, 2018 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, 2018.

**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**

2017-18 Total General Fund Expenditures Per the CAFR	\$ 28,967,272
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(3,615,693)</u>
Adjusted 2017-18 General Fund Expenditures	<u>\$ 25,351,579</u>
2% of Adjusted 2017-18 General Fund Expenditures	\$ 507,032
Increased by: Allowable Adjustment	<u>926</u>
Maximum Unassigned Fund Balance	<u>\$ 507,958</u>
<b><u>Section 2</u></b>	
Total General Fund – Fund Balances @ 6-30-18	\$ 1,169,380
Decreased by:	
Other Reserves	(35,185)
Assigned Fund Balance:	
Excess Surplus –Designated for Subsequent Years Expenditures	(112,699)
Capital Reserve - Designated for Subsequent Years Expenditures	(350,000)
Designated Fund Balance - Encumbrances	<u>(70,703)</u>
Total Unassigned Fund Balance	<u>\$ 600,793</u>
Reserve Fund Balance – Excess Surplus	<u>\$ 92,835</u>

**NOTE 13:     2% Calculation of Excess Surplus (Continued)****Section 3**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 112,699
Reserved Fund Balance – Excess Surplus 2017-2018	<u>92,835</u>
	<u>\$ 205,534</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	<u>\$ 926</u>
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**Detail of Other Restricted Fund Balance**

Capital Reserve	\$ 25,185
Maintenance Reserve	<u>10,000</u>
Total Other Reserved Fund Balance	<u>\$ 35,185</u>

**NOTE 14:     Fund Balance Appropriated**

**General Fund** – Of the \$1,169,380 General Fund fund balance at June 30, 2018; \$25,185 has been reserved in the Capital Reserve Account; \$350,000 of Capital Reserve has been designated for subsequent year's expenditures; \$112,699 of Excess Surplus has been designated for subsequent years expenditures, \$92,835 is Excess Surplus – Current Year, \$507,958 is unassigned and \$70,703 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, 2018 of \$92,835.

**NOTE 16: 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 \$3,033,599 as a reduction of tax levy assessed for the 2013-2014, 2014-2015 and 2015-2016 school years. This loan was subject to FEMA review in 2016 and was partially cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period. On October 30, 2017, the District was informed by FEMA that \$2,081,943 would be cancelled from the original loan leaving a balance of \$951,656. The balance of the loan will be paid off over five years beginning in the 2018-2019 school year.

**NOTE 17: Subsequent Events**

On August 15, 2017, the Board of Education authorized the issuance of a temporary note for \$12,033,754, which was issued on September 6, 2018, with a maturity date of September 6, 2019. The interest rate on the note is 3.30% per annum. The proceeds are being used to finance various improvements to the Manasquan Elementary School and High School. The above note replaces the temporary note of \$12,033,754 which matured on September 7, 2018.

**NOTE 18: Interfund Receivables and Payables**

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Capital Projects	\$ 21,486	36,151
Debt Service Fund	<u>36,151</u>	<u>21,486</u>
	<u>\$ 57,637</u>	<u>57,637</u>

The interfund due to debt service from capital projects is for interest earned on capital projects funds. The interfund due to capital from debt service is due to note financing.

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

**BUDGETARY COMPARISON SCHEDULES – C**

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 14,698,690		14,698,690	14,698,690	-
Tuition From Other LEA's	9,324,838		9,324,838	9,312,531	(12,307)
Tuition From Individuals	41,000		41,000	55,227	14,227
Athletic Jointure/Business Office Shared Services	17,000		17,000	17,000	-
Miscellaneous Revenues - Unrestricted	48,669		48,669	29,066	(19,603)
Miscellaneous Revenues - Restricted	30,000		30,000	47,238	17,238
Interest	50		50	29,879	29,829
Total Local Sources	24,160,247	-	24,160,247	24,189,631	29,384
State Sources:					
Extraordinary Aid	150,000		150,000	150,926	926
Special Education Categorical Aid	515,757		515,757	529,766	14,009
Transportation Aid	26,032		26,032	26,032	-
Security Aid	20,069		20,069	20,069	-
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	-
Professional Learning Community Aid	9,300		9,300	9,300	-
Lead Testing Drinking Water Reimbursement				6,860	6,860
TPAF Pension Contribution			-	2,759,005	2,759,005
TPAF Social Security Contribution			-	856,688	856,688
Total State Sources	760,874	-	760,874	4,398,362	3,637,488
Federal Sources:					
Medicaid Reimbursement	21,593		21,593	21,593	-
Total Revenues	24,942,714	-	24,942,714	28,609,586	3,666,872



MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	283,181	122,494	122,494	122,491	3
Kindergarten - Salaries of Teachers	1,540,859	25,699	308,880	308,878	2
Grades 1-5 - Salaries of Teachers	1,166,741	(11,593)	1,529,266	1,529,263	3
Grades 6-8 - Salaries of Teachers	4,133,709	5,324	1,172,065	1,172,065	-
Grades 9-12 - Salaries of Teachers	7,124,490	12,587	4,146,296	4,136,581	9,715
Total Regular Programs - Instruction		154,511	7,279,001	7,269,278	9,723
Regular Programs - Home Instruction:					
Salaries	32,000	40,593	72,593	72,592	1
Purchased Professional/Educational Services	10,250	7,199	17,449	17,448	1
Total Regular Programs - Home Instruction	42,250	47,792	90,042	90,040	2
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	97,700	(23,970)	73,730	73,729	1
Other Purchased Services	37,280	(5,418)	31,862	30,030	1,832
General Supplies	367,884	(37,815)	330,069	318,402	11,667
Textbooks	17,821	24,160	41,981	23,839	18,142
Other Objects	4,940	(2,010)	2,930	2,930	-
Total Regular Programs - Undistributed Instruction	525,625	(45,053)	480,572	448,930	31,642
Total Regular Programs - Instruction	7,692,365	157,250	7,849,615	7,808,248	41,367

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 3 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	382,310	29,650	411,960	411,960	-
Other Salaries For Instruction	4,379	(218)	4,161	4,161	-
General Supplies	7,100	(768)	6,332	6,331	1
Textbooks			-		-
Total Learning and/or Language Disabilities	393,789	28,664	422,453	422,452	1
Multiple Disabilities:					
Salaries of Teachers	139,930	(73,670)	66,260	66,260	-
Other Salaries for Instruction	34,287	(7,608)	26,679	26,679	-
Total Multiple Disabilities	174,217	(81,278)	92,939	92,939	-
Resource Room/Center:					
Salaries of Teachers	1,445,917	38,192	1,484,109	1,484,109	-
Other Salaries Instruction	77,148	(43,520)	33,628	33,627	1
General Supplies	2,003	(1,019)	984	983	1
Total Resource Room/Center	1,525,068	(6,347)	1,518,721	1,518,719	2
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	31,331	16,313	47,644	47,644	-
Other Salaries For Instruction	28,364	(1,130)	27,234	27,233	1
Total Pre-School Disabilities-Full-Time	59,695	15,183	74,878	74,877	1
Home Instruction					
Salaries of Teachers	15,000	4,650	19,650	19,650	-
Purchased Professional Educational Services	6,594	(502)	6,092	6,092	-
Total Home Instruction	21,594	4,148	25,742	25,742	-

**MANASQUAN SCHOOL DISTRICT**

Exhibit C-1  
Sheet 4 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Special Education - Instruction	2,174,363	(39,630)	2,134,733	2,134,729	4
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	140,848	(57,726)	83,122	83,121	1
General Supplies	1,000	(99)	901	900	1
Total Basic Skills/Remedial - Instruction	141,848	(57,825)	84,023	84,021	2
Bilingual Education - Instruction:					
Salaries of Teachers	116,795	(9,805)	106,990	106,990	-
General Supplies	250		250	250	-
Total Bilingual Education - Instruction	117,045	(9,805)	107,240	107,240	-
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	181,549	10,680	192,229	192,228	1
Purchased Services (300-500 Series)	5,780	(1,926)	3,854	2,864	990
Supplies and Materials	6,145	36,239	42,384	42,294	90
Other Objects	2,825	85	2,910	2,832	78
Total School Sponsored Co-Curricular	196,299	45,078	241,377	240,218	1,159
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	397,840	14,709	412,549	412,548	1
Purchased Services (300-500 Series)	68,800	(8,195)	60,605	59,624	981
Supplies and Materials	67,400	646	68,046	64,640	3,406
Other Objects	12,850	2,833	15,683	15,683	-
Transfers to Cover Deficit (Agency Fund)	23,000	29,754	52,754	52,754	-
Total School Sponsored Co-Curr. Athletics - Instruction	569,890	39,747	609,637	605,249	4,388
Total Distributed Expenditures	10,891,810	134,815	11,026,625	10,979,705	46,920

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within State - Regular	48,000	23,986	71,986	71,921	65
Tuition to County Vocational School:					
Regular	166,760	(52,907)	113,853	113,853	-
Special	27,500	(7,422)	20,078	20,078	-
Tuition to Private Schools for the Disabled - Within State	733,025	100,185	833,210	833,210	-
Total Instruction	975,285	63,842	1,039,127	1,039,062	65
Attendance & Social Work:					
Salaries	39,021	(1,634)	37,387	37,387	-
Health Services:					
Salaries	214,470	2,330	216,800	216,798	2
Purchased Professional/Technical Services	5,000	(2,069)	2,931	2,930	1
Other Purchased Services (400-500 Series)	750	(96)	654	653	1
Supplies and Materials	8,500	(5,765)	2,735	2,734	1
Other Objects	360	596	956	955	1
Total Health Services	229,080	(5,004)	224,076	224,070	6
Other Support Services Students Related Services:					
Salaries	266,270	(26,344)	239,926	239,925	1
Purchased Professional Educational Services	36,000	(10,533)	25,467	25,467	-
Supplies and Materials	6,939	(315)	6,624	6,623	1
Total Other Support Services Students Related Services	309,209	(37,192)	272,017	272,015	2

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 6 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services Students Extraordinary Services:					
Salaries	364,688	(58,597)	306,091	306,088	3
Purchased Professional Educational Services	250	(250)	-		-
Total Other Support Svcs. Students Extraordinary Svcs.	364,938	(58,847)	306,091	306,088	3
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	623,462	(20,633)	602,829	602,829	-
Salaries of Secretarial & Clerical Assistants	76,250	(8,713)	67,537	67,535	2
Purchased Professional/Educational Services		5,400	5,400	5,400	-
Purchased Professional/Technical Services	45,610	8,860	54,470	54,469	1
Other Purchased Services	2,795	(1,807)	988	987	1
Supplies and Materials	3,404	(195)	3,209	2,988	221
Other Objects	7,100	(1,165)	5,935	5,934	1
Total Other Support Svcs. Students - Regular Services	758,621	(18,253)	740,368	740,142	226
Other Support Services Students - Special:					
Salaries of Other Professional Staff	578,496	2	578,498	578,494	4
Salaries of Secretarial & Clerical Assistants	82,730	(19,857)	62,873	62,872	1
Purchased Professional Educational Services	5,000	(1,235)	3,765	3,765	-
Other Purchased Professional/Technical Services	15,000	727	15,727	15,726	1
Misc. Purchased Services (400-500 Series)	11,795	(2,867)	8,928	8,926	2
Supplies and Materials	7,350	255	7,605	7,604	1
Other Objects	1,000	(30)	970	970	-
Total Other Support Services Students - Special	701,371	(23,005)	678,366	678,357	9

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	371,702	32,073	403,775	403,773	2
Salaries of Other Professional Staff	98,610	(3,240)	95,370	95,370	-
Salaries of Secretarial & Clerical Assistants	47,440	(100)	47,340	47,340	-
Other Purchased Services (400-500 Series)	4,135	1,457	5,592	5,545	47
Supplies & Materials	1,721	(955)	766	650	116
Other Objects	4,219	(2,318)	1,901	1,385	516
Total Improvement of Instructional Services	527,827	26,917	554,744	554,063	681
Educational Media/School Library:					
Salaries	139,280	4,297	143,577	143,577	-
Salaries of Technology Coordinators	353,391	(18,978)	334,413	334,412	1
Other Purchased Services (400-500 Series)	16,744	8,149	24,893	24,062	831
Supplies and Materials	7,249	(2,094)	5,155	5,104	51
Other Objects	770	(115)	655	655	-
Total Educational Media/School Library	517,434	(8,741)	508,693	507,810	883
Staff Training:					
Salaries of Other Professional Staff	4,500	(3,240)	1,260	1,260	-
Salaries of Secretarial/Clerical Assistants	5,260	1	5,261	5,260	1
Purchased Professional Educational Services	3,000	(944)	2,056	1,825	231
Other Purchased Services	11,940	(3,091)	8,849	8,844	5
Supplies & Materials	700	(506)	194	194	-
Total Staff Training	25,400	(7,780)	17,620	17,383	237

**MANASQUAN SCHOOL DISTRICT**

Exhibit C-1  
Sheet 8 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Support Services - General Administration:					
Salaries	262,722	27,985	290,707	290,706	1
Legal Services	102,205	(26,855)	75,350	75,349	1
Audit Fees	12,500	21,500	34,000	34,000	-
Architectural/Engineering Services		700	700	700	-
Other Purchased Services		1,216	1,216	1,216	-
Purchased Technical Services	21,892	2,661	24,553	24,553	-
Communications/Telephone	96,400	(11,409)	84,991	84,990	1
Miscellaneous Purchased Services	86,395	(8,946)	77,449	77,445	4
General Supplies	1,800	5,196	6,996	6,995	1
Judgments Against the School District	35,000	(24,028)	10,972	5,000	5,972
Miscellaneous Expenditures	5,067	3,543	8,610	8,610	-
Membership Dues and Fees	11,933	(1,078)	10,855	10,854	1
Total Support Services - General Administration	<u>635,914</u>	<u>(9,515)</u>	<u>626,399</u>	<u>620,418</u>	<u>5,981</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	737,776	2,751	740,527	740,526	1
Salaries of Other Professional Staff	47,267	496	47,763	47,763	-
Salaries of Secretarial & Clerical Assistants	389,768	(29,690)	360,078	360,076	2
Purchased Professional & Technical Services	2,500	(7,350)	2,500	2,500	-
Other Purchased Services (400-500 Series)	57,608		50,258	50,069	189
Supplies & Materials	30,715	(523)	30,192	26,349	3,843
Other Objects	9,800	(3,287)	6,513	6,513	-
Total Support Services - School Administration	<u>1,275,434</u>	<u>(37,603)</u>	<u>1,237,831</u>	<u>1,233,796</u>	<u>4,035</u>

**MANASQUAN SCHOOL DISTRICT**

Exhibit C-1  
Sheet 9 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Support Services - Central Services:					
Salaries of Business Office	482,558	(39,794)	442,764	442,762	2
Other Purchased Professional Services	1,000	25	1,025	1,025	-
Purchased Technical Services	18,030	(1,962)	16,068	16,068	-
Other Purchased Services (400-500 Series)	3,012	(1,962)	1,050	622	428
Supplies	3,740	6,467	10,207	10,207	-
Miscellaneous Expenditures	2,040	1,833	3,873	3,866	7
Total Support Services - Central Services	510,380	(35,393)	474,987	474,550	437
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	33,500	131,538	165,038	160,396	4,642
Total Required Maintenance for School Facilities	33,500	131,538	165,038	160,396	4,642
Other Operations & Maintenance of Plant:					
Salaries	689,844	11,419	701,263	701,259	4
Salaries of Non-Instructional Aides	79,660	(6,169)	73,491	73,490	1
Purchased Professional/Technical Services	54,600		54,600	54,600	-
Cleaning, Repair & Maintenance Services	228,414	(37,508)	190,906	189,283	1,623
Other Purchased Property Services	11,700	(2,132)	9,568	9,568	-
Insurance	153,366	(5,748)	147,618	147,618	-
General Supplies	88,086	(1,101)	86,985	86,977	8
Energy (Electricity)	334,711	(85,937)	248,774	248,773	1
Other Objects	7,650	(2,524)	5,126	5,124	2
Energy (Natural Gas)	176,711	(61,573)	115,138	115,136	2
Total Other Operations and Maintenance of Plant	1,824,742	(191,273)	1,633,469	1,631,828	1,641



MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 10 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds:					
Salaries	165,974	(4,016)	161,958	161,956	2
Cleaning, Repair and Maintenance Services	10,000	43,812	53,812	53,811	1
General Supplies	29,673	3,228	32,901	32,447	454
Total Care and Upkeep of Grounds	205,647	43,024	248,671	248,214	457
Total Operations & Maintenance	2,063,889	(16,711)	2,047,178	2,040,438	6,740
Security:					
Salaries	106,250	14,362	120,612	120,610	2
Purchased Professional and Technical Services	21,699	276	21,975	21,817	158
General Supplies	1,000	1,048	2,048	2,048	-
Total Security	128,949	15,686	144,635	144,475	160
Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	155,598	18,136	173,734	173,729	5
Contracted Services - Between Home/School - Joint Agreements		26,240	26,240	26,240	-
Contracted Services Regular - ESCs & CTSAs	140,987	27,066	168,053	167,723	330
Contracted Services Special - ESCs & CTSAs	226,602	63,115	289,717	279,205	10,512
Contracted Services Aid-In-Lieu Non-Public	8,275	(275)	8,000	8,000	-
Total Student Transportation	531,462	134,282	665,744	654,897	10,847

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits:					
Social Security Contributions	297,000	62,156	359,156	357,090	2,066
Other Retirement Contributions-PERS	290,000	6,577	296,577	296,574	3
Unemployment Compensation	1,000	(464)	536	536	-
Workmen's Compensation	164,622	(21,343)	143,279	143,278	1
Health Benefits	3,282,640	(215,732)	3,066,908	3,056,021	10,887
Tuition Reimbursement	5,000	10,732	15,732	15,731	1
Other Employee Benefits	342,377	75,291	417,668	417,667	1
Total Unallocated Benefits	4,382,639	(82,783)	4,299,856	4,286,897	12,959
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	2,759,005	(2,759,005)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	856,688	(856,688)
Total On-Behalf Contributions	-	-	-	3,615,693	(3,615,693)
Total Personal Services - Employee Benefits	4,382,639	(82,783)	4,299,856	7,902,590	(3,602,734)
Total Undistributed Expenditures	13,976,853	(101,734)	13,875,119	17,447,541	(3,572,422)
Total General Current Expense	24,868,663	33,081	24,901,744	28,427,246	(3,525,502)
Capital Outlay:					
Instruction		3,127	3,127	3,126	1
Grades 1-5		75,965	75,965	75,964	1
Media Center		45,256	45,256	45,256	-
Grades 9-12		9,380	9,380	9,379	1
Technical		3,127	3,127	3,127	-
Grades 6-8					

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay (Continued):					
Interest to Capital Reserve					
Equipment:					
Support Services		2,908	2,908	2,908	-
General		1,206	1,206	1,206	-
Administration		13,256	13,256	13,255	1
Central Services		1,206	1,206	1,206	-
O & M		5,325	5,325	5,325	-
Maintenance		33,823	33,823	33,823	-
Total Regular Programs - Instruction	-	194,579	194,579	194,575	4
Facilities Acquisition & Construction Services:					
Architectural/Engineering Service		126,050	126,050	91,222	34,828
Construction	415,000	(167,264)	247,736	227,120	20,616
Assessment for Debt Service on SDA Funding	27,109		27,109	27,109	-
Total Facilities Acquisition & Construction Services	442,109	(41,214)	400,895	345,451	55,444
Total Capital Outlay	442,109	153,365	595,474	540,026	55,448
Total Expenditures	25,310,772	186,446	25,497,218	28,967,272	(3,470,054)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(368,058)	(186,446)	(554,504)	(357,686)	196,818
Other Financing Sources/Uses:					
Accounts Receivable Cancelled				(100)	(100)
Total Other Financing Sources/Uses	-	-	-	(100)	(100)

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 13 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources Uses	(368,058)	(186,446)	(554,504)	(357,786)	196,718
Fund Balance July 1	1,527,166		1,527,166	1,527,166	
Fund Balance June 30	\$ 1,159,108	(186,446)	972,662	1,169,380	196,718
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 25,185	
Maintenance Reserve				10,000	
Excess Surplus				92,835	
Assigned Fund Balance:					
Reserved for Encumbrances				70,703	
Designated For Subsequent Year's Expenditures - Excess Surplus				112,699	
Designated For Subsequent Year's Expenditures - Capital Reserve				350,000	
Unassigned Fund Balance				507,958	
				1,169,380	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				(58,824)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,110,556	

MANASQUAN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues:					
Local Sources	\$ -	74,474	74,474	49,156	25,318
State Sources		1,577	1,577	1,577	
Federal Sources		422,770	422,770	395,647	27,123
Total Revenues	\$ -	498,821	498,821	446,380	52,441
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	62,910	62,910	62,910	
Purchased Professional Educational Services		2,400	2,400	2,400	
Other Purchased Services		257,468	257,468	257,218	250
General Supplies		95,586	95,586	61,007	34,579
Total Instruction	-	418,364	418,364	383,535	34,829
Support Services:					
Personal Services - Salaries		2,000	2,000	2,000	
Personal Services - Employee Benefits		16,829	16,829	16,829	
Purchased Professional - Educational Services		33,468	33,468	16,663	16,805
Other Purchased Services		9,630	9,630	9,618	12
Supplies and Materials		10,103	10,103	9,558	545
Other Objects		1,827	1,827	1,577	250
Total Support Services	-	73,857	73,857	56,245	17,612
Facilities Acquisition and Construction Services:					
Non Instructional Equipment		6,600	6,600	6,600	
Total Expenditures	\$ -	498,821	498,821	446,380	52,441

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

MANASQUAN SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 28,609,586	446,380
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(17,591)
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes	58,062	
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	(58,824)	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 28,608,824</u>	<u>428,789</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 28,967,272	446,380
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		(17,591)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 28,967,272</u>	<u>428,789</u>

## **REQUIRED SUPPLEMENTARY INFORMATION – PART III**



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

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-1

NET PENSION LIABILITY - PERS

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
	100.000%	100.000%	100.000%	100.000%	100.000%
District's Proportion of the Net Pension Liability (Asset)					
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,211,282	8,349,338	6,630,465	5,009,555	5,685,786
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-
Total	<u>\$ 7,211,282</u>	<u>8,349,338</u>	<u>6,630,465</u>	<u>5,009,555</u>	<u>5,685,786</u>
District's Covered-Employee Payroll	\$ 2,203,234	2,088,171	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	30.55%	25.01%	28.43%	37.79%	32.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.78%	31.20%	38.21%	42.74%	40.71%

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 259,057	259,057	231,784	226,913	226,075
Contributions in Relation to the Contractually Required Contribution			231,784	226,913	226,075
Contribution Deficiency (Excess)	\$ 259,057	-	-	-	-
District's Covered-Employee Payroll	\$ 2,203,234	2,088,171	1,885,241	1,893,025	1,836,940
Contributions as a Percentage of Covered-Employee Payroll	11.76%	12.41%	12.29%	11.99%	12.31%

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-3

NET PENSION LIABILITY - TPAF

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	<u>0.000%</u>	<u>0.000%</u>	<u>0.000%</u>	<u>0.000%</u>	<u>0.000%</u>
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>76,015,774</u>	<u>90,257,822</u>	<u>67,221,830</u>	<u>62,231,640</u>	<u>57,010,446</u>
Total	<u>\$ 76,015,774</u>	<u>90,257,822</u>	<u>67,221,830</u>	<u>62,231,640</u>	<u>57,010,446</u>
District's Covered-Employee Payroll	\$ 12,061,371	11,291,785	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	15.87%	12.51%	17.13%	17.35%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75) - M**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

**LAST TWO FISCAL YEARS**

**Exhibit M-1**

	<u>2017</u>	<u>2016</u>
<b><u>State of New Jersey's Total OPEB Liability</u></b>		
Service Cost	\$ 2,391,878,884	1,723,999,319
Interest	1,699,441,736	1,823,643,792
Benefit Payments	(1,242,412,566)	(1,223,298,019)
Member Contributions	45,748,749	46,273,747
Change of Assumptions	(7,086,599,129)	8,611,513,521
Net Change in Total OPEB Liability	<u>(4,191,942,326)</u>	<u>10,982,132,360</u>
Total OPEB Liability - Beginning	<u>57,831,784,184</u>	<u>46,849,651,824</u>
Total OPEB Liability - Ending	<u><u>\$ 53,639,841,858</u></u>	<u><u>57,831,784,184</u></u>
<b><u>State's OPEB Liability Attributable to the District</u></b>		
Service Cost	\$ 2,470,756	*
Interest	1,893,637	*
Benefit Payments	(1,384,564)	*
Member Contributions	50,983	*
Change of Assumptions	(7,888,479)	*
Net Change in Total OPEB Liability	<u>(4,857,667)</u>	<u>*</u>
Total Attributable OPEB Liability - Beginning	<u>64,634,759</u>	<u>*</u>
Total Attributable OPEB Liability - Ending	<u><u>\$ 59,777,092</u></u>	<u><u>64,634,759</u></u>
District's Proportionate Share of Total OPEB Liability	Zero	Zero
District's Covered Payroll	\$ 14,264,605	13,379,956
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%
District's Contribution	None	None
State Covered Employee Payroll (6/30/16 Census Data)	\$ 13,493,400,208	13,493,400,208
Total State OPEB Liability as a Percentage of it's Covered-Employee Payroll	397.53%	428.59%

\* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

## **OTHER SUPPLEMENTARY INFORMATION**

## **SCHOOL LEVEL SCHEDULES – D**

**N/A**



**SPECIAL REVENUE FUND – E**

## SPECIAL REVENUE FUND

## COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Teacher Recognition	Sustainable Jersey	AED Donation	Friends of Spring Lake	NJSBAIG Safety Grant	Shaping New Jersey	Jim Fagan Memorial	Weight room Grant	192 Nonpublic Transportation	193 Nonpublic Corrective Speech
Revenues:										
State Sources	\$ -								59	1,518
Federal Sources	500	9,623	1,280	550	5,097	6,869	450	9,990		
Local Revenues										
Total Revenues	\$ 500	9,623	1,280	550	5,097	6,869	450	9,990	59	1,518
Expenditures:										
Instruction:										
Salaries of Teachers	\$ -	900				1,000				
Purchased Professional Educational Services										
Other Purchased Services										
General Supplies	500	2,123	1,280	550		5,869	450	9,990		
Total Instruction	500	3,023	1,280	550	-	6,869	450	9,990	-	-
Support Services:										
Personal Services - Salaries					5,097					
Personal Services - Employee Benefits									59	1,518
Purchased Professional Educational Services									59	1,518
Other Purchased Services										
Supplies and Materials										
Other Objects										
Total Support Services	-	-	-	-	5,097	-	-	-		
Facilities Acquisition and Construction Services:										
Instructional Equipment		6,600								
Total Facilities Acquisition and Construction Services	-	6,600	-	-	-	-	-	-	-	-
Total Expenditures	\$ 500	9,623	1,280	550	5,097	6,869	450	9,990	59	1,518

## SPECIAL REVENUE FUND

## COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Title I	Title II A	Title III	Title IV	I.D.E.A. Flow-Thru Part B	I.D.E.A. Flow-Thru Preschool	MES PTO Library	MES PTO Staff	2017 MES Education Foundation	2018 MES Education Foundation	Lockheed Martin Grant	Totals
Revenues:												
State Sources												1,577
Federal Sources	84,959	12,281	9,988	8,928	270,672	8,819	978	31	6,988	5,800	1,000	395,647
Local Revenues												49,156
Total Revenues	84,959	12,281	9,988	8,928	270,672	8,819	978	31	6,988	5,800	1,000	446,380
Expenditures:												
Instruction:												
Salaries of Teachers	59,010			2,000								62,910
Purchased Professional Educational Services				2,400								2,400
Other Purchased Services					257,218							257,218
General Supplies	2,647		7,277	4,375	2,330	8,819	978	31	6,988	5,800	1,000	61,007
Total Instruction	61,657	-	7,277	8,775	259,548	8,819	978	31	6,988	5,800	1,000	383,535
Support Services:												
Personal Services - Salaries			2,000									2,000
Personal Services - Employee Benefits	16,523		153	153								16,829
Purchased Professional Educational Services	6,000	4,000			6,663							16,663
Other Purchased Services	779	8,281	558		4,461							9,618
Supplies and Materials												9,558
Other Objects												1,577
Total Support Services	23,302	12,281	2,711	153	11,124	-	-	-	-	-	-	56,245
Facilities Acquisition and Construction Services:												
Instructional Equipment												6,600
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-	-	6,600
Total Expenditures	84,959	12,281	9,988	8,928	270,672	8,819	978	31	6,988	5,800	1,000	446,380

**CAPITAL PROJECTS FUND – F**

MANASQUAN SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2018Revenues and Other Financing Sources

Temporary Note	\$ 12,012,268
Interest Earned	33,354
Total Revenues	<u>12,045,622</u>

Expenditures and Other Financing Uses

Legal Services	3,769
Architectural/Engineering Services/Professional Services	543,126
Construction Services	3,759,043
Total Expenditures	<u>4,305,938</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	7,739,684
---	-----------

## Other Financing (Uses):

Transfer from Debt Service	21,486
Repayment of Temporary Note	(5,000,000)
Interest due Debt Service	(33,354)
Total Other Financing (Uses)	<u>(5,011,868)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	2,727,816
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Fund Balance - Beginning	<u>4,016,714</u>
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Fund Balance - Ending	<u>\$ 6,744,530</u>
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MANASQUAN SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Temporary Note	\$ 5,000,000	7,033,754	12,033,754	12,033,754
Total Revenues	5,000,000	7,033,754	12,033,754	12,033,754
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	8,162	3,769	11,931	15,662
Other Purchased Professional and Technical Services	690,760	543,126	1,233,886	1,440,916
Construction Services	268,150	3,759,043	4,027,193	10,560,962
Other Objects	16,214		16,214	16,214
Total Expenditures	983,286	4,305,938	5,289,224	12,033,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 4,016,714	2,727,816	6,744,530	-
<b><u>Additional Project Information</u></b>				
Project Number				
Grant Date		N/A		
Note Authorization Date		9/9/17		
Authorized Note		12,033,754		
Notes Issued		12,033,754		
Original Authorized Cost		12,033,754		
Additional Authorized Cost				
Revised Authorized Cost		12,033,754		
Percentage Increase Over Original Authorized Cost		0%		
Percentage Completion		44%		
Original Target Completion Date		1/1/19		
Revised Target Completion Date		11/1/18		

**PROPRIETARY FUNDS – G**

MANASQUAN SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET POSITIONENTERPRISE FUNDSJUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	Aftercare Program	Surf Team	
<b><u>Assets</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ 77,104	39,161	1,227	117,492
Accounts Receivable:				
Federal	14,022			14,022
State	532			532
Other	5,900			5,900
Inventories	2,114			2,114
Total Current Assets	99,672	39,161	1,227	140,060
Noncurrent Assets:				
Furniture, Machinery & Equipment	472,668			472,668
Less: Accumulated Depreciation	(353,130)			(353,130)
Total Noncurrent Assets	119,538	-	-	119,538
Total Assets	\$ 219,210	39,161	1,227	259,598
<b><u>Net Position</u></b>				
Invested in Capital Assets net of Related Debt	\$ 119,538			119,538
Unrestricted	99,672	39,161	1,227	140,060
Total Net Position	\$ 219,210	39,161	1,227	259,598



**MANASQUAN SCHOOL DISTRICT****Exhibit G-2****COMBINING STATEMENT OF REVENUES, EXPENSES AND****CHANGES IN FUND NET POSITION****ENTERPRISE FUNDS****JUNE 30, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Totals</b>
	<b>Food Service</b>	<b>Aftercare Program</b>	<b>Surf Team</b>	
Operating Revenues:				
Charge for Services:				
Daily Sales-Reimbursable Programs	\$ 140,122			140,122
Daily Sales-Non-Reimbursable Programs	496,844			496,844
Fees		52,815	9,700	62,515
Catering	14,654			14,654
Total Operating Revenues	<u>651,620</u>	<u>52,815</u>	<u>9,700</u>	<u>714,135</u>
Operating Expenses:				
Cost of Sales-Reimbursable Programs	67,951			67,951
Cost of Sales-Non-Rembursable Programs	240,917			240,917
Salaries	253,523	28,775		282,298
Employee Benefits	35,638	2,201		37,839
Worker's Compensation	8,750			8,750
Cost of Supplies	33,298	67		33,365
General Liability Insurance	28,447			28,447
Management Fees	21,000			21,000
Miscellaneous	38,848	200	9,598	48,646
Depreciation	19,642			19,642
Total Operating Expenses	<u>748,014</u>	<u>31,243</u>	<u>9,598</u>	<u>788,855</u>
Operating Income (Loss)	(96,394)	21,572	102	(74,720)
Nonoperating Revenues (Expenses):				
Interest Revenue	450		7	457
State Sources:				
State School Lunch Program	2,824			2,824
Federal Sources:				
National School Lunch Program	71,115			71,115
HHFKA Lunch Program	3,274			3,274
Food Distribution Program	16,731			16,731
Total Nonoperating Revenues (Expenses)	<u>94,394</u>	<u>-</u>	<u>7</u>	<u>94,401</u>
Change in Net Position	(2,000)	21,572	109	19,681
Adjustment for Fixed Assets	26,702			26,702
Total Net Position - Beginning	<u>194,508</u>	<u>17,589</u>	<u>1,118</u>	<u>213,215</u>
Total Net Position - Ending	<u>\$ 219,210</u>	<u>39,161</u>	<u>1,227</u>	<u>259,598</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWSENTERPRISE FUNDSJUNE 30, 2018Business-Type Activities -  
Enterprise Funds

	<u>Food Service</u>	<u>Aftercare Program</u>	<u>Surf Team</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 651,620	52,815	9,700	714,135
Payments to Employees	(253,523)	(28,775)		(282,298)
Payments to Suppliers	(466,265)	(2,468)	(9,598)	(478,331)
Net Cash Provided (Used by) Operating Activities	<u>(68,168)</u>	<u>21,572</u>	<u>102</u>	<u>(46,494)</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	2,824			2,824
Federal Sources	<u>74,389</u>			<u>74,389</u>
Net Cash Provided (Used by) Noncapital Financing Activities	<u>77,213</u>	<u>-</u>	<u>-</u>	<u>77,213</u>
Cash Flows from Investing Activities:				
Interest Received	<u>450</u>		<u>7</u>	<u>457</u>
Net Increase (Decrease) in Cash & Cash Equivalents	9,495	21,572	109	31,176
Balances - Beginning of Year	<u>67,609</u>	<u>17,589</u>	<u>1,118</u>	<u>86,316</u>
Balances - End of Year	<u>\$ 77,104</u>	<u>39,161</u>	<u>1,227</u>	<u>117,492</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income	\$ (96,394)	21,572	102	(74,720)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities				
Depreciation	19,642			19,642
Federal Commodities	16,731			16,731
(Increase)/Decrease in Accounts Receivable	(9,667)			(9,667)
(Increase)/Decrease in Inventories	<u>1,520</u>			<u>1,520</u>
Net Cash Provided (Used by) Operating Activities	<u>\$ (68,168)</u>	<u>21,572</u>	<u>102</u>	<u>(46,494)</u>

**FIDUCIARY FUND – H**

**MANASOUAN SCHOOL DISTRICT**

Exhibit H-1

**TRUST AND AGENCY FUND**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2018**

	Student Activities	Flexible Spending Account	Net Payroll	Agency Account	Staff Account	Non-Expendable Trust Scholarship	Unemployment	Totals June 30, 2018
Assets:								
Cash and Cash Equivalents	\$ 274,363	18,388	583	1,321	3,650	70,122	112,646	481,073
Total Assets	\$ 274,363	18,388	583	1,321	3,650	70,122	112,646	481,073
Liabilities:								
Due to Student Groups	\$ 274,363							274,363
Payroll Withholdings		18,388	583	1,321				20,292
Total Liabilities	\$ 274,363	18,388	583	1,321				294,655
Net Position:								
Reserved - Unemployment Benefits					\$ -		112,646	112,646
Reserved - Staff Account					3,650			3,650
Reserved - Scholarships						70,122		70,122
Total Net Position					\$ 3,650	70,122	112,646	186,418

MANASQUAN SCHOOL DISTRICT  
SCHOLARSHIP NONEXPENDABLE TRUST FUND

Exhibit H-2

STATEMENT OF CHANGES  
IN FIDUCIARY NET POSITION

JUNE 30, 2018

	<u>2018</u>
Additions:	
Deposits	\$ 22,756
Interest on Investments	314
Total Additions	<u>23,070</u>
Deductions:	
Scholarship Payments	<u>21,800</u>
Total Deductions	<u>21,800</u>
Change in Net Position	1,270
Net Position June 30, 2017	<u>68,852</u>
Net Position June 30, 2018	<u>\$ 70,122</u>

MANASQUAN SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUNDSCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2018

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
Elementary School:				
Manasquan Elementary	\$ 33,078	76,010	77,977	31,111
High School:				
Recording Studio	6,858	772	100	7,530
Technology Device Account	26,138	85,137	104,043	7,232
Manasquan High School	<u>193,194</u>	<u>274,517</u>	<u>239,221</u>	<u>228,490</u>
Total - All Schools	<u>\$ 259,268</u>	<u>436,436</u>	<u>421,341</u>	<u>274,363</u>

**MANASQUAN SCHOOL DISTRICT****PAYROLL AGENCY FUND****Exhibit H-4****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2018**

	<b><u>Balance</u></b> <b><u>July 1, 2017</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2018</u></b>
Assets:				
Cash and Cash Equivalents	\$ 759	10,544,113	10,543,551	1,321
Total Assets	<u>\$ 759</u>	<u>10,544,113</u>	<u>10,543,551</u>	<u>1,321</u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	\$ 759	10,544,113	10,543,551	1,321
Total Liabilities	<u>\$ 759</u>	<u>10,544,113</u>	<u>10,543,551</u>	<u>1,321</u>

## **LONG-TERM DEBT – I**



## MANASQUAN SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUPSCHEDULE OF LONG-TERM DEBT GROUP

JUNE 30, 2018

<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, 2017</u>	<u>Paid</u>	<u>Loan Cancellation</u>	<u>Ending Balance June 30, 2018</u>
Refunding Issue of 2013 Addition to Elementary School	4-30-13	\$ 5,550,000	1-15-19	\$ 510,000	3.000%	\$ 4,560,000	490,000		4,070,000
			1-15-20	530,000	4.000%				
			1-15-21	555,000	5.000%				
			1-15-22	580,000					
			1-15-23	615,000					
			1-15-24	645,000	3.000%				
			1-15-25	635,000					
Community Disaster Loan	2014/2015	3,033,599	7-18-18	139,234	1.375%	3,033,599		2,081,943	951,656
			7-18-19	158,042					
			7-18-20	160,215					
			7-18-21	162,418					
			7-18-22	164,650					
			7-18-23	167,097					
						\$ 7,593,599	490,000	2,081,943	5,021,656

**MANASOUAN SCHOOL DISTRICT**

Exhibit I-1a

**GENERAL LONG-TERM DEBT ACCOUNT GROUP**

**SCHEDULE OF LOANS PAYABLE**

**JUNE 30, 2018**

<b><u>Issue</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Annual Date</u></b>	<b><u>Maturities Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Beginning Balance July 1, 2017</u></b>	<b><u>Issued</u></b>	<b><u>Retired</u></b>	<b><u>Ending Balance June 30, 2018</u></b>
2017 Referendum	3/9/17	\$ 5,000,000	9/9/17	\$ 5,000,000	0.8518%	\$ 5,000,000		5,000,000	-
2017 Referendum	9/11/2017	12,033,754	9/6/2018	12,033,754	1.35%		12,033,754		12,033,754
						<u>\$ 5,000,000</u>	<u>12,033,754</u>	<u>5,000,000</u>	<u>12,033,754</u>

MANASQUAN SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-2

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2018

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2017</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2018</u>
Ricoh Copiers	2.89%	\$ 71,556	21,386	15,005	6,381
Ricoh Copiers	3.77%	24,673	9,194	6,439	2,755
Ricoh Copiers	4.89%	35,436	18,282	7,304	10,978
			<u>\$ 48,862</u>	<u>28,748</u>	<u>20,114</u>

MANASQUAN SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Fund to Actual
Revenues:					
Local Sources					
Local Tax Levy	\$ 667,100		667,100	667,100	
Total Revenues	667,100	-	667,100	667,100	-
Expenditures:					
Regular Debt Service Interest	177,100		177,100	177,100	
Redemption of Principal	490,000		490,000	490,000	
Total Expenditures	667,100	-	667,100	667,100	-
Excess Revenues Over Expenditures	-	-	-	-	-
Other Financing Sources/(Uses):					
Transfer to Capital Projects				(21,486)	(21,486)
Transfer from Capital Projects				33,354	33,354
Total Other Financing Sources (Uses)				11,868	11,868
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	11,868	11,868
Fund Balance July 1	2,798		2,798	2,798	-
Fund Balance June 30	\$ 2,798		2,798	14,666	11,868

**STATISTICAL SECTION**

**(Unaudited)**

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

**J-1**

Fiscal Year Ending June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	9,127,231	9,779,920	9,978,263	10,871,682	12,159,569	12,483,066	10,520,497	9,978,019	6,488,240	2,358,528
Restricted	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785	554,816	385,185
Unrestricted	(315,336)	(389,542)	96,800	(38,284)	22,838	(594,876)	(5,628,782)	(5,861,884)	(2,483,907)	(726,394)
<b>Total governmental activities net assets</b>	<b>9,986,499</b>	<b>10,813,707</b>	<b>11,482,418</b>	<b>12,428,636</b>	<b>12,710,957</b>	<b>13,654,152</b>	<b>6,664,748</b>	<b>5,775,920</b>	<b>4,559,149</b>	<b>2,017,319</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	174,596	178,410	159,107	169,502	169,286	166,533	183,013	131,750	112,479	119,538
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	88,842	89,060	81,322	72,550	75,843	62,748	26,448	79,628	100,736	140,060
<b>Total business-type net assets</b>	<b>263,438</b>	<b>267,470</b>	<b>240,429</b>	<b>242,052</b>	<b>245,129</b>	<b>229,281</b>	<b>209,461</b>	<b>211,378</b>	<b>213,215</b>	<b>259,598</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	9,301,827	9,958,330	10,137,370	11,041,184	12,328,855	12,649,599	10,703,510	10,109,769	6,600,719	2,478,066
Restricted	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785	554,816	385,185
Unrestricted	(226,494)	(300,482)	178,122	34,266	98,681	(532,128)	(5,602,334)	(5,782,256)	(2,383,171)	(586,334)
<b>Total District Net Assets</b>	<b>10,249,937</b>	<b>11,081,177</b>	<b>11,722,847</b>	<b>12,670,688</b>	<b>12,956,086</b>	<b>13,883,433</b>	<b>6,874,209</b>	<b>5,987,298</b>	<b>4,772,364</b>	<b>2,276,917</b>

Source: CAFRE Schedule A-1

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

J-2

Fiscal Year Ending June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	7,063,043	7,551,074	7,305,273	7,477,970	7,316,046	7,797,346	8,147,082	7,732,999	7,700,144	7,813,618
Special education	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851	1,979,082	2,115,748	2,518,264
Other special education	264,954	279,203	134,068	139,112	112,527	147,703	511,598	798,855	216,132	191,261
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	759,997	772,300	760,384	797,543	710,900	708,050	731,633	743,062	732,851	845,467
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	744,955	648,534	574,831	728,556	788,073	721,990	751,334	920,639	741,469	1,039,062
Student & instruction related services	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,833,209	2,900,023	2,993,919	3,437,682	3,393,560
General administrative services	531,885	555,444	526,375	657,133	651,981	611,877	609,263	634,576	1,713,755	620,418
School & Business Administrative Svcs	1,663,493	1,597,796	1,611,840	1,630,154	1,622,452	1,593,831	1,739,955	1,758,684	682,691	1,708,346
Unallocated Benefits	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,441,411	6,883,598	7,689,132	8,165,869
Plant operations and maintenance	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,139,894	2,029,373	2,032,233	2,156,165
Pupil transportation	567,314	488,417	351,776	392,692	392,999	432,476	506,389	554,515	553,740	654,897
FEMA Loan Payable	-	-	-	-	-	-	-	839,651	-	-
Capital Outlay	-	-	-	-	-	-	-	51,245	646,257	2,260,389
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	406,224	383,508	359,470	333,738	244,608	258,283	259,874	240,110	239,612	219,914
Unallocated depreciation	717,221	516,764	696,880	827,188	818,422	704,421	681,910	684,889	690,081	710,257
<b>Total Governmental Activities Expenses</b>	<b>24,521,500</b>	<b>25,155,284</b>	<b>24,904,598</b>	<b>26,194,163</b>	<b>27,210,048</b>	<b>25,646,396</b>	<b>27,368,217</b>	<b>28,845,197</b>	<b>29,191,527</b>	<b>32,297,487</b>
<b>Business-Type Activities:</b>										
Food service	664,102	637,527	659,787	629,346	647,049	704,878	702,665	704,194	742,636	788,855
Suff Team	10,641	-	3,870	9,749	2,828	23,462	12,096	-	-	-
<b>Total Business-Type Activities Expense</b>	<b>674,743</b>	<b>637,527</b>	<b>663,657</b>	<b>639,095</b>	<b>649,877</b>	<b>728,340</b>	<b>714,761</b>	<b>704,194</b>	<b>742,636</b>	<b>788,855</b>
<b>Total District Expenses:</b>	<b>25,196,243</b>	<b>25,792,811</b>	<b>25,568,255</b>	<b>26,833,258</b>	<b>27,859,925</b>	<b>26,374,736</b>	<b>28,082,978</b>	<b>29,549,391</b>	<b>29,934,163</b>	<b>33,086,342</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	788,073	721,990	751,334	937,639	741,469	1,039,062
Operating grants and contributions	424,097	811,247	673,525	506,399	539,995	425,888	457,252	620,046	576,315	446,380
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Rev.</b>	<b>424,097</b>	<b>811,247</b>	<b>673,525</b>	<b>506,399</b>	<b>1,328,068</b>	<b>1,147,878</b>	<b>1,208,586</b>	<b>1,557,685</b>	<b>1,317,784</b>	<b>1,485,442</b>

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

J-2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
<b>Business-Type Activities:</b>										
Charges for services	565,989	534,310	537,854	531,265	528,258	548,519	554,726	600,567	652,406	714,135
Food service	11,260	-	-	11,000	10,000	15,929	11,600	-	-	-
Surf Team	73,012	89,158	98,686	98,439	113,147	130,662	137,139	105,530	92,000	94,401
Operating grants and contributions	650,261	623,468	636,540	640,704	651,405	695,110	703,465	706,097	744,406	808,536
<b>Total Business Type Activities Program Rev.</b>	<b>1,074,358</b>	<b>1,434,715</b>	<b>1,310,065</b>	<b>1,147,103</b>	<b>1,979,473</b>	<b>1,842,988</b>	<b>1,912,051</b>	<b>2,263,782</b>	<b>2,062,190</b>	<b>2,293,978</b>
<b>Total district program revenues</b>										
<b>Net (Expense)/Revenue</b>										
Governmental activities	(24,097,403)	(24,344,037)	(24,231,073)	(25,687,764)	(25,881,980)	(24,498,518)	(26,159,631)	(27,287,512)	(28,326,412)	(30,812,045)
Business-type activities	(24,482)	(14,059)	(27,117)	1,609	1,528	(7,533)	(11,296)	1,903	1,770	19,681
<b>Total District-Wide Net Expense</b>	<b>(24,121,885)</b>	<b>(24,358,096)</b>	<b>(24,258,190)</b>	<b>(25,686,155)</b>	<b>(25,880,452)</b>	<b>(24,506,051)</b>	<b>(26,170,927)</b>	<b>(27,285,609)</b>	<b>(28,324,642)</b>	<b>(30,792,364)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
Property taxes levied for general purposes, net	11,440,619	11,922,137	12,171,782	12,171,782	12,655,951	12,034,544	12,575,032	12,952,283	14,153,618	14,698,690
Taxes levied for debt service	880,839	1,061,323	1,079,710	1,065,700	1,063,883	1,050,500	1,012,458	988,325	666,351	667,100
Tuition	9,224,371	9,373,240	10,126,111	9,993,759	8,187,640	8,219,829	8,716,281	7,801,435	8,182,853	8,328,696
Unrestricted grants and contributions	2,413,944	2,559,540	1,826,029	2,607,265	3,100,959	4,149,705	3,964,426	4,396,847	3,927,921	4,419,193
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	28,399	5,047	4,924	926	772	-	-	-	-	-
Miscellaneous income	164,365	113,522	168,657	149,375	165,769	98,897	83,760	44,276	178,898	156,537
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>24,152,537</b>	<b>25,034,809</b>	<b>25,377,213</b>	<b>25,988,807</b>	<b>25,174,974</b>	<b>25,553,475</b>	<b>26,351,957</b>	<b>26,183,166</b>	<b>27,109,641</b>	<b>28,270,216</b>
<b>Business-Type Activities:</b>										
Investment earnings	649	94	76	14	-	8	11	60	14	67
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	457
<b>Total Business-Type Activities</b>	<b>649</b>	<b>94</b>	<b>76</b>	<b>14</b>	<b>8</b>	<b>11</b>	<b>60</b>	<b>14</b>	<b>67</b>	<b>27,159</b>
<b>Total District-Wide</b>	<b>24,153,186</b>	<b>25,034,903</b>	<b>25,377,289</b>	<b>25,988,821</b>	<b>25,174,982</b>	<b>25,553,486</b>	<b>26,352,017</b>	<b>26,183,180</b>	<b>27,109,708</b>	<b>28,297,375</b>
<b>Change in Net Assets</b>										
Governmental activities	55,134	690,772	1,146,140	301,043	-707,006	1,054,957	192,326	-1,104,346	-1,216,771	-2,541,829
Business-type activities	(23,833)	-13,965	-27,041	1,623	1,536	-33,219	-11,236	1,917	1,837	19,681
<b>Total District</b>	<b>31,301</b>	<b>676,807</b>	<b>1,119,099</b>	<b>302,666</b>	<b>-705,470</b>	<b>1,021,738</b>	<b>181,090</b>	<b>-1,102,429</b>	<b>-1,214,934</b>	<b>-2,522,148</b>

Source: CAFR Schedule A-2



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

**J-3**

Fiscal Year Ending June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	240,278	732,302	1,405,664	1,593,851	527,515	1,369,608	1,811,647	1,815,330	1,252,366	661,422
Unreserved	690,981	489,371	536,680	568,825	490,658	396,354	373,503	258,374	216,738	449,134
<b>Total General Fund</b>	<b>931,259</b>	<b>1,221,673</b>	<b>1,942,344</b>	<b>2,162,676</b>	<b>1,018,173</b>	<b>1,765,962</b>	<b>2,185,150</b>	<b>2,073,704</b>	<b>1,469,104</b>	<b>1,110,556</b>
<b>All Other Governmental Funds</b>										
Reserved	22,887	-	-	-	1035	-	-	-	1,082,742	6,481,659
Unreserved, reported in										
Special revenue fund	-	-	-	-	-	19,996	-	-	-	-
Capital projects fund	597,982	450,142	1,029	-	-	-	-	-	2,933,973	262,871
Debt service fund	796	1,457	662	1,387	-	-	-	-	2,798	14,666
<b>Total All Other Governmental Funds</b>	<b>621,665</b>	<b>451,599</b>	<b>1,691</b>	<b>1,387</b>	<b>1,035</b>	<b>19,996</b>	<b>0</b>	<b>0</b>	<b>4,019,513</b>	<b>6,759,196</b>

Source: CAFR Schedule B-1

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

J-4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Tax levy	12,321,458	12,983,460	13,251,492	13,237,482	13,719,834	13,085,044	13,587,490	13,940,608	14,819,969	15,365,790
Tuition charges	9,224,371	9,373,240	10,126,111	9,993,759	8,975,713	8,941,819	9,467,615	8,722,074	8,924,322	9,367,758
Interest earnings	28,399	5,047	4,924	926	772	-	-	-	-	-
Miscellaneous	164,365	119,568	178,154	162,284	219,660	119,934	91,714	107,693	239,994	205,693
State sources	2,641,409	2,694,698	1,918,542	2,634,865	3,162,312	3,128,589	3,735,494	3,988,700	4,399,177	4,399,177
Federal sources	296,632	670,043	571,515	465,890	424,751	1,656,898	1,285,135	1,234,982	454,440	417,240
<b>Total Revenue</b>	<b>24,576,634</b>	<b>25,846,056</b>	<b>26,050,738</b>	<b>26,495,206</b>	<b>26,503,042</b>	<b>26,701,353</b>	<b>27,560,543</b>	<b>27,740,851</b>	<b>28,427,425</b>	<b>29,755,658</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	7,168,323	7,424,565	7,504,878	7,457,057	7,309,019	7,763,727	8,147,082	7,669,345	7,605,510	7,808,248
Special education instruction	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851	1,979,082	2,568,417	2,518,264
Other special education	264,954	279,203	134,068	139,112	112,527	147,703	511,598	798,855	216,132	191,261
Other school programs	759,997	772,300	760,384	797,543	710,900	706,050	731,633	743,062	732,851	845,467
<b>Support Services:</b>										
Tuition	744,955	648,534	574,831	728,556	788,073	721,990	751,334	920,639	741,469	1,039,062
Student & Instruction related services	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,893,209	2,993,919	3,437,682	3,393,560	
General administrative services	531,885	555,444	526,375	657,133	651,981	611,877	609,263	634,576	682,691	620,418
School administrative services	1,117,008	1,201,927	1,207,308	1,216,712	1,622,452	1,593,831	1,739,955	1,758,684	1,713,755	1,708,346
Business administrative services	388,939	395,869	404,532	413,442	-	-	-	-	-	-
Plant operations and maintenance	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,014,574	1,907,333	1,969,194	2,040,438
Security	-	-	-	-	-	-	-	-	-	-
Pupil transportation	567,314	488,417	351,776	392,692	392,999	432,476	506,389	554,515	553,740	654,897
Other Support Services	157,546	-	-	-	-	-	-	-	-	-
Employee Benefits	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,037,358	6,730,677	7,180,125	7,902,590
Food Service	-	-	-	-	-	-	-	-	-	-
Capital outlay	999,399	512,995	653,262	180,989	443,671	252,991	106,517	51,245	1,819,618	4,852,564
<b>Debt service:</b>										
Principal	801,155	690,000	710,000	720,000	745,000	815,000	785,000	770,000	475,000	490,000
Interest and other charges	418,892	394,210	370,860	346,010	319,235	216,569	247,425	218,325	191,350	177,100
<b>Total Expenditures</b>	<b>25,722,781</b>	<b>25,725,708</b>	<b>25,779,975</b>	<b>26,259,323</b>	<b>27,647,897</b>	<b>25,934,633</b>	<b>27,161,322</b>	<b>27,852,297</b>	<b>30,012,513</b>	<b>34,386,690</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(1,146,147)</b>	<b>120,348</b>	<b>270,763</b>	<b>235,883</b>	<b>(1,144,855)</b>	<b>766,720</b>	<b>399,221</b>	<b>(111,446)</b>	<b>(1,585,088)</b>	<b>(4,631,032)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	18,736	-	-	-	-	-	-
Temporary Notes	-	-	-	-	-	-	-	5,000,000	7,012,268	-
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	-	-	-	-	-	-	-	-	-	-
Accounts Receivable Canceled	-	-	-	-	-	-	-	-	-	-
Transfers in	8,896	661	355	1,035	-	-	-	-	-	-100
Transfers out	(8,896)	(661)	(355)	(1,035)	-	-	-	-	-	54,840
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,736</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>	<b>7,012,168</b>
<b>Net Change in Fund Balances</b>	<b>(1,146,147)</b>	<b>120,348</b>	<b>270,763</b>	<b>254,619</b>	<b>(1,144,855)</b>	<b>766,720</b>	<b>399,221</b>	<b>(111,446)</b>	<b>3,414,912</b>	<b>2,381,136</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>4.743%</b>	<b>4.215%</b>	<b>4.193%</b>	<b>4.060%</b>	<b>3.849%</b>	<b>3.978%</b>	<b>3.801%</b>	<b>3.548%</b>	<b>2.220%</b>	<b>1.940%</b>

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

**J-5** 112.

<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>
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
2017	3,202	8,924,322	17,000	155,899	9,100,423
2018	29,879	9,367,758	17,000	76,304	9,490,941

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.)
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
2017	89	2890	0	0	205	11	6	1,916,539,375	137,406,800	0	2,055,689,746	0.777	96.30
2018	92	2883	0	0	205	11	6	1,982,950,975	137,544,100	0	2,120,495,075	0.816	93.89

Source: County Abstract of Ratables & Municipal Tax Assessor

Fiscal Year Ended June 30,	<u>Manasquan Board of Education</u>			<u>Overlapping Debt</u>			
	<u>Basic Rate</u>	<u>General Obligation Debt Svc.</u>	<u>Total Direct</u>	<u>Borough of Manasquan</u>	<u>Fire Districts</u>	<u>Monmouth County</u>	<u>Total Direct &amp; Overlapping Tax Rate</u>
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
2017	0.688	0.032	0.720	0.345	0.042	0.306	1.413
2018	0.693	0.031	0.724	0.352	0.042	0.318	1.436

Source: District Records and Municipal Tax Collector

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

Taxpayer	2018			2008		
	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	0.53%	8,424,400	1	0.54%
208 Properties, LLC	4,248,200	2	0.20%			
Giunco Realty	4,110,700	3	0.19%	4,289,200	4	0.27%
Manasquan Holdings/Acme Markets	3,622,100	4	0.17%	3,141,400	5	0.20%
Carbone, John V. & Diane M.	3,544,400	5	0.17%			
Sprint Comm Co LP c/o Prop Tax Dept.	3,346,200	6	0.16%	7,532,200	2	0.48%
Williamson, Mark	3,266,200	7	0.15%			
S & B Associates	3,217,100	8	0.15%	2,798,200	8	0.18%
Mahon, Kenneth & Henrietta	3,068,800	9	0.14%			
SeaBreeze LLC	2,892,500	10	0.14%	3,000,000	6	0.19%
Osprey Realty				2,822,000	7	0.18%
American Timber Co.				2,764,800	9	0.18%
Leg-It LLC				4,592,900	3	0.29%
NJ Transit				2,553,000	10	0.16%
	42,459,100			41,918,100		

Source: Municipal Tax Assesor

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

**J-9 116.**

<b><u>Fiscal Year Ended June 30,</u></b>	<b><u>Taxes Levied for the Fiscal Year</u></b>	<b><u>Amount</u></b>	<b><u>Percentage of Levy</u></b>	<b><u>Collections in Subsequent Years</u></b>
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%	-
2017	14,819,969.00	14,819,969.00	100.00%	-
2018	15,365,790.00	15,365,790.00	100.00%	-

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

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

**J-10 117.**

**Governmental Activities**

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total District</b>	<b>Percentage Of Personal Income</b>	<b>Per Capita</b>
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
*2017	7,593,599	48,862	7,642,461	2.58%	1314
*2018	5,021,656	20,114	5,041,770	1.65%	2042

\*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**

**J-11** 118.

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
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%	1,387.54
2017	7,593,599	-	7,593,599	0.3693%	1,305.19
2018	5,021,656	-	5,021,656	0.2368%	850.70

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

**Manasquan Board of Education**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2017**

**J-12 119.**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
<b>Debt repaid with property taxes</b>			
Manasquan Borough	8,033,855	100.00%	8,033,855
<b>Other debt</b>			
County of Monmouth Borough's Share	437,154,080	1.740%	7,606,481
Utility Authority- Borough's Share	21,086,462	14.34%	3,023,798
Utility Authority- Sanitary Sewer Rehabilitation			163,162
Subtotal, overlapping debt			10,793,441
<b>Manasquan School District Direct Debt</b>			12,033,754
<b>Total direct and overlapping debt</b>			30,861,050

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized valuation basis	
2018	1,982,950,975
2017	1,979,465,275
2016	1,594,575,100
	<u>5,556,991,350</u>
Average equalized valuation of taxable property	
	1,852,330,450
Debt limit (3% of average)	
	55,569,914
Net bonded school debt	
	<u>5,021,656</u>
Legal debt margin	
	<u>50,548,258</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	47,352,211	55,569,914	47,976,863	48,095,426	47,301,437	46,844,801	46,723,034	47,448,820	51,686,155	55,569,914
Total net debt appl. to limit	10,512,000	9,822,000	9,112,000	8,392,000	7,405,000	6,590,000	7,998,948	8,068,599	7,593,599	5,021,656
Legal debt margin	<u>36,840,211</u>	<u>45,747,914</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>39,380,221</u>	<u>44,092,556</u>	<u>50,548,258</u>
Total net debt applicable to	22.20%	17.68%	18.99%	17.45%	15.65%	14.07%	17.12%	17.00%	14.69%	9.04%

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

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

**J-14 121.**

<b>Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>* Per Capita Personal Income</b>	<b>Unemployment Rate</b>
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
2017	5818	403,827,380	69,410	3.8
2018	5903	420,512,011	71,237	3.9

\*=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

J-15 122.

	2018			2008		
			Percentage of Total Employment			Percentage of Total Employment
Employer	Employees	Rank		Employees	Rank	

\*No Information Available

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

**J-16**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Instruction</b>										
Regular	113	116	110	110	102	103	101.5	98.5	103	104
Special education	18	19	20	18	20	22	30	34	30.5	30
Other special education	1	2	2	2	2	2	2	2	2	2
Other instruction	12	9	9	11	9	7	7	9	9	9
<b>Support Services:</b>										
Student & instruction related services	33.4	32.3	31.3	31.3	35	36	41	37	43	42
General administration	3	3	3	3	3	3	3	3	4	4
School administrative services	11.6	11.6	11.6	11.6	9	9	9	11	9	9
Central services	5	5	5	5	7	5	5	7	7	7
Administrative Information Technology	2	2	2	2	2	2.5	3.5	3.5	3.5	3.5
Plant operations and maintenance	18	19.1	19.1	19.1	18	17	16	18	17	19
<b>Total</b>	<b>217.0</b>	<b>219.0</b>	<b>213.0</b>	<b>213.0</b>	<b>207.0</b>	<b>206.5</b>	<b>218.0</b>	<b>223.0</b>	<b>228.0</b>	<b>229.5</b>

Source: District Personnel Records

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

J-17

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			ADA	% Change in ADE	Student Attendance %
						Elementary	School	High			
2009	1711	23,043,147	13,472	#REF!	131	11.0	12.1		1632.00	#REF!	95.31%
2010	1699	23,328,052	13,734	1.95%	132	10.8	11.9		1610.20	-0.80%	94.80%
2011	1697	23,372,328	13,773	0.28%	132	10.8	11.9		1604.30	-0.11%	94.55%
2012	1666	24,515,369	14,715	6.80%	130	10.8	11.9		1576.90	-1.81%	94.65%
2013	1593	25,599,996	16,070	9.20%	124	12	13.5		1513.00	-4.39%	94.98%
2014	1635	24,227,685	14,818	-7.79%	127	11.3	14.2		1566.02	2.66%	95.76%
2015	1599	25,671,645	16,055	8.35%	133.5	9.9	14.3		1522.70	-2.17%	95.17%
2016	1580	26,243,926	16,610	3.46%	134.5	9.9	13.5		1499.82	-1.26%	94.94%
2017	1560	27,786,562	17,812	7.24%	133.5	10.2	13.5		1480.23	-1.23%	94.87%
2018	1505	28,967,272	19,247	8.06%	134	9.1	13.1		1431.9	-3.56%	95.17%

From C-1

Source: District Records

Manasquan School District  
School Building Information  
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>Elementary</u>										
Manasquan Elementary School										
Square Feet	111,800	111,800	111,800	111,800	111,800	111,800	111,800	111,800	111,800	111,800
Capacity (students)	738	738	738	738	738	738	738	738	738	738
Enrollment	698	711	688	682	659	657	622	641	630	585
<u>High School</u>										
Manasquan High School										
Square Feet	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Enrollment	1,014	988	1,009	984	934	978	977	939	930	920

Source: District Records, ASSA



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

**J-19** 126.

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

Year	School Facilities Project # (s)	Manasquan	Manasquan
		High School	Elementary School
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
2017		92,005	39,540
2018		119,641	44,638
<b>Total School Facilities</b>		<b>2,064,623</b>	<b>455,267</b>

Source: District Records, CAFR Schedule C-1

**Manasquan School District**  
**Insurance Schedule**  
**June 30, 2018**

**J-20 127.**

	<b>Coverage</b>	<b>Deductible</b>
<b>School Package Policy (1)</b>		
Multi-Peril Policy (Incl. Boiler & Machinery)	51,431,618	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	25,000,000	
<b>Student Accident Insurance (2)</b>		
Maximum Benefit Blanket Coverage		
Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Catastrophic	500,000	
<b>Surety Bonds (3)</b>		
Treasurer	250,000	-
Board Secretary/Business Administrator	250,000	-
(1) Boynton & Boynton (SAIF, CHUBB, MOCSSIF, NJSIG)		
(2) BMI		
(3) Boynton & Boynton (Selective)		

Source: District Records

## **SINGLE AUDIT SECTION**

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

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

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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**

K-1

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, 2018, 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 14, 2018.

**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 14, 2018

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 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**

K-2

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

**Report on Compliance for Each Major 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, 2018. The Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's major 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 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 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 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 state programs for the year ended June 30, 2018.

### ***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 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 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 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 14, 2018



## MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2017	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances Adjustments	Balance at June 30, 2018		
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:														
General Fund:														
Medical Assistance Program (SEMO)	93.778	1705NISM-AP	N/A	9/1/2017	8/31/2018	21,593	\$ -	-	12,350	(21,593)	-	(9,243)	-	-
Total General Fund							-	-	12,350	(21,593)	-	(9,243)	-	-
U.S. Department of Education:														
Passed Through State Department of Education:														
Special Revenue Fund:														
NCLB:														
Title I	84.010	S010A160030	NCLB17	07/01/2016	06/30/2017	86,494	(37,814)	-	37,814	(84,959)	-	(17,322)	-	-
Title I	84.010	S010A170030	NCLB18	07/01/2017	06/30/2018	85,608	-	-	67,637	-	-	-	-	-
Title IIA	84.367A	S367A160029	NCLB17	07/01/2016	06/30/2017	43,814	(22,958)	-	22,958	(12,281)	-	-	-	-
Title IIA	84.367A	S367A170029	NCLB18	07/01/2017	06/30/2018	12,281	-	-	12,281	-	-	-	-	-
Title III	84.365A	S365A150030	NCLB17	07/01/2016	06/30/2017	2,000	(2,000)	-	2,000	(9,988)	-	(7,430)	-	-
Title III	84.365A	S365A170030	NCLB18	07/01/2017	06/30/2018	10,000	-	-	2,558	(8,928)	-	(6,528)	-	-
Title IV	84.424	S424A170031	NCLB18	07/01/2017	06/30/2018	10,000	-	-	2,400	-	-	-	-	-
Special Education Cluster:														
IDEA:														
Part B - Basic	84.027	H027A160100	FT17	07/01/2016	06/30/2017	332,831	(39,860)	-	39,860	(270,672)	-	(31,280)	-	-
Part B - Basic	84.027	H027A170100	FT18	07/01/2017	06/30/2018	290,853	-	-	270,672	(8,819)	-	-	-	-
Preschool	84.173	H173A170114	FT15	07/01/2017	06/30/2018	8,859	-	-	8,819	-	-	-	-	-
Preschool	84.173	H173A160114	FT17	07/01/2016	06/30/2017	14,812	(3,396)	-	3,396	(395,647)	-	(31,280)	-	-
Total Special Revenue							(106,028)	-	470,395	(395,647)	-	(31,280)	-	-
U.S. Department of Agriculture -														
Passed Through State Department of Education:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	171N1304N1099	N/A	07/01/2017	06/30/2018	71,115	-	-	57,710	(71,115)	-	(13,405)	-	-
National School Lunch Program	10.555	171N1304N1099	N/A	07/01/2016	06/30/2017	76,947	(5,175)	-	5,175	(3,274)	-	(617)	-	-
HFFKA Lunch Program	10.555	171N1304N1099	N/A	07/01/2017	06/30/2018	3,274	-	-	2,657	-	-	-	-	-
HFFKA Lunch Program	10.555	171N1304N1099	N/A	07/01/2016	06/30/2017	3,644	(247)	-	247	(16,731)	-	(14,022)	-	-
Food Distribution Program	10.550	171N1304N1099	N/A	07/01/2017	06/30/2018	16,731	(5,422)	-	16,731	(91,120)	-	(14,022)	-	-
Total U.S. Dept. of Agriculture							(5,422)	-	82,520	(91,120)	-	(14,022)	-	-
Total Federal Financial Assistance							\$ (111,450)	-	565,265	(508,560)	-	(54,545)	-	-

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

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

**BOARD OF EDUCATION****K-5****MANASQUAN SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2018****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 \$(762) for the general fund and \$(16,523) for the special revenue fund. See exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented on the following page:

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule of Expenditures of State				
Financial Assistance	\$ 4,398,362	1,577	2,824	4,402,763
Difference – Budget to “GAAP”				
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
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)	____ (762)	_____	_____	____ (762)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 4,397,600</u>	<u>1,577</u>	<u>2,824</u>	<u>4,402,001</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule of Expenditures of Federal Awards	\$ 21,593	395,647	91,120	508,360
Difference – Budget to “GAAP”				
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(16,523)	_____	_(16,523)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 21,593</u>	<u>379,124</u>	<u>91,120</u>	<u>491,837</u>

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

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

**NOTE 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2018 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, 2018.

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

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018*****Part I - Summary of Auditor's Results*****Financial Statement Section**

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      x   No2) Were reportable condition(s) identified that were  
not considered to be material weaknesses?  x   Yes    \_\_\_\_\_ No(C) Noncompliance material to general purpose financial  
statements noted?\_\_\_\_\_ Yes      x   No**Federal Awards Section**

Not Applicable

**BOROUGH OF MANASQUAN SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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*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:

**GMIS Number(s)**

18-495-034-5120-089

18-495-034-5120-084

18-495-034-5120-085

18-495-034-5120-097

18-495-034-5120-098

18-495-034-5120-101

18-495-034-5120-014

18-495-034-5095-002

**Name of State Program**

Special Education Categorical Aid (State Aid-Public Cluster)

Security Aid (State Aid-Public Cluster)

Adjustment Aid (State Aid-Public Cluster)

Per Pupil Growth Aid (State Aid - Public Cluster)

PARCC Readiness (State Aid - Public Cluster)

Professional Learning Community Aid (State Aid - Public Cluster)

Transportation Aid (State Aid - Public Cluster)

Reimbursed TPAF Social Security Contribution

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

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018*****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: N/A



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

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018*****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**

K-6

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS****FOR THE FISCAL YEAR ENDED JUNE 30, 2018****Part III - 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**

Not Applicable

**BOROUGH OF MANASQUAN SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Prior Audit Findings:**

None