

SCHOOL DISTRICT

OF

MANASQUAN

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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FINANCIAL REPORT**

OF THE

MANASQUAN BOARD OF EDUCATION

MANASQUAN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY

**MANASQUAN BOARD OF EDUCATION
FINANCE DEPARTMENT**

MANASQUAN SCHOOL DISTRICT

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INTRODUCTORY SECTION

MANASQUAN BOARD OF EDUCATION

Central Administration Offices, 169 Broad Street, Manasquan, NJ 08736
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732.528.8803 – FAX: 732.223.7422

December 5, 2019

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, 2019. 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, Director of Curriculum & Instruction, Director of School Counseling Services 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 or fourth Tuesday 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.

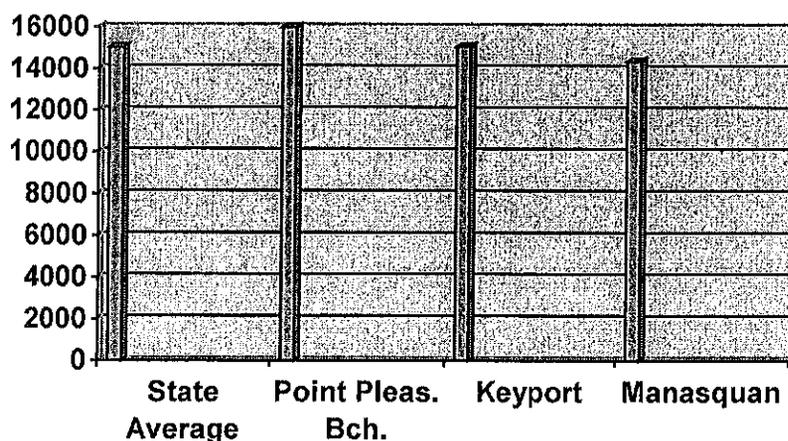
The PTO's are highly active in the District and provide community support for a variety of programs and activities for the children.

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 Student Learning Standards.

The New Jersey Department of Education released its 2019 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 \$15,364 per pupil (certified costs for 2017-18) while the average cost for similar districts was \$15,641. According to the report of the 49 other K-12 school districts in the state with enrollments between 0 and 1,800 children, Manasquan was ranked the 21st lowest in total cost per pupil.

Per Pupil Comparative Spending 2018 (Certified 2017-18 Costs)



Manasquan Elementary School

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 Cafetorium and Grades K-4 assigned lunch periods in our original Cafeteria. The use of both facilities allows all students to eat at what would be considered a normal lunch hour.

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 STEAM Lab. In addition, our back sports fields were realigned, sodded, and a new playground unit was added.

With regards to technology, interactive whiteboards (ActivBoards) are installed in every classroom. Every teacher is provided with a Dell laptop and classrooms are equipped with at least two thin client workstations or additional desktop computers for student computer centers. Two computer labs, as well as two additional mobile labs equipped with Dell laptops, are available for our students. A mobile iPad cart was funded by a donation from our PTO for classroom use and iPads have been purchased for learning centers in every K-5 classroom and ESL classes. Document scanners, video cameras and digital cameras are also available for faculty use with their students. 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 STEAM Lab, an additional classroom set of tablets and iPads are available for student projects and activities. Overall, the district is a Windows 10 Microsoft Active Directory computer environment using MS Office 365.

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. STEAM units have also been added to our Technology Education curriculum in every grade level, as well as the inclusion of STEAM Enrichment 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 NJSLA test 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 on implementing a balanced literacy program. 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 with an extensive Guided Math component. 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 STEAM initiative across all grade levels, K-8, has been implemented that will now include instructional access for all students in our fully-equipped STEAM 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. Our school also implements the suicide prevention program, Hazelden Lifelines Trilogy. 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, as well as a sending district wrestling team), our students also participate in a wide variety of extracurricular activities including Cheerleading, Chorus, Band, Student Council, National Junior Honor Society, Drama Club, School Yearbook, School Newspaper, Mathematics Club, Environmental Club, Middle School Art Club, Elementary School Art Club, STEAM Club, Road Runners Fitness 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, subject area Honors Classes have been established in Grades 7&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 local community theater, The Algonquin Arts Theatre. 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 four-year comprehensive public high school that serves students in ninth through twelfth grade for the Manasquan School District, in Monmouth County, New Jersey. In addition, the high school also serves students from Avon-by-the-Sea, Belmar, Brielle, Lake Como, Sea Girt, Spring Lake and Spring Lake Heights, who attend Manasquan High School as part of sending/receiving relationships with their respective districts. The current location of Manasquan High School opened in 1931. The school community celebrates the long history and tradition of the past, while continuing to innovate the current academic programs and facilities. Most recently a new state of the art science lab addition opened in the Fall of 2018. The Manasquan School Community is committed to providing a preeminent education to all students, preparing them for success and to be global citizens in the 21st Century.

Manasquan High School believes in the potential and promise of all students. The school schedule operates a flexible "drop and rotate schedule" beginning with the 2018-19 school year, for the purpose of increased rigor and focus in the classroom. MHS offers students the opportunity to experience a career-focused academy model centered on subject area elective courses. Through participation in one or more of MHS's five academies, students can earn college credits and/or develop important vocational skills, in areas of finance, health careers, public safety, engineering and performing arts. The entire academic program is supported by its 1:1 technology initiative, providing teachers the opportunities to design instructional activities previously unavailable to students.

Students from the class of 2019 were accepted into some of the most prestigious colleges and universities. Ninety-two percent of students planned to attend 4 or 2-year post-secondary school. Our Career and Counseling Department use Naviance with students to guide through the college & career planning process, including required testing and financial aid resources. MHS administers the PSAT to 10th & 11th graders annually to prepare students for SAT testing and provide merit scholarship opportunities for students.

In addition, comprehensive services are provided by the Manasquan High School Child Study Team to at-risk students and students with disabilities. MHS offers a complete English Language Learner program, a

Freshman Transition program, student mentoring/tutoring through PEERS, and guided college & career guidance through Naviance. MHS Life Skills program completed its 4th year, blending academic, daily living, personal/social, and occupational skills into integrated lessons designed to help students learn to function independently in society.

Manasquan High School offers a wide array of extracurricular clubs and activities, from honor societies to civic organizations and the performing arts. Over 85% of our students participate in extra-curricular 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 \$142,000 last year. 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. The administration facilitates 8th Grade Open House, Freshman Orientation, and fine & performing arts shows to welcome the community to our halls and showcase the best of our programs. MHS continues to value communication with parents through Genesis Parent Portal, the Canvas LMS, and Honeywell Instant Alert System. Manasquan High School embraces the challenge of the celebration our past, planning for today and preparing our students for the future.

Special Education

The Special Education program is an integral part of each school. In the 2018-2019 school year the number of educationally disabled students in the district was 163 High School Students, 113 Elementary School Students, 13 Pre-School Disabled Students and 35 (10 Manasquan, 25 Sending Districts) other students were sent to facilities outside the district. Most of the 276 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 in the high school 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.

New Jersey Student Learning Standards

Throughout the 2018-2019 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 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.

In the spring of 2018 all teachers were trained on the new curriculum template, its use, standard alignment, and requirements of each component. During the summer, curricula was written and/or revised in grades K-12. Curriculum in Grade 8 was aligned 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. Teachers and administrators then examined the curriculum to ensure that all topics were being sufficiently addressed as well as the order in which they were being taught.

The district continued the two-year transition to a new “drop-and-rotate” schedule. Curriculum was reviewed and pacing charts were developed for year-long classes in a drop/rotate schedule. Each department continued the evaluation of its courses during department meetings and PLC meetings.

All curriculum was board approved before the start of the 2018-2019 school year

Staff Development

During the 2018-2019 school year, Manasquan School District continued to ensure that every teacher received the professional development he/she needed to grow as educators.

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).

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 2018, 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. In August 2018 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, provides time with department/grade level colleagues, allows for discussions with administrators, and includes town and building tours. These teachers also attended monthly workshops includes positive parental contact, innovative instruction, purposeful grouping & flexible seating, reaching difficult students, data-drive decision-making & unpacking the standards, GRIT & celebrating failure, empowering students, and 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 for induction outlined by the state were being met.

Also, teachers new to teaching AP courses attended the Rutgers Summer Institute Programs in August 2018 so as to become familiar with the curriculum for AP classes and to explore strategies by which they could provide quality instruction.

As the district investigated new schedules for the high school, administrators visited other school districts to observe a community lunch and the block drop/rotate schedule. These inquiries were a follow up to the previous year's visits where teachers and administrators visited Nutley High School in order to assess our needs in going to a similar schedule.

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. Our elementary school teachers also 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.

As a means of articulation, Manasquan High School teachers met with our 8th grade sending district teachers. Teachers discussed curriculum and content, pacing, assessments, resources and homework. Participants were informed of the rigor and expectations of a 9th 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.

Technology

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

All classrooms are equipped with multi-media equipment including projectors and audio, most with interactive white boards. All faculty and students in grades 6-12 are issued 2-in-1 Windows laptop devices permitting them to be mobile throughout the school buildings and use at home. Our wireless network throughout all areas of the school buildings support wireless-n and wireless-ac standards, and allow 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.

The District continues to leverage technology in physical security, including the complete overhaul of external door access control and monitoring in the entire elementary school and a phase one transition in the high school.

Personnel

The district employed 236.5 people during the 2018-2019 school year. The certificated staff numbered 178 and educational support personnel 58.5.

Pupil Enrollment

The district completed the 2018-2019 fiscal year with an Average Daily Enrollment of 1494.83 which is 9.79 students less than 2017-2018 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
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%
2018-19	1494.8	-0.651%

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 9.8. 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:

2019-2020 Board Goals

Goal 1: The Board of Education will actively monitor levels of student achievement, including sub-group performance, on statewide assessment and other measures, with an annual testing presentation and periodic updates from the Director of Curriculum & Instruction, Principals, and Supervisors.

Goal 2: The Board of education will increase rigor and relevance of the elementary K-8 math program by researching and developing a new mathematics curriculum. A committee will be developed consisting of Mrs. Graziano, Principal, Mr. Roach, Elementary Supervisor, and Mr. Coppola, Director of Curriculum and Instruction. The committee will also consist of seven teachers representing each grade level. Six curriculums will be researched:

- Envision 2.0, published by Pearson – Date published 4/20/2016
- Everyday Math, published by McGraw-Hill Education – Date published 4/11/2016
- Go Math, published by Houghton Mifflin Harcourt – Date published 2/15/2015
- Math Expressions, published by Houghton Mifflin Harcourt – Date published 9/4/2019
- Ready, published by Curriculum Associates – Date published 4/12/2018
- Singapore Math: Primary Mathematics Common Core Edition, published by Marshall Cavendish Education Pte Ltd – Date published 11/12/2018

Goal 3: The Board of Education will increase rigorous academic offerings within the high school science curriculum by researching and developing additional third and fourth year science courses, including Applied Physics and Advanced Placement Physics.

Goal 4: The Board of Education will oversee the bidding, award, and initial phases of construction of the high school HVAC and fire alarm construction project.

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.

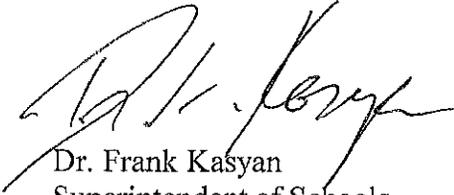
8. OTHER INFORMATION:

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.

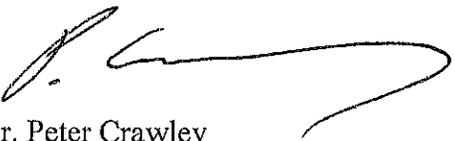
9. **ACKNOWLEDGMENTS:**

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



Dr. Peter Crawley
Business Administrator/Board Secretary

MANASQUAN BOARD OF EDUCATION
MANASQUAN, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eugene Cattani Jr.	2020
Fred Sorino	2019
Bruce Bolderman	2020
Donna Bossone	2021
Martin J. Burns	2021
Mark Furey (Belmar)	2019
Terence Hoverter	2020
Dennis Ingoglia (Brielle)	2019
Joseph A. Loffredo, Jr.	2019
Anne McGarry (Spring Lake Heights)	2019
M. Alexis Pollock	2021
Colin T. Warren	2019

Other Officials

Frank Kasyan, Ed.D., 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
130 Maple Avenue – Bldg. 8
Red Bank, NJ 07701

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

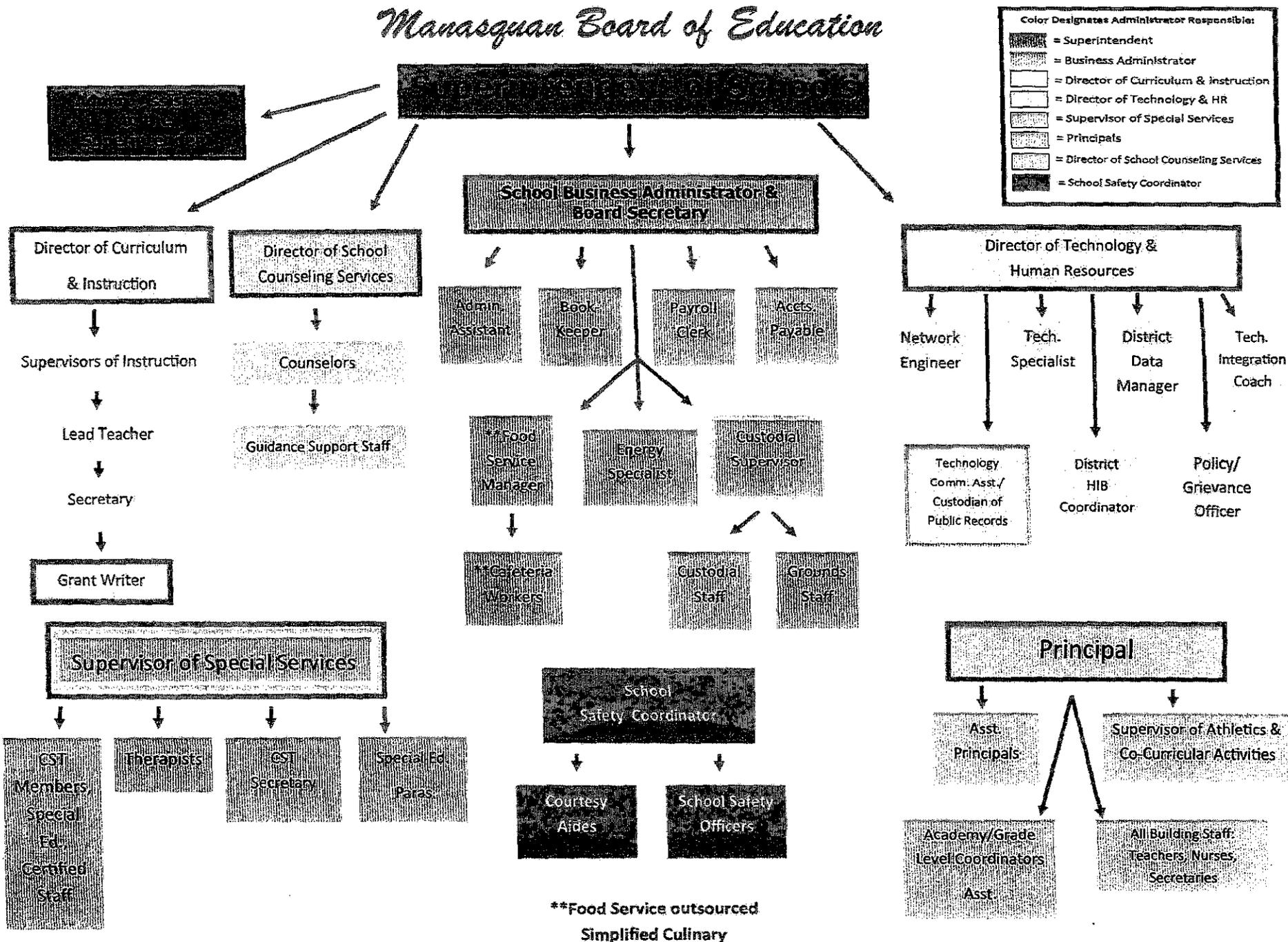
FINANCIAL ADVISORS

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

OFFICIAL DEPOSITORY

Manasquan Bank
2221 Landmark Place
Wall, New Jersey 08736

Manasquan Board of Education



January 3, 2019

DOCUMENT G

**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.

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Manasquan School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2019, 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, 2019, 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.

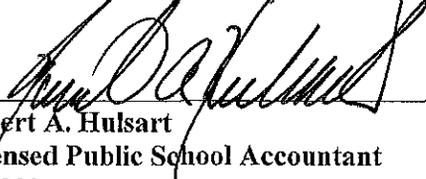
The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal 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 December 5, 2019 on our consideration of the Manasquan's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Manasquan Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



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

December 5, 2019

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**MANASQUAN PUBLIC SCHOOL DISTRICT
BOROUGH OF MANASQUAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019. 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 2019 are as follows:

- ◆ General revenues accounted for \$32,390,485 in revenue or 94.0% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,036,634 or 6.0% to total revenues of \$34,427,119.
- ◆ Total Net Position of governmental activities increased by \$6,322,614 as cash and cash equivalents, and receivables decreased by \$6,122,882, accounts payable and long-term liabilities decreased by \$941,904 and capital assets increased by \$13,066,905; Net Pension changes accounted for the remaining \$320,495.
- ◆ The School District had \$28,158,529 in expenses; only \$2,036,634 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$32,390,485 were adequate to provide for these programs.
- ◆ The General Fund had \$31,256,205 revenues and \$32,407,087 in expenditures. The General Fund's balance decreased \$475,882 from 2018. 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 2019?" 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 2018 and 2019.

	<u>2018</u>	<u>2019</u>
Assets		
Current and other assets	\$ 8,120,523	1,530,711
Capital assets, net	<u>18,581,820</u>	<u>31,628,631</u>
Total Assets	<u>\$26,702,343</u>	<u>\$33,159,342</u>
Deferred Outflow of Resources	<u>\$2,719,653</u>	<u>\$2,066,532</u>
Deferred Inflow of Resources	<u>\$1,835,613</u>	<u>\$2,312,535</u>
Liabilities		
Long-term liabilities	\$12,263,682	10,975,120
Other liabilities	<u>13,045,784</u>	<u>13,392,442</u>
Total Liabilities	<u>\$25,309,466</u>	<u>\$24,367,562</u>
Net Assets		
Invested in capital assets, net of debt	\$2,478,066	\$14,675,965
Restricted	385,185	618,453
Unrestricted	<u>(586,334)</u>	<u>(6,748,641)</u>
Total Net Position	<u>\$2,276,917</u>	<u>\$8,545,777</u>

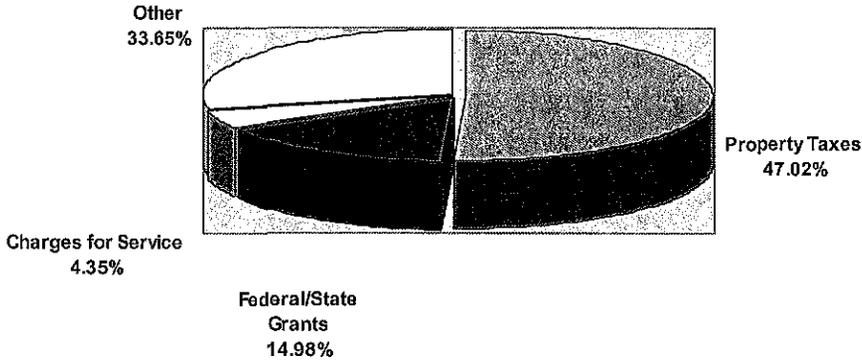
Table 2 shows the changes in net position from fiscal year 2018 to 2019.

	<u>2018</u>	<u>2019</u>
Revenues		
Program revenues		
Charges for services	\$1,753,197	1,500,067
Operating grants and contributions	540,781	536,567
General revenues		
Property taxes	15,365,790	16,181,373
Grants and entitlements	4,419,193	5,160,236
Other	<u>8,485,233</u>	<u>11,048,876</u>
Total Revenues	<u>30,564,194</u>	<u>34,427,119</u>
Program Expenses		
Instruction	11,368,610	12,156,435
Support services		
Pupils and instructional staff	4,432,622	4,341,810
General administration, school administration, business	10,494,633	11,513,660
Operations and maintenance of Facilities	2,156,165	2,522,246
Pupil Transportation	654,897	631,050
Interest on debt	219,914	452,143
Food service/Surf Team/Aftercare	788,855	776,714
FEMA Loan Payable	0	0
Capital Outlay	2,260,389	-5,095,419
Other	<u>710,257</u>	<u>859,620</u>
Total Expenses	<u>33,086,342</u>	<u>28,158,259</u>
Inc./(Dec.) in Net Assets	<u>(2,522,148)</u>	<u>6,268,860</u>

Governmental Activities

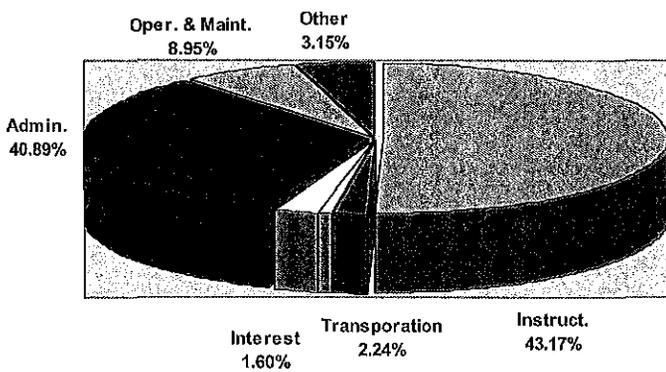
Property taxes made up 47.02% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2018. The District's total revenues were \$34,427,119 for the fiscal year ended June 30, 2019. Federal, state and local grants accounted for another 14.98%. Tuition, interest revenue and miscellaneous income make up 33.65% and charges for services equal 4.35%.

Sources of Revenues for Fiscal Year 2019



The total cost of all programs and services was \$28,158,259. Instruction comprised 43.17% of District expenses. Administration equaled 40.89% and the balance of 15.94% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

Expenses for Fiscal Year 2019



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 \$39,277.
- ◆ Charges for services represent \$638,224 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 \$84,736.
- ◆ 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 \$72.
- ◆ The Before and After Care Program is supported by participant revenues. The current year revenues and expenditures left a positive net assets of \$25,839.

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 2018 have been shown below.

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2019	Net Cost of Services 2019
Instruction	\$11,368,610	\$10,985,075	12,156,435	11,768,566
Support services				
Pupils and instructional staff	4,432,622	3,337,315	4,341,810	4,083,272
General administration, school administration, business	10,494,633	10,494,633	11,513,660	10,844,852
Operation and maintenance of facilities	2,156,165	2,156,165	2,522,246	2,522,246
Pupil transportation	654,897	654,897	631,050	631,050
Interest and fiscal charges	219,914	219,914	452,143	452,143
FEMA Loan Payable	0	0	0	0
Capital Outlay	2,260,389	2,253,789	-5,095,419	-5,095,419
Other	<u>710,257</u>	<u>710,257</u>	<u>859,620</u>	<u>859,620</u>
Total Expenses	<u>32,297,487</u>	<u>30,812,045</u>	<u>27,381,545</u>	<u>26,066,330</u>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts with Schedule B-2. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$32,615,559 and expenditures of \$40,250,520. The net change in fund balance for the year was made up of the General Fund, a decrease of \$475,882. The debt service fund balance had an increase of \$6,350.

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, 2019, 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 2018</u>
Local Sources	\$27,037,525	82.95%	\$2,131,638
State Sources	5,127,185	15.73%	728,008
Federal Sources	<u>427,036</u>	<u>1.33%</u>	<u>9,796</u>
Total Revenue	<u>\$32,591,746</u>	<u>100.00%</u>	<u>\$2,859,901</u>

The increase in Local Sources of \$2,131,638 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 \$728,008 was attributed to changes in the on-behalf pension.

The increase in Federal Sources of \$9,796 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, 2019.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2018
Current:			
Instruction	\$12,122,335	37.06%	759,095
Undistributed expenditures	18,923,823	54.66%	1,420,037
Capital outlay	1,814,301	6.06%	1,267,675
Debt service:			
Principal	649,234	1.58%	159,234
Interest	250,398	0.64%	73,298
Total Expenditures	\$33,760,091	100.00%	\$3,679,339

The increase in Current - Instruction of \$759,085 was attributed to an increase in supplies, textbooks and technology supplies.

The increase in Current-Undistributed Expenditures of \$1,420,037 was primarily attributed to the TPAF non-paid pension contribution and maintenance and repair.

The increase of \$1,267,675 in capital outlay was based on needed expenditures and new turf field.

The increase in debt service of \$232,532 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 2019, 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 2019, the School District had \$31,529,187 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2019 balances compared to 2018 and 2017.

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

	2017	2018	2019
Land	\$1,068,000	\$1,068,000	\$1,068,000
Infrastructure	0	0	38,619
Site Improvements	569,058	818,668	2,350,896
Buildings	16,544,613	16,221,242	27,701,780
Machinery and Equipment	459,004	354,372	369,892
Totals Capital Assets	18,640,675	18,462,282	\$31,529,187

Overall capital assets increased \$13,066,905 from fiscal year 2018 to fiscal year 2019. This increase was due primarily due to a completion of the first referendum building project.

Debt Administration

At June 30, 2019, the School district had \$23,829,618 outstanding debt. Of this amount \$710,770 is for compensated absences, \$3,560,000 for bonds payable, \$546,490 for capital leases, \$812,422 for loans payable, \$12,033,754 for notes payable and \$6,166,182 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, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 585,437	97,881	683,318
Receivables, Net	180,616	7,076	187,692
Inventory		1,443	1,443
Restricted Assets:			
Cash and Cash Equivalents	639,790		639,790
Capital Reserve Account - Cash	18,468		18,468
Capital Assets Not Depreciated	1,068,000		1,068,000
Capital Assets, Net	30,461,187	99,444	30,560,631
Total Assets	<u>32,953,498</u>	<u>205,844</u>	<u>33,159,342</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>2,066,532</u>		<u>2,066,532</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>2,312,535</u>		<u>2,312,535</u>
<u>Liabilities</u>			
Accounts Payable	57,233		57,233
Accrued Interest	437,024		437,024
Deferred Revenue	43,687		43,687
Noncurrent Liabilities:			
Due Within One Year	12,854,498		12,854,498
Due Beyond One Year	10,975,120		10,975,120
Total Liabilities	<u>24,367,562</u>	<u>-</u>	<u>24,367,562</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	14,576,521	99,444	14,675,965
Restricted For:			
Other Purposes	618,453		618,453
Unrestricted	<u>(6,855,041)</u>	<u>106,400</u>	<u>(6,748,641)</u>
Total Net Position	<u>\$ 8,339,933</u>	<u>205,844</u>	<u>8,545,777</u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 8,352,658			(8,352,658)		(8,352,658)
Special Education	2,735,019		387,869	(2,347,150)		(2,347,150)
Other Special Instruction	228,571			(228,571)		(228,571)
Other Instruction	840,187			(840,187)		(840,187)
Support Services:						
Tuition	861,843	861,843		-		-
Student & Instruction Related Services	3,479,967			(3,479,967)		(3,479,967)
General Administrative Services	668,808		65,503	(603,305)		(603,305)
School and Business Administrative Services	1,741,559			(1,741,559)		(1,741,559)
Plant Operations and Maintenance	2,522,246			(2,522,246)		(2,522,246)
Pupil Transportation	631,050			(631,050)		(631,050)
Capital Outlay	(5,095,419)			5,095,419		5,095,419
Unallocated Benefits	9,103,293			(9,103,293)		(9,103,293)
Interest on Long-Term Debt	452,143			(452,143)		(452,143)
Unallocated Depreciation	859,620			(859,620)		(859,620)
Total Governmental Activities	27,381,545	861,843	453,372	(26,066,330)	-	(26,066,330)
Business-Type Activities:						
Enterprise Funds	776,714	638,224	83,195		(55,295)	(55,295)
Total Business-Type Activities	776,714	638,224	83,195	-	(55,295)	(55,295)
Total Primary Government	28,158,259	1,500,067	536,567	(26,066,330)	(55,295)	(26,121,625)

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, 2019

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				15,342,558		15,342,558
Taxes Levied for Debt Service				838,815		838,815
Tuition				9,836,276		9,836,276
Federal and State Aid Not Restricted				5,160,236		5,160,236
Miscellaneous Income				122,459	1,541	124,000
Debt Proceeds				1,088,600		1,088,600
Total General Revenues, Special Items and Transfers				<u>32,388,944</u>	<u>1,541</u>	<u>32,390,485</u>
Change in Net Position				6,322,614	(53,754)	6,268,860
Net Position - Beginning				<u>2,017,319</u>	<u>259,598</u>	<u>2,276,917</u>
Net Position - Ending				<u>\$ 8,339,933</u>	<u>205,844</u>	<u>8,545,777</u>

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

FUND FINANCIAL STATEMENTS – B

MANASQUAN SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Cash Equivalents-Restricted	\$ 256,884	15,226	386,147	1	658,258
Cash and Cash Equivalents-Unrestricted	585,437				585,437
Interfund Receivable	-		302,569	21,015	323,584
Accounts Receivable	13,983	5,000			18,983
Receivables from Other Governments	137,279	24,354			161,633
Total Assets	<u>\$ 993,583</u>	<u>44,580</u>	<u>688,716</u>	<u>21,016</u>	<u>1,747,895</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 56,340	893			57,233
Interfund Payable	302,569		21,015		323,584
Deferred Revenue		43,687			43,687
Total Liabilities	<u>358,909</u>	<u>44,580</u>	<u>21,015</u>	<u>-</u>	<u>424,504</u>
Fund Balance:					
Restricted For:					
Maintenance Reserve	1,400				1,400
Capital Reserve Account	18,468				18,468
Assigned To:					
Designated for Subsequent Years Expenditures - by the Board of Education	100,000				100,000
Designated for Subsequent Year's Expenditures - Excess Surplus	92,835				92,835
Other Purposes	44,181		361,569		405,750
Unassigned:					
Capital Projects			306,132		306,132
Debt Service				21,016	21,016
General Fund	377,790				377,790
Total Fund Balances	<u>634,674</u>	<u>-</u>	<u>667,701</u>	<u>21,016</u>	<u>1,323,391</u>
Total Liabilities and Fund Balance	<u>\$ 993,583</u>	<u>44,580</u>	<u>688,716</u>	<u>21,016</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 \$46,263,573 and the accumulated depreciation is \$14,734,386.

31,529,187

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.

(23,829,618)

Deferred outflow of resources - contributions to the pension plan

2,066,532

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

(2,312,535)

Accrued Interest

(437,024)

Net Position of Governmental Activities

\$ 8,339,933

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 15,342,558			838,815	16,181,373
Tuition Charges	10,698,119				10,698,119
Shared Services/Athletic Jointure	17,000				17,000
Miscellaneous	81,646	59,387	23,813		164,846
Total Local Sources	<u>26,139,323</u>	<u>59,387</u>	<u>23,813</u>	<u>838,815</u>	<u>27,061,338</u>
State Sources	5,082,836	995		43,354	5,127,185
Federal Sources	34,046	392,990			427,036
Total Revenues	<u>31,256,205</u>	<u>453,372</u>	<u>23,813</u>	<u>882,169</u>	<u>32,615,559</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	8,318,558				8,318,558
Special Education Instruction	2,347,150	387,869			2,735,019
Other Special Instruction	228,571				228,571
Other Instruction	840,187				840,187
Support Services and Undistributed Costs:					
Tuition	861,843				861,843
Student and Instruction Related Services	3,414,464	65,503			3,479,967
General Administrative Services	668,808				668,808
School and Other Administrative Services	1,741,559				1,741,559
Plant Operations and Maintenance	2,342,008				2,342,008
Security	180,238				180,238
Pupil Transportation	631,050				631,050
Unallocated Benefits	9,018,350				9,018,350
Debt Service:					
Principal				649,234	649,234
Interest and Other Charges				250,398	250,398
Capital Outlay	1,814,301		6,490,429		8,304,730
Total Expenditures	<u>32,407,087</u>	<u>453,372</u>	<u>6,490,429</u>	<u>899,632</u>	<u>40,250,520</u>

MANASQUAN SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,150,882)</u>	<u>-</u>	<u>(6,466,616)</u>	<u>(17,463)</u>	<u>(7,634,961)</u>
Other Financing Sources and Uses:					
Other Financing Sources\Uses - Transfer from Capital Projects			(23,813)	23,813	-
Other Financing Sources - Loan Proceeds	675,000				675,000
Other Financing Sources - Temporary Bond			413,600		413,600
Total Other Financing Sources and Uses	<u>675,000</u>	<u>-</u>	<u>389,787</u>	<u>23,813</u>	<u>1,088,600</u>
Total Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources and Uses	<u>(475,882)</u>	<u>-</u>	<u>(6,076,829)</u>	<u>6,350</u>	<u>(6,546,361)</u>
Net Change in Fund Balances	(475,882)	-	(6,076,829)	6,350	(6,546,361)
Fund Balance - July 1	<u>1,110,556</u>	<u>-</u>	<u>6,744,530</u>	<u>14,666</u>	<u>7,869,752</u>
Fund Balance - June 30	<u>\$ 634,674</u>	<u>-</u>	<u>667,701</u>	<u>21,016</u>	<u>1,323,391</u>

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

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

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (6,546,361)
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	(859,620)
Capital Outlay	13,926,525
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.	
	122,858
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. (Compensated Absences)	
	(34,100)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
	(653,121)
Pension related deferrals	(476,922)
Change in Net Pension Liability	1,045,100
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	
	<u>(201,745)</u>
Change in Net Position of Governmental Activities (A-2)	<u>\$ 6,322,614</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, 2019

	Enterprise Fund Totals
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 97,881
Accounts Receivable:	
Federal	4,607
State	142
Other	2,327
Inventories	1,443
Total Current Assets	<u>106,400</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	472,668
Less: Accumulated Depreciation	<u>(373,224)</u>
Total Noncurrent Assets	<u>99,444</u>
Total Assets	<u><u>\$ 205,844</u></u>
<u>Net Position</u>	
Invested in Capital Assets Net of Related Debt	\$ 99,444
Unrestricted	<u>106,400</u>
Total Net Position	<u><u>\$ 205,844</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, 2019

	<u>Enterprise Fund Totals</u>
Operating Revenues:	
Charge for Services:	
Daily Sales-Reimbursable Programs	\$ 75,663
Daily Sales-Non-Reimbursable Programs	478,864
Fees	60,825
Football Shack	7,716
Catering	15,156
Total Operating Revenues	<u>638,224</u>
Operating Expenses:	
Cost of Sales-Reimbursable Programs	38,952
Cost of Sales-Non-Rembursable Programs	239,274
Salaries	264,680
Employee Benefits	35,391
Worker's Compensation	8,800
Cost of Supplies	26,226
General Liability Insurance	28,710
Management Fees	21,000
Miscellaneous	93,587
Depreciation	20,094
Total Operating Expenses	<u>776,714</u>
Operating Income (Loss)	(138,490)
Nonoperating Revenues (Expenses):	
Interest Revenue	1,541
State Sources:	
State School Lunch Program	2,305
Federal Sources:	
National School Lunch Program	67,674
HHFKA Lunch Program	2,656
Food Distribution Program	10,560
Total Nonoperating Revenues (Expenses)	<u>84,736</u>
Change in Net Position	(53,754)
Total Net Position - Beginning	<u>259,598</u>
Total Net Position - Ending	<u>\$ 205,844</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, 2019

	<u>Enterprise Fund Totals</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 638,224
Payments to Employees	(264,680)
Payments to Suppliers	(467,331)
Net Cash Provided (Used by) Operating Activities	<u>(93,787)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,305
Federal Sources	70,330
Net Cash Provided (Used by) Noncapital Financing Activities	<u>72,635</u>
Cash Flows from Investing Activities:	
Interest Received	<u>1,541</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(19,611)
Balances - Beginning of Year	<u>117,492</u>
Balances - End of Year	<u>\$ 97,881</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (138,490)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities	
Depreciation	20,094
Federal Commodities	10,560
(Increase)/Decrease in Accounts Receivable	13,378
(Increase)/Decrease in Inventories	<u>671</u>
Net Cash Provided (Used by) Operating Activities	<u>\$ (93,787)</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, 2019

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 110,873	68,356
Total Assets	<u>\$ 110,873</u>	<u>68,356</u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 110,873	
Reserved for Scholarships		68,356
Total Net Position	<u>\$ 110,873</u>	<u>68,356</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, 2019

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Plan Member	\$ 27,383	
Donations		34,452
Total Contributions	<u>27,383</u>	<u>34,452</u>
Investment Earnings:		
Interest	1,369	1,482
Net Investments Earnings	<u>1,369</u>	<u>1,482</u>
Total Additions	<u>28,752</u>	<u>35,934</u>
<u>Deductions</u>		
Unemployment Claims	30,525	
Scholarships Awarded		37,700
Total Deductions	<u>30,525</u>	<u>37,700</u>
Change in Net Position	(1,773)	(1,766)
Net Position - Beginning of Year	<u>112,646</u>	<u>70,122</u>
Net Position - End of the Year	<u>\$ 110,873</u>	<u>68,356</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, 2019

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. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

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

Fiduciary Fund Types

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2019 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, 2019.

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, 2019 was as follows:

	Balance			Balance
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Adjustments</u>	<u>June 30, 2019</u>
Governmental Activities:				
Land	\$ 1,068,000	_____	_____	<u>1,068,000</u>
Depreciable Assets:				
Infrastructure		14,750	32,457	47,207
Land Improvements	2,032,010	1,639,947	(14,267)	3,657,690
Buildings	27,081,177	12,166,380		39,247,557
Machinery/Equipment	<u>2,155,861</u>	<u>105,448</u>	(18,190)	<u>2,243,119</u>
Total	<u>31,269,048</u>	<u>13,926,525</u>	_____	<u>45,195,573</u>

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

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance June 30, 2019</u>
Less: Accumulated Depreciation:				
Infrastructure		1,187	7,401	8,588
Land Improvements	1,213,342	92,301	1,151	1,306,794
Buildings	10,859,935	685,842		11,545,777
Equipment	<u>1,801,489</u>	<u>80,290</u>	<u>(8,552)</u>	<u>1,873,227</u>
Total Accumulated Depreciation	<u>13,874,766</u>	<u>859,620</u>	<u> </u>	<u>14,734,386</u>
Net Depreciable Assets	<u>17,394,282</u>	<u>13,066,905</u>	<u> </u>	<u>30,461,187</u>
Governmental Activities Capital Assets (Net)	<u>\$ 18,462,282</u>	<u>13,066,905</u>	<u> </u>	<u>31,529,187</u>
Business-Type Activities:				
Equipment	\$ 472,668			472,668
Less: Accumulated Depreciation:				
Equipment	<u>353,130</u>	<u>20,094</u>	<u> </u>	<u>373,224</u>
Business-Type Capital Assets (Net)	<u>\$ 119,538</u>	<u>(20,094)</u>	<u> </u>	<u>99,444</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years' Accumulated Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Total Accumulated Depreciation</u>
Unallocated	<u>\$ 13,874,766</u>	<u>859,620</u>	<u>14,734,386</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, 2019, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 1,821,401</u>

During the period ended June 30, 2019, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2019 was \$1,821,401 and the bank balance was \$2,191,061. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,941,061 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>1,941,061</u>
	<u>\$ 2,191,061</u>

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance			Balance	Long-Term	2019-20
	June 30, 2018	Additions	Deletions	June 30, 2019	Portion	Payment
Pension Liability	\$ 7,211,282		(1,045,100)	6,166,182	6,166,182	
Compensated Absences Payable	676,670	34,100		710,770	710,770	
Capital Leases Payable	20,114	675,000	(148,624)	546,490	413,788	132,702
Notes Payable	12,033,754			12,033,754		12,033,754
Loans Payable	951,656		(139,234)	812,422	654,380	158,042
Bonds Payable	<u>4,070,000</u>		<u>(510,000)</u>	<u>3,560,000</u>	<u>3,030,000</u>	<u>530,000</u>
	<u>\$ 24,963,476</u>	<u>709,100</u>	<u>(1,842,958)</u>	<u>23,829,618</u>	<u>10,975,120</u>	<u>12,854,498</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 \$812,422 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 \$3,560,000 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,			
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
2023-2024	812,097	40,515	852,612
2023/24 thru 2024/25	<u>635,000</u>	<u>19,050</u>	<u>654,050</u>
	<u>\$ 4,372,422</u>	<u>531,390</u>	<u>4,903,812</u>

Schedule of Bonds Payable

<u>Description</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2019</u>
Community Disaster Loan	2014-2015	1.375%	\$ 812,422
Refunding Bonds	04-30-13	3% to 5%	<u>3,560,000</u>
			<u>\$ 4,372,422</u>

B. Bonds Authorized But Not Issued

As of June 30, 2019, 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 with Manasquan Bank for the field turf. This capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2019.

Year Ended	
<u>June 30</u>	<u>Amount</u>
2020	\$ 146,000
2021	146,000
2022	146,000
2023	<u>142,020</u>
	580,020
Less: Amount Representing Interest	<u>(33,530)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 546,490</u>

Summary of Leases

Field turf lease at 2.40% maturing 11-22-23 with a balance of \$546,490 at 6/30/19.

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, 2019, the State of New Jersey contributed \$3,315,358 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 \$904,652 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/19	\$ 323,157	100%	0
6/30/18	296,574	100%	0
6/30/17	259,057	100%	0

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/19	\$ 3,315,358	100%	0
6/30/18	2,759,005	100%	0
6/30/17	2,326,778	100%	0

Public Employees' Retirement System (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)

The following represents the membership tiers for PERS:

Tier	Definition
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 1/55th 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 1/60th 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, 2017 through June 30, 2018. 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)

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, 2018 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2018.

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 2018, 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, 2019, the District recognized pension expense of \$323,157. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 117,590	31,795
Changes of Assumptions	1,016,085	1,971,617
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		57,839
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	609,700	251,284
District Contributions Subsequent to the Measurement Date	<u>323,157</u>	<u> </u>
Total	<u>\$ 2,066,532</u>	<u>2,312,535</u>

NOTE 4: Pension Plans (Continued)

\$323,157 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending**June 30,**

2019	\$ 42,800
2020	(59,258)
2021	(424,927)
2022	(368,333)
2023	<u>(117,944)</u>
	<u>\$ (927,662)</u>

Additional Information

Collective balances at December 31, 2018 and 2017 are as follows:

	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Collective Deferred Outflows of Resources	\$ 2,066,532	2,719,653
Collective Deferred Inflows of Resources	2,312,535	1,835,613
Collective Net Pension Liability	6,166,182	7,211,282
District's Proportion	.03132%	.03098%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2018 were as follows:

	2018		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 30,434,600,657	42,431,573,511	72,866,174,168
Plan Fiduciary Net Position	<u>6,730,302,564</u>	<u>22,742,071,972</u>	<u>29,472,374,536</u>
Net Pension Liability	<u>\$ 23,704,298,093</u>	<u>19,689,501,539</u>	<u>43,393,799,632</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.11%	53.60%	40.45%

NOTE 4: Pension Plans (Continued)

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

NOTE 4: Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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, 2018, 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:

	<u>2018</u>		
	<u>At 1% Decrease (4.66%)</u>	<u>At Current Discount Rate (5.66%)</u>	<u>At 1% Increase (6.66%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 7,753,263</u>	<u>6,166,182</u>	<u>4,834,722</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.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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

NOTE 4: Pension Plans (Continued)

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, 2018. 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.

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 2018, State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)**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, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 86,797,467,286	90,726,371,000
Plan Fiduciary Net Position	<u>22,991,116,840</u>	<u>23,056,161,829</u>
Net Pension Liability	<u>\$ 63,806,350,446</u>	<u>67,670,209,171</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2018</u>	<u>2017</u>
District's Liability	<u>\$ 70,646,796</u>	<u>76,015,774</u>
District's Proportion	.11072%	.11233%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55 - 4.55%
Thereafter	2.00 - 5.45%
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, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2018 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>2018</u>		
	<u>At 1% Decrease (3.86%)</u>	<u>At Current Discount Rate (4.86%)</u>	<u>At 1% Increase (5.86%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the Net Pension Liability	<u>83,503,171</u>	<u>70,646,796</u>	<u>59,989,174</u>
	<u>\$ 83,503,171</u>	<u>70,646,796</u>	<u>59,989,174</u>

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

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

NOTE 5: Post-Retirement Benefits (Continued)

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provision of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

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 CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

NOTE 5: Post-Retirement Benefits (Continued)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>TPAF</u>	<u>PERS</u>
Salary Increases:			
Through 2026	1.55 – 4.55%	2.15% - 4.15% based on age	2.10% - 8.98% based on age
Thereafter	2.00 – 5.45%	3.15% - 5.15% based on age	3.10% - 9.98% based on age

Preretirement mortality rates were based on the RP-2006 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-2006 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-2006 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, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014, and July 1, 2010 – June 30, 2013 for TPAF, PERS and PFRS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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, 2018 was 3.87%. 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.

NOTE 5: Post-Retirement Benefits (Continued)

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	Total OPEB Liability
Balances at June 30, 2017	\$ 59,777,092
Changes for the Year:	
Service Cost	2,047,025
Interest	2,190,008
Difference Between Expected and Actual Experience	(6,004,195)
Changes in Assumptions or Other Inputs	(5,836,491)
Benefit Payments	(1,359,990)
Member Contributions	<u>47,003</u>
Balance at June 30, 2018	<u>\$ 50,860,452</u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% percent in 2017 to 3.87% percent in 2018.

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:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 60,127,408</u>	<u>50,860,452</u>	<u>43,494,179</u>

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 are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 42,039,126</u>	<u>50,860,452</u>	<u>62,526,994</u>

NOTE 5: Post-Retirement Benefits (Continued)

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 \$2,117,784 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 or resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$	4,937,143
Changes in Proportion		742,357
Changes of Assumptions or Other Inputs	_____	<u>11,400,630</u>
Total	<u>\$</u>	<u>17,080,130</u>

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:	
2020	\$ (2,009,427)
2021	(2,009,427)
2022	(2,009,427)
2023	(2,009,427)
2024	(2,009,427)
Thereafter	<u>(7,032,995)</u>
	<u>\$ (17,080,130)</u>

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.

NOTE 6: Compensated Absences (Continued)

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

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, 2019 no liability existed for compensated absences in the Food Service Fund.

NOTE 7: Capital Reserve Account

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

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

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 375,185
Add: Interest Earned	5,467
Less: Budgeted Withdrawal	(350,000)
Board Resolution Withdrawal	<u>(12,184)</u>
Balance June 30, 2019	<u>\$ 18,468</u>

NOTE 8: Risk Management

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

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

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>
2018-2019	\$ 28,752	30,525	110,873
2017-2018	27,015	22,757	112,646
2016-2017	25,181	7,553	108,388

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, 2019 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, 2019.

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

2018-19 Total General Fund Expenditures Per the CAFR	\$ 32,407,087
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(4,220,010)</u>
Adjusted 2018-19 General Fund Expenditures	<u>\$ 28,187,077</u>
2% of Adjusted 2018-19 General Fund Expenditures	\$ 563,742
Increased by: Allowable Adjustment	<u>17,279</u>
Maximum Unassigned Fund Balance	<u>\$ 581,021</u>

Section 2

Total General Fund – Fund Balances @ 6-30-19	\$ 689,762
Decreased by:	
Other Reserves	(19,868)
Assigned Fund Balance:	
Excess Surplus –Designated for Subsequent Years Expenditures	(92,835)
Designated for Subsequent Years Expenditures by the BOE	(100,000)
Designated Fund Balance - Encumbrances	<u>(44,181)</u>
Total Unassigned Fund Balance	<u>\$ 432,878</u>
Reserve Fund Balance – Excess Surplus	<u>\$ 0</u>

Section 3

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 92,835
Excess Surplus	<u>0</u>
	<u>\$ 92,835</u>

Detail of Allowable Adjustments

Extraordinary Aid	<u>\$ 17,279</u>
-------------------	------------------

Detail of Other Restricted Fund Balance

Capital Reserve	\$ 18,468
Maintenance Reserve	<u>1,400</u>
Total Other Reserved Fund Balance	<u>\$ 19,868</u>

NOTE 14: Fund Balance Appropriated

General Fund – Of the \$689,762 General Fund fund balance at June 30, 2019; \$18,468 has been reserved in the Capital Reserve Account; \$1,400 has been reserved for maintenance reserve; \$100,000 has been designated for subsequent years expenditures by the Board of Education; \$92,835 of Excess Surplus has been designated for subsequent years expenditures, \$432,878 is unassigned and \$44,181 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, 2019 of \$-0-.

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 June 20, 2019, the District had a bond sale to permanently finance school facilities projects in the amount of \$20,680,000. The projects consisted of two referendums, the first project approved on January 24, 2017 and the second project approved on March 12, 2019. The bonds were issued on July 10, 2019. A portion of the proceeds will be used to repay a temporary loan of \$12,033,754 used to finance the projects which was due September 6, 2019.

NOTE 18: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2019.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$	302,569
Capital Projects	302,569	21,015
Debt Service Fund	<u>21,015</u>	<u> </u>
	<u>\$ 323,584</u>	<u>323,584</u>

The interfund due to debt service from capital projects is for interest earned on capital projects funds. The interfund due to Capital Projects from the General Fund is for bond proceeds held in the General Fund. It is anticipated that these interfunds will be liquidated in 2019-2020.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 15,342,558		15,342,558	15,342,558	-
Tuition From Other LEA's	10,658,252		10,658,252	10,544,486	(113,766)
Tuition From Individuals	135,000		135,000	153,633	18,633
Athletic Jointure/Business Office Shared Services	17,000		17,000	17,000	-
Miscellaneous Revenues - Unrestricted	50,038		50,038	18,296	(31,742)
Miscellaneous Revenues - Restricted	30,000		30,000	20,910	(9,090)
Interest			-	42,440	42,440
Total Local Sources	<u>26,232,848</u>	<u>-</u>	<u>26,232,848</u>	<u>26,139,323</u>	<u>(93,525)</u>
State Sources:					
Extraordinary Aid	120,000		120,000	137,866	17,866
Special Education Categorical Aid	539,919		539,919	539,919	-
Transportation Aid	76,841		76,841	76,841	-
Security Aid	83,868		83,868	83,868	-
Adjustment Aid	20,596		20,596	20,596	-
TPAF Pension Contribution			-	3,315,358	3,315,358
TPAF Social Security Contribution			-	904,652	904,652
Total State Sources	<u>841,224</u>	<u>-</u>	<u>841,224</u>	<u>5,079,100</u>	<u>4,237,876</u>
Federal Sources:					
Medicaid Reimbursement	23,789		23,789	34,046	10,257
Total Revenues	<u>27,097,861</u>	<u>-</u>	<u>27,097,861</u>	<u>31,252,469</u>	<u>4,154,608</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	126,702	(50,961)	75,741	75,740	1
Kindergarten - Salaries of Teachers	312,543	(60,220)	252,323	252,322	1
Grades 1-5 - Salaries of Teachers	1,582,180	32,465	1,614,645	1,614,644	1
Grades 6-8 - Salaries of Teachers	1,187,359	(18,176)	1,169,183	1,169,183	-
Grades 9-12 - Salaries of Teachers	4,404,963	86,839	4,491,802	4,489,379	2,423
Total Regular Programs - Instruction	<u>7,613,747</u>	<u>(10,053)</u>	<u>7,603,694</u>	<u>7,601,268</u>	<u>2,426</u>
Regular Programs - Home Instruction:					
Salaries	42,000	(30,922)	11,078	11,077	1
Purchased Professional/Educational Services	10,250	27,042	37,292	37,151	141
Total Regular Programs - Home Instruction	<u>52,250</u>	<u>(3,880)</u>	<u>48,370</u>	<u>48,228</u>	<u>142</u>
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	94,000	(14,253)	79,747	79,747	-
Other Purchased Services	31,390	(3,213)	28,177	26,782	1,395
General Supplies	535,496	(12,522)	522,974	513,251	9,723
Textbooks	23,165	25,622	48,787	48,280	507
Other Objects	3,525	(2,523)	1,002	1,002	-
Total Regular Programs - Undistributed Instruction	<u>687,576</u>	<u>(6,889)</u>	<u>680,687</u>	<u>669,062</u>	<u>11,625</u>
Total Regular Programs - Instruction	<u>8,353,573</u>	<u>(20,822)</u>	<u>8,332,751</u>	<u>8,318,558</u>	<u>14,193</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	459,473	(71,881)	387,592	387,592	-
Other Salaries For Instruction	3,648	9,663	13,311	6,949	6,362
General Supplies	8,731	(6,685)	2,046	2,045	1
Total Learning and/or Language Disabilities	<u>471,852</u>	<u>(68,903)</u>	<u>402,949</u>	<u>396,586</u>	<u>6,363</u>
Multiple Disabilities:					
Salaries of Teachers	74,041	(14,564)	59,477	59,476	1
Other Salaries for Instruction	27,600	54,705	82,305	82,305	-
Total Multiple Disabilities	<u>101,641</u>	<u>40,141</u>	<u>141,782</u>	<u>141,781</u>	<u>1</u>
Resource Room/Center:					
Salaries of Teachers	1,526,826	66,717	1,593,543	1,593,521	22
Other Salaries Instruction	35,486	20,175	55,661	55,659	2
General Supplies	4,675	(1,654)	3,021	3,021	-
Total Resource Room/Center	<u>1,566,987</u>	<u>85,238</u>	<u>1,652,225</u>	<u>1,652,201</u>	<u>24</u>
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	53,127	(7,555)	45,572	45,571	1
Other Salaries For Instruction	29,476	72,624	102,100	102,100	-
Textbooks	4,373	(4,101)	272	271	1
Total Pre-School Disabilities-Full-Time	<u>86,976</u>	<u>60,968</u>	<u>147,944</u>	<u>147,942</u>	<u>2</u>
Home Instruction					
Salaries of Teachers	15,000	(12,315)	2,685	2,685	-
Purchased Professional Educational Services	6,594	(639)	5,955	5,955	-
Total Home Instruction	<u>21,594</u>	<u>(12,954)</u>	<u>8,640</u>	<u>8,640</u>	<u>-</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Special Education - Instruction	2,249,050	104,490	2,353,540	2,347,150	6,390
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	145,171	(38,050)	107,121	107,119	2
General Supplies	1,350	(1,350)	-	-	-
Total Basic Skills/Remedial - Instruction	146,521	(39,400)	107,121	107,119	2
Bilingual Education - Instruction:					
Salaries of Teachers	120,265	1,187	121,452	121,452	-
General Supplies	500	(500)	-	-	-
Total Bilingual Education - Instruction	120,765	687	121,452	121,452	-
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	193,471	5,137	198,608	198,608	-
Purchased Services (300-500 Series)	6,120	(1,974)	4,146	4,145	1
Supplies and Materials	5,915	(583)	5,332	5,332	-
Other Objects	3,010	(1,521)	1,489	1,488	1
Total School Sponsored Co-Curricular	208,516	1,059	209,575	209,573	2
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	460,218	(6,881)	453,337	453,336	1
Purchased Services (300-500 Series)	71,035	(12,536)	58,499	58,493	6
Supplies and Materials	69,816	9,353	79,169	79,152	17
Other Objects	17,130	(7,234)	9,896	9,896	-
Transfers to Cover Deficit (Agency Fund)	24,000	5,737	29,737	29,737	-
Total School Sponsored Co-Curr. Athletics - Instruction	642,199	(11,561)	630,638	630,614	24
Total Distributed Expenditures	11,720,624	34,453	11,755,077	11,734,466	20,611

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within State - Regular	49,482	57,505	106,987	106,986	1
Tuition to County Vocational School:					
Regular	181,580	(58,365)	123,215	121,594	1,621
Special	25,960	(3,300)	22,660	22,330	330
Tuition to Private Schools for the Disabled - Within State	751,404	(164,227)	587,177	574,686	12,491
Tuition-State Facilities	36,247		36,247	36,247	
Total Instruction	<u>1,044,673</u>	<u>(168,387)</u>	<u>876,286</u>	<u>861,843</u>	<u>14,443</u>
Attendance & Social Work:					
Salaries	40,304	(1,680)	38,624	38,622	2
Health Services:					
Salaries	231,210	7,053	238,263	238,262	1
Purchased Professional/Technical Services		1,271	1,271	1,271	-
Other Purchased Services (400-500 Series)	650	(367)	283	283	-
Supplies and Materials	3,547	3,927	7,474	7,472	2
Other Objects	406	48	454	454	-
Total Health Services	<u>235,813</u>	<u>11,932</u>	<u>247,745</u>	<u>247,742</u>	<u>3</u>
Other Support Services Students Related Services:					
Salaries	252,892	10,108	263,000	263,000	-
Purchased Professional Educational Services	33,000	(11,070)	21,930	21,930	-
Supplies and Materials	1,858	(153)	1,705	1,596	109
Total Other Support Services Students Related Services	<u>287,750</u>	<u>(1,115)</u>	<u>286,635</u>	<u>286,526</u>	<u>109</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services Students Extraordinary Services:					
Salaries	326,806	(5,764)	321,042	321,040	2
Purchased Professional Educational Services		646	646	646	-
Supplies		2,499	2,499	2,498	1
Total Other Support Srvs. Students Extraordinary Srvs.	<u>326,806</u>	<u>(2,619)</u>	<u>324,187</u>	<u>324,184</u>	<u>3</u>
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	638,755	(5,215)	633,540	633,539	1
Salaries of Secretarial & Clerical Assistants	69,236	3,381	72,617	72,616	1
Purchased Professional/Educational Services	3,300	(735)	2,565	2,564	1
Purchased Professional/Technical Services	46,744	923	47,667	47,666	1
Other Purchased Services	3,289	(414)	2,875	2,875	-
Supplies and Materials	6,656	(3,812)	2,844	2,835	9
Other Objects	2,791	(2,417)	374	374	-
Total Other Support Srvs. Students - Regular Services	<u>770,771</u>	<u>(8,289)</u>	<u>762,482</u>	<u>762,469</u>	<u>13</u>
Other Support Services Students - Special:					
Salaries of Other Professional Staff	594,673	(19,698)	574,975	574,971	4
Salaries of Secretarial & Clerical Assistants	68,075	2,379	70,454	70,452	2
Purchased Professional Educational Services	5,000	1,053	6,053	6,053	-
Other Purchased Professional/Technical Services	17,000	2,501	19,501	19,500	1
Misc. Purchased Services (400-500 Series)	12,756	(6,952)	5,804	5,803	1
Supplies and Materials	3,944	225	4,169	4,168	1
Other Objects	2,100	(730)	1,370	1,370	-
Total Other Support Services Students - Special	<u>703,548</u>	<u>(21,222)</u>	<u>682,326</u>	<u>682,317</u>	<u>9</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1

Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	457,345	(44,429)	412,916	412,914	2
Salaries of Other Professional Staff	100,382	37,168	137,550	98,831	38,719
Salaries of Secretarial & Clerical Assistants	48,861	(40,971)	7,890	7,890	-
Other Purchased Services (400-500 Series)	2,200	2,165	4,365	4,324	41
Supplies & Materials	4,410	(2,781)	1,629	1,628	1
Other Objects	2,640	(1,669)	971	971	-
Total Improvement of Instructional Services	615,838	(50,517)	565,321	526,558	38,763
Educational Media/School Library:					
Salaries	144,684	339	145,023	145,022	1
Salaries of Technology Coordinators	356,936	5,038	361,974	361,971	3
Other Purchased Services (400-500 Series)	20,895	(2,614)	18,281	18,199	82
Supplies and Materials	9,049	197	9,246	9,232	14
Other Objects	1,220		1,220	1,220	-
Total Educational Media/School Library	532,784	2,960	535,744	535,644	100
Staff Training:					
Salaries of Other Professional Staff		3,000	3,000	3,000	-
Salaries of Secretarial/Clerical Assistants	5,418	(4,541)	877	877	-
Purchased Professional Educational Services	14,825	(8,601)	6,224	6,223	1
Other Purchased Services	800	(497)	303	302	1
Total Staff Training	21,043	(10,639)	10,404	10,402	2

MANASQUAN SCHOOL DISTRICT

Exhibit C-1

Sheet 8 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - General Administration:					
Salaries	292,917	1,911	294,828	294,826	2
Legal Services	111,085	(478)	110,607	110,605	2
Audit Fees	12,500		12,500	12,500	-
Architectural/Engineering Services	700	(700)	-		-
Other Purchased Services		14,737	14,737	14,736	1
Purchased Technical Services	29,210	(5,269)	23,941	23,940	1
Communications/Telephone	87,680	(11,436)	76,244	75,699	545
Miscellaneous Purchased Services	80,540	(4,516)	76,024	76,022	2
General Supplies	8,482	2,564	11,046	11,046	-
Judgments Against the School District	31,000	(1,000)	30,000	30,000	-
Miscellaneous Expenditures	6,500	2,081	8,581	8,580	1
Membership Dues and Fees	10,855		10,855	10,854	1
Total Support Services - General Administration	<u>671,469</u>	<u>(2,106)</u>	<u>669,363</u>	<u>668,808</u>	<u>555</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	754,635	487	755,122	755,121	1
Salaries of Other Professional Staff	48,806	(1)	48,805	48,805	-
Salaries of Secretarial & Clerical Assistants	336,129	25,121	361,250	361,249	1
Purchased Professional & Technical Services	2,500	(134)	2,366	2,366	-
Other Purchased Services (400-500 Series)	57,432	(4,883)	52,549	52,547	2
Supplies & Materials	30,725	(10,735)	19,990	19,630	360
Other Objects	10,500	(3,642)	6,858	6,858	-
Total Support Services - School Administration	<u>1,240,727</u>	<u>6,213</u>	<u>1,246,940</u>	<u>1,246,576</u>	<u>364</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - Central Services:					
Salaries of Business Office	453,400	3,543	456,943	456,941	2
Other Purchased Professional Services	1,025	50	1,075	1,075	-
Purchased Technical Services	17,479	1,015	18,494	18,494	-
Other Purchased Services (400-500 Series)	1,713	1,563	3,276	3,269	7
Supplies	7,616	2,476	10,092	10,092	-
Miscellaneous Expenditures	3,290	1,823	5,113	5,112	1
Total Support Services - Central Services	<u>484,523</u>	<u>10,470</u>	<u>494,993</u>	<u>494,983</u>	<u>10</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	54,284	362,003	416,287	414,244	2,043
Total Required Maintenance for School Facilities	<u>54,284</u>	<u>362,003</u>	<u>416,287</u>	<u>414,244</u>	<u>2,043</u>
Other Operations & Maintenance of Plant:					
Salaries	727,019	34,502	761,521	761,518	3
Salaries of Non-Instructional Aides	81,913	(15,917)	65,996	65,995	1
Purchased Professional/Technical Services	54,600		54,600	54,600	-
Cleaning, Repair & Maintenance Services	181,914	(58,577)	123,337	123,335	2
Other Purchased Property Services	11,700	(187)	11,513	11,512	1
Insurance	153,715	(323)	153,392	153,391	1
General Supplies	87,586	15,357	102,943	102,941	2
Energy (Electricity)	334,712	(69,587)	265,125	265,124	1
Other Objects	3,594	625	4,219	3,658	561
Energy (Natural Gas)	175,460	(51,560)	123,900	123,899	1
Total Other Operations and Maintenance of Plant	<u>1,812,213</u>	<u>(145,667)</u>	<u>1,666,546</u>	<u>1,665,973</u>	<u>573</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1

Sheet 10 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care and Upkeep of Grounds:					
Salaries	194,654	(21,573)	173,081	173,080	1
Cleaning, Repair and Maintenance Services	10,000	50,033	60,033	60,032	1
General Supplies	30,673	(1,993)	28,680	28,679	1
Total Care and Upkeep of Grounds	<u>235,327</u>	<u>26,467</u>	<u>261,794</u>	<u>261,791</u>	<u>3</u>
Total Operations & Maintenance	<u>2,101,824</u>	<u>242,803</u>	<u>2,344,627</u>	<u>2,342,008</u>	<u>2,619</u>
Security:					
Salaries	124,561	20,023	144,584	144,583	1
Purchased Professional and Technical Services	21,299	(4,441)	16,858	16,854	4
General Supplies	1,400	17,402	18,802	18,801	1
Total Security	<u>147,260</u>	<u>32,984</u>	<u>180,244</u>	<u>180,238</u>	<u>6</u>
Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	171,001	(8,504)	162,497	162,496	1
Contracted Services - Between Home/School - Joint Agreements	27,956	(13,625)	14,331	14,245	86
Contracted Services Regular - ESCs & CTSAs	183,818	(26,732)	157,086	157,085	1
Contracted Services Special - ESCs & CTSAs	291,255	516	291,771	291,770	1
Contracted Services Aid-In-Lieu Non-Public	8,800	(3,345)	5,455	5,454	1
Total Student Transportation	<u>682,830</u>	<u>(51,690)</u>	<u>631,140</u>	<u>631,050</u>	<u>90</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	327,000	48,771	375,771	372,284	3,487
Other Retirement Contributions-PERS	333,990	(10,833)	323,157	323,157	-
Unemployment Compensation	500	(59)	441	439	2
Workmen's Compensation	150,443	14,832	165,275	165,275	-
Health Benefits	3,692,866	(165,052)	3,527,814	3,499,814	28,000
Tuition Reimbursement	8,000	14,706	22,706	22,706	-
Other Employee Benefits	366,925	49,738	416,663	414,665	1,998
Total Unallocated Benefits	<u>4,879,724</u>	<u>(47,897)</u>	<u>4,831,827</u>	<u>4,798,340</u>	<u>33,487</u>
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	3,315,358	(3,315,358)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	904,652	(904,652)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,220,010</u>	<u>(4,220,010)</u>
Total Personal Services - Employee Benefits	<u>4,879,724</u>	<u>(47,897)</u>	<u>4,831,827</u>	<u>9,018,350</u>	<u>(4,186,523)</u>
Total Undistributed Expenditures	<u>14,787,687</u>	<u>(58,799)</u>	<u>14,728,888</u>	<u>18,858,320</u>	<u>(4,129,432)</u>
Total General Current Expense	<u>26,508,311</u>	<u>(24,346)</u>	<u>26,483,965</u>	<u>30,592,786</u>	<u>(4,108,821)</u>
Capital Outlay:					
Instruction					
Grades 1-5	2,550		2,550	2,524	26
Grades 9-12	3,998		3,998	3,998	-
Interest to Capital Reserve:					
Equipment:					
Care and Upkeep of Grounds		51,604	51,604	51,603	1
Required Maintenance for School Facilities		2,058	2,058	2,057	1
Total Regular Programs - Instruction	<u>6,548</u>	<u>53,662</u>	<u>60,210</u>	<u>60,182</u>	<u>28</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisition & Construction Services:					
Lease Purchase Agreement-Principal	120,000		120,000	120,000	-
Interest on Lease Purchase	15,000		15,000	14,045	955
Architectural/Engineering Service		34,828	34,828	32,214	2,614
Construction	1,585,934		1,585,934	1,560,751	25,183
Assessment for Debt Service on SDA Funding	27,109		27,109	27,109	-
Total Facilities Acquisition & Construction Services	<u>1,748,043</u>	<u>34,828</u>	<u>1,782,871</u>	<u>1,754,119</u>	<u>28,752</u>
Total Capital Outlay	<u>1,754,591</u>	<u>88,490</u>	<u>1,843,081</u>	<u>1,814,301</u>	<u>28,780</u>
Total Expenditures	<u>28,262,902</u>	<u>64,144</u>	<u>28,327,046</u>	<u>32,407,087</u>	<u>(4,080,041)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,165,041)</u>	<u>(64,144)</u>	<u>(1,229,185)</u>	<u>(1,154,618)</u>	<u>74,567</u>
Other Financing Sources/Uses:					
Loan Proceeds	675,000		675,000	675,000	
Total Other Financing Sources/Uses	<u>675,000</u>	<u>-</u>	<u>675,000</u>	<u>675,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources Uses	<u>(490,041)</u>	<u>(64,144)</u>	<u>(554,185)</u>	<u>(479,618)</u>	<u>74,567</u>
Fund Balance July 1	<u>1,169,380</u>		<u>1,169,380</u>	<u>1,169,380</u>	
Fund Balance June 30	<u>\$ 679,339</u>	<u>(64,144)</u>	<u>615,195</u>	<u>689,762</u>	<u>74,567</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 18,468	
Maintenance Reserve				1,400	
Assigned Fund Balance:					
Reserved for Encumbrances				44,181	
Designated For Subsequent Year's Expenditures - Excess Surplus				92,835	
Designated For Subsequent Year's Expenditures - by the Board of Education				100,000	
Unassigned Fund Balance				<u>432,878</u>	
				689,762	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(55,088)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 634,674</u>	

MANASQUAN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources	\$ -	72,902	72,902	59,387	13,515
State Sources		22,502	22,502	995	21,507
Federal Sources	2,500	423,161	425,661	405,570	20,091
Total Revenues	<u>\$ 2,500</u>	<u>518,565</u>	<u>521,065</u>	<u>465,952</u>	<u>55,113</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	91,740	91,740	85,740	6,000
Purchased Professional Educational Services		1,000	1,000	305	695
Other Purchased Services		270,682	270,682	262,090	8,592
General Supplies		70,869	70,869	50,420	20,449
Other Objects		2,000	2,000	1,894	106
Total Instruction	<u>-</u>	<u>436,291</u>	<u>436,291</u>	<u>400,449</u>	<u>35,842</u>
Support Services:					
Personal Services - Salaries		18,358	18,358	15,058	3,300
Personal Services - Employee Benefits		22,407	22,407	21,795	612
Purchased Professional - Educational Services		29,826	29,826	26,826	3,000
Other Purchased Services		5,762	5,762	829	4,933
General Supplies		1,533	1,533		1,533
Other Objects		1,888	1,888	995	893
Total Support Services	<u>-</u>	<u>79,774</u>	<u>79,774</u>	<u>65,503</u>	<u>14,271</u>
Facilities Acquisition and Construction Services:					
Non Instructional Equipment		5,000	5,000		5,000
Total Expenditures	<u>\$ -</u>	<u>521,065</u>	<u>521,065</u>	<u>465,952</u>	<u>55,113</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

MANASQUAN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULE

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 31,252,469	456,952
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(12,580)
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes	58,824	
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	<u>(55,088)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 31,256,205</u>	<u>444,372</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 32,407,087	456,952
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		<u>(12,580)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 32,407,087</u>	<u>444,372</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

NET PENSION LIABILITY - PERS

Exhibit L-1

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,166,182	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>\$ 6,166,182</u>	<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	\$ 2,282,233	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	37.01%	30.55%	25.01%	28.43%	37.79%	32.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 296,574	259,057	259,057	231,784	226,913	226,075
Contributions in Relation to the Contractually Required Contribution	296,574		259,057	231,784	226,913	226,075
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>259,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 2,282,233	2,203,234	2,088,171	1,885,241	1,893,025	1,836,940
Contributions as a Percentage of Covered-Employee Payroll	12.99%	11.76%	12.41%	12.29%	11.99%	12.31%

MANASOUAN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>70,646,796</u>	<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>\$ 70,646,796</u>	<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	\$ 11,978,183	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	16.96%	15.87%	12.51%	17.13%	17.35%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

MANASQUAN SCHOOL DISTRICTSCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOSLAST THREE FISCAL YEARS

Exhibit M-1

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>State's OPEB Liability Attributable to the District</u>			
Service Cost	\$ 2,047,025	2,470,756	*
Interest	2,190,008	1,893,637	*
Benefit Payments	(1,359,990)	(1,384,564)	*
Member Contributions	47,003	50,983	*
Difference between Expected and Actual Experience	(6,004,195)		*
Change of Assumptions	<u>(5,836,491)</u>	<u>(7,888,479)</u>	*
Net Change in Total OPEB Liability	(8,916,640)	(4,857,667)	*
Total Attributable OPEB Liability - Beginning	<u>59,777,092</u>	<u>64,634,759</u>	*
Total Attributable OPEB Liability - Ending	<u><u>\$ 50,860,452</u></u>	<u><u>59,777,092</u></u>	<u><u>64,634,759</u></u>
District's Covered Payroll	\$ 14,260,416	14,264,605	13,379,956
District's Contribution	None	None	None
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	356.65%	419.06%	483.07%

* - 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.

MANASQUAN SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Exhibit M-2

Change of Benefit Terms

None

Changes of Assumptions

The Discount Rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

MANASQUAN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Teacher Recognition</u>	<u>Sustainable Jersey</u>	<u>Scoreboard Donation</u>	<u>Friends of Spring Lake</u>	<u>NJSBAIG Safety Grant</u>	<u>Shaping New Jersey</u>	<u>Jim Fagan Memorial</u>	<u>Weight Room Grant</u>	<u>Other Local Project</u>	<u>MFC Track Scoreboard Grant</u>	<u>192 Nonpublic Transportation</u>	<u>193 Nonpublic Exam and Classification</u>
Revenues:												
State Sources	\$ -										102	893
Federal Sources												
Local Revenues	1,653	377	1,800	250	5,064	7,633	50	10	250	55		
Total Revenues	\$ 1,653	377	1,800	250	5,064	7,633	50	10	250	55	102	893
Expenditures:												
Instruction:												
Salaries of Teachers	\$ -								250			
Purchased Professional Educational Services												
Other Purchased Services												
General Supplies	1,653	377	1,800	250		7,633	50	10		55		
Other Objects												
Total Instruction	1,653	377	1,800	250	-	7,633	50	10	250	55	-	-
Support Services:												
Personal Services - Salaries					5,058							
Personal Services - Employee Benefits												
Purchased Professional Educational Services					6							
Other Purchased Services												
Supplies and Materials												
Other Objects											102	893
Total Support Services	-	-	-	-	5,064	-	-	-	-	-	102	893
Facilities Acquisition and Construction Services:												
Instructional Equipment												
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,653	377	1,800	250	5,064	7,633	50	10	250	55	102	893

MANASQUAN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Title I</u>	<u>Title II A</u>	<u>Title IV</u>	<u>I.D.E.A Flow-Thru Part B</u>	<u>I.D.E.A. Flow-Thru Preschool</u>	<u>MES PTO Library</u>	<u>MES PTO Staff</u>	<u>2016 MES Education Foundation</u>	<u>2017 MES Education Foundation</u>	<u>2018 MES Education Foundation</u>	<u>Borough of Manasquan Security</u>	<u>Totals</u>
Revenues:												
State Sources												995
Federal Sources	82,332	15,529	11,052	288,977	7,680							405,570
Local Revenues						22	14	776	5,314	10,119	26,000	59,387
Total Revenues	82,332	15,529	11,052	288,977	7,680	22	14	776	5,314	10,119	26,000	465,952
Expenditures:												
Instruction:												
Salaries of Teachers	59,010			480							26,000	85,740
Purchased Professional Educational Services				305								305
Other Purchased Services				262,090								262,090
General Supplies	3,135		3,719	9,613	5,880	22	14	776	5,314	10,119		50,420
Other Objects	1,894											1,894
Total Instruction	64,039	-	3,719	272,488	5,880	22	14	776	5,314	10,119	26,000	400,449
Support Services:												
Personal Services - Salaries			5,000	5,000								15,058
Personal Services - Employee Benefits	18,293	2,700	383	419								21,795
Purchased Professional Educational Services		12,000	1,950	11,070	1,800							26,826
Other Purchased Services		829										829
Supplies and Materials												-
Other Objects												995
Total Support Services	18,293	15,529	7,333	16,489	1,800	-	-	-	-	-	-	65,503
Facilities Acquisition and Construction Services:												
Instructional Equipment												-
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	82,332	15,529	11,052	288,977	7,680	22	14	776	5,314	10,119	26,000	465,952

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, 2019Revenues and Other Financing Sources

Temporary Revenue from Bond	\$ 413,600
Interest Earned Temporary Note	23,813
Total Revenues	<u>437,413</u>

Expenditures and Other Financing Uses

Legal Services	11,143
Architectural/Engineering Services/Professional Services	275,999
Construction Services	6,190,597
Election Costs	12,690
Total Expenditures	<u>6,490,429</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures (6,053,016)

Other Financing (Uses):

Interest due Debt Service	(23,813)
Total Other Financing (Uses)	<u>(23,813)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses (6,076,829)

Fund Balance - Beginning 6,744,530

Fund Balance - Ending \$ 667,701

MANASQUAN SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

REFERENDUM #1

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Temporary Note	\$ 12,033,754	-	12,033,754	12,033,754
Total Revenues	<u>12,033,754</u>	<u>-</u>	<u>12,033,754</u>	<u>12,033,754</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	11,931	6,143	18,074	18,074
Other Purchased Professional and Technical Services	1,233,886	190,679	1,424,565	1,455,078
Construction Services	4,027,193	6,190,597	10,217,790	10,544,388
Other Objects	16,214	-	16,214	16,214
Total Expenditures	<u>5,289,224</u>	<u>6,387,419</u>	<u>11,676,643</u>	<u>12,033,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,744,530</u>	<u>(6,387,419)</u>	<u>357,111</u>	<u>-</u>

Additional Project Information

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	97%
Original Target Completion Date	11/1/18
Revised Target Completion Date	1/1/19

MANASQUAN SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISREFERENDUM #2FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Temporary Note	\$ -	413,600	413,600	413,600
Total Revenues	-	413,600	413,600	413,600
<u>Expenditures and Other Financing Uses</u>				
Legal Services		5,000	5,000	5,000
Other Purchased Professional and Technical Services			85,320	395,909
Other Objects			12,690	12,691
Total Expenditures	-	5,000	103,010	413,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	408,600	310,590	-

Additional Project Information

Project Number

Grant Date	N/A
Note Authorization Date	9/9/17
Authorized Note	413,600
Notes Issued	413,600
Original Authorized Cost	413,600
Additional Authorized Cost	
Revised Authorized Cost	413,600
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	25%
Original Target Completion Date	11/1/19
Revised Target Completion Date	11/1/19

PROPRIETARY FUNDS – G

MANASQUAN SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET POSITIONENTERPRISE FUNDSJUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	Aftercare Program	Surf Team	
<u>Assets</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 71,970	25,839	72	97,881
Accounts Receivable:				
Federal	4,607			4,607
State	142			142
Other	2,327			2,327
Inventories	1,443			1,443
Total Current Assets	<u>80,489</u>	<u>25,839</u>	<u>72</u>	<u>106,400</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	472,668			472,668
Less: Accumulated Depreciation	(373,224)			(373,224)
Total Noncurrent Assets	<u>99,444</u>	<u>-</u>	<u>-</u>	<u>99,444</u>
Total Assets	<u>\$ 179,933</u>	<u>25,839</u>	<u>72</u>	<u>205,844</u>
<u>Net Position</u>				
Invested in Capital Assets net of Related Debt	\$ 99,444			99,444
Unrestricted	<u>80,489</u>	<u>25,839</u>	<u>72</u>	<u>106,400</u>
Total Net Position	<u>\$ 179,933</u>	<u>25,839</u>	<u>72</u>	<u>205,844</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES ANDCHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	Aftercare Program	Surf Team	
Operating Revenues:				
Charge for Services:				
Daily Sales-Reimbursable Programs	\$ 75,663			75,663
Daily Sales-Non-Reimbursable Programs	478,864			478,864
Fees		52,175	8,650	60,825
Football Shack	7,716			7,716
Catering	15,156			15,156
Total Operating Revenues	<u>577,399</u>	<u>52,175</u>	<u>8,650</u>	<u>638,224</u>
Operating Expenses:				
Cost of Sales-Reimbursable Programs	38,952			38,952
Cost of Sales-Non-Rembursable Programs	239,274			239,274
Salaries	227,930	36,750		264,680
Employee Benefits	32,580	2,811		35,391
Worker's Compensation	8,800			8,800
Cost of Supplies	25,916	310		26,226
General Liability Insurance	28,710			28,710
Management Fees	21,000			21,000
Miscellaneous	57,763	26,000	9,824	93,587
Depreciation	20,094			20,094
Total Operating Expenses	<u>701,019</u>	<u>65,871</u>	<u>9,824</u>	<u>776,714</u>
Operating Income (Loss)	(123,620)	(13,696)	(1,174)	(138,490)
Nonoperating Revenues (Expenses):				
Interest Revenue	1,148	374	19	1,541
State Sources:				
State School Lunch Program	2,305			2,305
Federal Sources:				
National School Lunch Program	67,674			67,674
HHFKA Lunch Program	2,656			2,656
Food Distribution Program	10,560			10,560
Total Nonoperating Revenues (Expenses)	<u>84,343</u>	<u>374</u>	<u>19</u>	<u>84,736</u>
Change in Net Position	(39,277)	(13,322)	(1,155)	(53,754)
Total Net Position - Beginning	<u>219,210</u>	<u>39,161</u>	<u>1,227</u>	<u>259,598</u>
Total Net Position - Ending	<u>\$ 179,933</u>	<u>25,839</u>	<u>72</u>	<u>205,844</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWSENTERPRISE FUNDSJUNE 30, 2019**Business-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	\$ 577,399	52,175	8,650	638,224
Payments to Employees	(227,930)	(36,750)		(264,680)
Payments to Suppliers	(428,386)	(29,121)	(9,824)	(467,331)
Net Cash Provided (Used by) Operating Activities	<u>(78,917)</u>	<u>(13,696)</u>	<u>(1,174)</u>	<u>(93,787)</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	2,305			2,305
Federal Sources	70,330			70,330
Net Cash Provided (Used by) Noncapital Financing Activities	<u>72,635</u>	<u>-</u>	<u>-</u>	<u>72,635</u>
Cash Flows from Investing Activities:				
Interest Received	1,148	374	19	1,541
Net Increase (Decrease) in Cash & Cash Equivalents	(5,134)	(13,322)	(1,155)	(19,611)
Balances - Beginning of Year	77,104	39,161	1,227	117,492
Balances - End of Year	<u>\$ 71,970</u>	<u>25,839</u>	<u>72</u>	<u>97,881</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income	\$ (123,620)	(13,696)	(1,174)	(138,490)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities				
Depreciation	20,094			20,094
Federal Commodities	10,560			10,560
(Increase)/Decrease in Accounts Receivable	13,378			13,378
(Increase)/Decrease in Inventories	671			671
Net Cash Provided (Used by) Operating Activities	<u>\$ (78,917)</u>	<u>(13,696)</u>	<u>(1,174)</u>	<u>(93,787)</u>

FIDUCIARY FUND – H

MANASQUAN SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	<u>Student Activities</u>	<u>Flexible Spending Account</u>	<u>Net Payroll</u>	<u>Agency Account</u>	<u>Staff Account</u>	<u>Non-Expendable Trust Scholarship</u>	<u>Unemployment</u>	<u>Totals June 30, 2019</u>
Assets:								
Cash and Cash Equivalents	\$ 276,480	13,548	2,484	4,388	3,696	68,356	110,873	479,825
Total Assets	<u>\$ 276,480</u>	<u>13,548</u>	<u>2,484</u>	<u>4,388</u>	<u>3,696</u>	<u>68,356</u>	<u>110,873</u>	<u>479,825</u>
Liabilities:								
Due to Student Groups	\$ 276,480							276,480
Payroll Withholdings		13,548	2,484	4,388				20,420
Total Liabilities	<u>\$ 276,480</u>	<u>13,548</u>	<u>2,484</u>	<u>4,388</u>				<u>296,900</u>
Net Position:								
Reserved - Unemployment Benefits					\$ -		110,873	110,873
Reserved - Staff Account					3,696			3,696
Reserved - Scholarships						68,356		68,356
Total Net Position					<u>\$ 3,696</u>	<u>68,356</u>	<u>110,873</u>	<u>182,925</u>

MANASQUAN SCHOOL DISTRICT

Exhibit H-2

SCHOLARSHIP NONEXPENDABLE TRUST FUND

STATEMENT OF CHANGES

IN FIDUCIARY NET POSITION

JUNE 30, 2019

	<u>2019</u>
Additions:	
Deposits	\$ 34,452
Interest on Investments	1,482
Total Additions	<u>35,934</u>
Deductions:	
Scholarship Payments	<u>37,700</u>
Total Deductions	<u>37,700</u>
Change in Net Position	(1,766)
Net Position June 30, 2018	<u>70,122</u>
Net Position June 30, 2019	<u>\$ 68,356</u>

MANASQUAN SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Elementary School:				
Manasquan Elementary	\$ 31,111	69,768	59,237	41,642
High School:				
Recording Studio	7,530	1,317	3,227	5,620
Technology Device Account	7,232	65,188	65,071	7,349
Manasquan High School	<u>228,490</u>	<u>268,589</u>	<u>275,210</u>	<u>221,869</u>
Total - All Schools	<u>\$ 274,363</u>	<u>404,862</u>	<u>402,745</u>	<u>276,480</u>

MANASQUAN SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Assets:				
Cash and Cash Equivalents	\$ 1,321	11,194,806	11,191,739	4,388
Total Assets	<u>\$ 1,321</u>	<u>11,194,806</u>	<u>11,191,739</u>	<u>4,388</u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	\$ 1,321	11,194,806	11,191,739	4,388
Total Liabilities	<u>\$ 1,321</u>	<u>11,194,806</u>	<u>11,191,739</u>	<u>4,388</u>

LONG-TERM DEBT – I

MANASQUAN SCHOOL DISTRICT

Exhibit I-1

GENERAL LONG-TERM DEBT ACCOUNT GROUP

SCHEDULE OF LONG-TERM DEBT GROUP

JUNE 30, 2019

<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, 2018</u>	<u>Paid</u>	<u>Ending Balance June 30, 2019</u>
Refunding Issue of 2013 Addition to Elementary School	4-30-13	\$ 5,550,000	1-15-20 1-15-21 1-15-22 1-15-23 1-15-24 1-15-25	\$ 530,000 555,000 580,000 615,000 645,000 635,000	4.000% 5.000% 3.000%	\$ 4,070,000	510,000	3,560,000
Community Disaster Loan	2014/2015	3,033,599	7-18-19 7-18-20 7-18-21 7-18-22 7-18-23	158,042 160,215 162,418 164,650 167,097	1.375%	951,656	139,234	812,422
						<u>\$ 5,021,656</u>	<u>649,234</u>	<u>4,372,422</u>

MANASQUAN SCHOOL DISTRICT

Exhibit I-1a

GENERAL LONG-TERM DEBT ACCOUNT GROUP

SCHEDULE OF LOANS PAYABLE

JUNE 30, 2019

<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, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance June 30, 2019</u>
2017 Referendum	9/11/2017	\$ 12,033,754	9/6/2018	\$ 12,033,754	1.35%	\$ 12,033,754		12,033,754	-
2017 Referendum	9/6/2018	12,033,754	9/6/2019	12,033,754	3.30%	-	12,033,754		12,033,754
						<u>\$ 12,033,754</u>	<u>12,033,754</u>	<u>12,033,754</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, 2019

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2018</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2019</u>
Ricoh Copiers	2.89%	\$ 71,556	\$ 6,381		6,381	-
Ricoh Copiers	3.77%	24,673	2,755		2,755	-
Ricoh Copiers	4.89%	35,436	10,978		7,670	3,308
Ricoh Copiers	5.66%	101,668		101,668	6,974	94,694
Field Lease	2.40%	675,000	-	675,000	128,510	546,490
			<u>\$ 20,114</u>	<u>776,668</u>	<u>152,290</u>	<u>644,492</u>

MANASQUAN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Fund to Actual
Revenues:					
Local Sources					
Local Tax Levy	838,815	-	838,815	838,815	-
Debt Service Aid	43,354		43,354	43,354	
Total Revenues	882,169	-	882,169	882,169	-
Expenditures:					
Regular Debt Service Interest	162,400		162,400	162,400	
Redemption of Principal	510,000		510,000	510,000	
Debt Service Interest - ERIP Bonds	43,354	14,665	58,019	58,019	
Debt Service Interest - CDL Loans	29,979		29,979	29,979	
Redemption of Principal - CDL Loans	139,234		139,234	139,234	
Total Expenditures	884,967	14,665	899,632	899,632	-
Excess Revenues Over Expenditures	(2,798)	(14,665)	(17,463)	(17,463)	-
Other Financing Sources/(Uses):					
Transfer from Capital Projects				23,813	23,813
Total Other Financing Sources (Uses)	-	-	-	23,813	23,813
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	(2,798)	(14,665)	(17,463)	6,350	23,813
Fund Balance July 1	14,666		14,666	14,666	-
Fund Balance June 30	\$ 11,868	(14,665)	(2,797)	21,016	23,813

STATISTICAL SECTION

(Unaudited)

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

Fiscal Year Ending June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	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	14,576,521
Restricted	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785	554,816	385,185	618,453
Unrestricted	(389,542)	96,800	(38,284)	22,838	(594,876)	(5,628,782)	(5,861,884)	(2,483,907)	(726,394)	(6,855,041)
Total governmental activities net assets	10,813,707	11,482,418	12,428,636	12,710,957	13,654,152	6,664,748	5,775,920	4,559,149	2,017,319	8,339,933
Business-type activities										
Invested in capital assets, net of related debt	178,410	159,107	169,502	169,286	166,533	183,013	131,750	112,479	119,538	99,444
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	89,060	81,322	72,550	75,843	62,748	26,448	79,628	100,736	140,060	106,400
Total business-type net assets	267,470	240,429	242,052	245,129	229,281	209,461	211,378	213,215	259,598	205,844
District-wide										
Invested in capital assets, net of related debt	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	14,675,965
Restricted	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785	554,816	385,185	618,453
Unrestricted	(300,482)	178,122	34,266	98,681	(532,128)	(5,602,334)	(5,782,256)	(2,383,171)	(586,334)	(6,748,641)
Total District Net Assets	11,081,177	11,722,847	12,670,688	12,956,086	13,883,433	6,874,209	5,987,298	4,772,364	2,276,917	8,545,777

Source: CAFRE Schedule A-1

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

Fiscal Year Ending June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	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	8,352,658
Special education	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	2,735,019
Other special education	279,203	134,068	139,112	112,527	147,703	511,598	798,855	216,132	191,261	228,571
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	772,300	760,384	797,543	710,900	706,050	731,633	743,062	732,851	845,467	840,187
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	648,534	574,831	728,556	788,073	721,990	751,334	920,639	741,469	1,039,062	861,843
Student & instruction related services	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	3,479,967
General administrative services	555,444	526,375	657,133	651,981	611,877	609,263	634,576	1,713,755	620,418	668,808
School & Business Administrative Svcs	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	1,741,559
Unallocated Benefits	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	9,103,293
Plant operations and maintenance	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	2,522,246
Pupil transportation	488,417	351,776	392,692	392,999	432,476	506,389	554,515	553,740	654,897	631,050
FEMA Loan Payable	-	-	-	-	-	-	839,651	-	-	-
Capital Outlay	-	-	-	-	-	-	51,245	646,257	2,260,389	0
Special Schools	-	-	-	-	-	-	-	-	-	-5,095,419
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	383,508	359,470	333,738	244,608	258,283	259,874	240,110	239,612	219,914	452,143
Unallocated depreciation	516,764	698,880	827,188	818,422	704,421	681,910	684,889	690,081	710,257	859,620
Total Governmental Activities Expenses	25,155,284	24,904,598	26,194,163	27,210,048	25,646,396	27,368,217	28,845,197	29,191,527	32,297,487	27,381,545
Business-Type Activities:										
Food service	637,527	659,787	629,346	647,049	704,878	702,665	704,194	742,636	788,855	776,714
Surf Team	-	3,870	9,749	2,828	23,462	12,096	-	-	-	-
Total Business-Type Activities Expense	637,527	663,657	639,095	649,877	728,340	714,761	704,194	742,636	788,855	776,714
Total District Expenses:	25,792,811	25,568,255	26,833,258	27,859,925	26,374,736	28,082,978	29,549,391	29,934,163	33,086,342	28,158,259
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	788,073	721,990	751,334	937,639	741,469	1,039,062	861,843
Operating grants and contributions	811,247	673,525	506,399	539,995	425,888	457,252	620,046	576,315	446,380	453,372
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Rev.	811,247	673,525	506,399	1,328,068	1,147,878	1,208,586	1,557,685	1,317,784	1,485,442	1,315,215

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges for services										
Food service	534,310	537,854	531,265	528,258	548,519	554,726	600,567	652,406	714,135	638,224
Surf Team	-	-	11,000	10,000	15,929	11,600	-	-	-	-
Operating grants and contributions	89,158	98,686	98,439	113,147	130,662	137,139	105,530	92,000	94,401	83,195
Total Business Type Activities Program Rev.	623,468	636,540	640,704	651,405	695,110	703,465	706,097	744,406	808,536	721,419
Total district program revenues	1,434,715	1,310,065	1,147,103	1,979,473	1,842,988	1,912,051	2,263,782	2,062,190	2,293,978	2,036,634
Net (Expense)/Revenue										
Governmental activities	(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)	(26,066,330)
Business-type activities	(14,059)	(27,117)	1,609	1,528	(7,533)	(11,296)	1,903	1,770	19,681	(55,295)
Total District-Wide Net Expense	(24,358,096)	(24,258,190)	(25,686,155)	(25,880,452)	(24,506,051)	(26,170,927)	(27,285,609)	(28,324,642)	(30,792,364)	(26,121,625)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property taxes levied for general purposes, net	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	15,342,558
Taxes levied for debt service	1,061,323	1,079,710	1,065,700	1,063,883	1,050,500	1,012,458	988,325	666,351	667,100	838,815
Tuition	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	9,836,276
Unrestricted grants and contributions	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	5,160,236
Debt Proceeds	-	-	-	-	-	-	-	-	-	1,088,600
Investment earnings	5,047	4,924	926	772	-	-	-	-	-	-
Miscellaneous income	113,522	168,657	149,375	165,769	98,897	83,760	44,276	178,898	156,537	122,459
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	25,034,809	25,377,213	25,988,807	25,174,974	25,553,475	26,351,957	26,183,166	27,109,641	28,270,216	32,388,944
Business-Type Activities:										
Miscellaneous	94	76	14	8	11	60	14	67	457	1,541
Transfers	-	-	-	-	-	-	-	-	26,702	-
Total Business-Type Activities	94	76	14	8	11	60	14	67	27,159	1,541
Total District-Wide	25,034,903	25,377,289	25,988,821	25,174,982	25,553,486	26,352,017	26,183,180	27,109,708	28,297,375	32,390,485
Change in Net Assets										
Governmental activities	690,772	1,146,140	301,043	-707,006	1,054,957	192,326	-1,104,346	-1,216,771	-2,541,829	6,322,614
Business-type activities	-13,965	-27,041	1,623	1,536	-33,219	-11,236	1,917	1,837	19,681	-53,754
Total District	676,807	1,119,099	302,666	-705,470	1,021,738	181,090	-1,102,429	-1,214,934	-2,522,148	6,268,860

Source: CAFR Schedule A-2

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

Fiscal Year Ending June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	732,302	1,405,664	1,593,851	527,515	1,369,608	1,811,647	1,815,330	1,252,366	661,422	256,884
Unreserved	489,371	536,680	568,825	490,658	396,354	373,503	258,374	216,738	449,134	377,790
Total General Fund	1,221,673	1,942,344	2,162,676	1,018,173	1,765,962	2,185,150	2,073,704	1,469,104	1,110,556	634,674
All Other Governmental Funds										
Reserved	-	-	-	1035	-	-	-	1,082,742	6,481,659	0
Unreserved, reported in										
Special revenue fund	-	-	-	-	19,996	-	-	-	-	-
Capital projects fund	450,142	1,029	-	-	-	-	-	2,933,973	262,871	667,701
Debt service fund	1,457	662	1,387	-	-	-	-	2,798	14,666	21,016
Total All Other Governmental Funds	451,599	1,691	1,387	1,035	19,996	0	0	4,019,513	6,759,196	688,717

Source: CAFR Schedule B-1

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax levy	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	16,181,373
Tuition charges	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	10,698,119
Interest earnings	5,047	4,924	926	772	-	-	-	-	-	-
Miscellaneous	119,568	178,154	162,284	219,660	119,934	91,714	107,693	239,994	205,693	181,846
State sources	2,694,698	1,918,542	2,634,865	3,162,312	2,897,658	3,128,589	3,735,494	3,988,700	4,399,177	5,127,185
Federal sources	670,043	571,515	465,890	424,751	1,656,898	1,285,135	1,234,982	454,440	417,240	427,036
Total Revenue	25,846,056	26,050,738	26,495,206	26,503,042	26,701,353	27,560,543	27,740,851	28,427,425	29,755,658	32,615,559
Expenditures										
Instruction										
Regular Instruction	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	8,318,558
Special education instruction	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	2,735,019
Other special education	279,203	134,068	139,112	112,527	147,703	511,598	798,855	216,132	191,261	228,571
Other school programs	772,300	760,384	797,543	710,900	706,050	731,633	743,062	732,851	845,467	840,187
Support Services:										
Tuition	648,534	574,831	728,556	788,073	721,990	751,334	920,639	741,469	1,039,062	861,843
Student & instruction related services	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	3,479,967
General administrative services	555,444	526,375	657,133	651,981	611,877	609,263	634,576	682,691	620,418	668,808
School administrative services	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	1,741,559
Business administrative services	395,869	404,532	413,442	-	-	-	-	-	-	-
Plant operations and maintenance	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	2,342,008
Security	-	-	-	-	-	125,320	122,040	124,979	144,475	180,238
Pupil transportation	488,417	351,776	392,692	392,999	432,476	506,389	554,515	553,740	654,897	631,050
Other Support Services	-	-	-	-	-	-	-	-	-	-
Employee Benefits	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	9,018,350
Food Service	-	-	-	-	-	-	-	-	-	-
Capital outlay	512,995	653,262	180,989	443,671	252,991	106,517	51,245	1,819,618	4,852,564	8,304,730
Debt service:										
Principal	690,000	710,000	720,000	745,000	815,000	785,000	770,000	475,000	490,000	649,234
Interest and other charges	394,210	370,860	346,010	319,235	216,569	247,425	218,325	191,350	177,100	250,398
Total Expenditures	25,725,708	25,779,975	26,259,323	27,647,897	25,934,633	27,161,322	27,852,297	30,012,513	34,386,690	40,250,520
Excess (Deficiency) of Revenues over (under) Expenditures	120,348	270,763	235,883	(1,144,855)	766,720	399,221	(111,446)	(1,585,088)	(4,631,032)	(7,634,961)
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	675,000
Capital leases (non-budgeted)	-	-	18,736	-	-	-	-	-	-	-
Temporary Notes	-	-	-	-	-	-	-	5,000,000	7,012,268	413,600
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-100	-
Transfers in	661	355	1,035	-	-	-	-	-	54,840	-
Transfers out	(661)	(355)	(1,035)	-	-	-	-	-	(54,840)	-
Total Other Financing Sources (Uses)	0	0	18,736	0	0	0	0	5,000,000	7,012,168	1,088,600
Net Change in Fund Balances	120,348	270,763	254,619	(1,144,855)	766,720	399,221	(111,446)	3,414,912	2,381,136	(6,546,361)
Debt Service as a Percentage of Non-Capital Expenditures	4.215%	4.193%	4.060%	3.849%	3.978%	3.801%	3.548%	2.220%	1.940%	2.235%

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenues</u>	<u>Bus. Svcs/ CST/ Ath.</u>	<u>Misc.</u>	<u>Total</u>
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	83,163	9,497,800
2019	38,569	10,698,119	17,000	39,205	10,792,893

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.)
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
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
2019	94	2882	0	0	203	11	6	1,998,829,375	137,523,300	1	2,205,974,206	0.838	84.21

Source: County Abstract of Ratables & Municipal Tax Assesor

Fiscal Year Ended June 30,	<u>Manasquan Board of Education</u>			<u>Overlapping Debt</u>			<u>Total Direct & Overlapping Tax Rate</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>	
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
2019	0.696	0.038	0.734	0.363	0.042	0.318	1.457

Source: District Records and Municipal Tax Collector

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

Taxpayer	2019			2009		
	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	0.51%	8,424,400	1	0.54%
Giunco Realty	4,110,700	2	0.19%	4,289,200	4	0.27%
Manasquan Holdings/Acme Markets	3,622,100	3	0.16%	3,141,400	5	0.20%
Carbone, John V. & Diane M.	3,544,400	4	0.16%			
208 Properties, LLC	3,542,400	5	0.16%			
Sprint Comm Co LP c/o Prop Tax Dept.	3,346,200	6	0.15%	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%
SeaBreeze LLC	2,892,500	9	0.13%	3,000,000	6	0.19%
Osprey Realty	2,886,900	10	0.13%	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%
	41,571,400			41,918,100		

Source: Municipal Tax Assesor

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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
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%	-
2019	16,181,373.00	16,181,373.00	100.00%	-

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

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

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Percentage Of Personal Income	Per Capita
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%	854
*2019	4,372,422	644,492	5,016,914	1.64%	850

*Includes FEMA Loans

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

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
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
2019	4,372,422	-	4,372,422	0.1982%	747.93

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

**Manasquan Board of Education
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2019**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes	8,033,855	100.00%	8,033,855
Manasquan Borough			
Other debt			
County of Monmouth Borough's Share	437,154,080	1.740%	7,606,481
Utility Authority- Borough's Share	20,028,178	14.60%	2,924,114
Utility Authority- Sanitary Sewer Rehabilitation			<u>94,578</u>
Subtotal, overlapping debt			10,625,173
Manasquan School District Direct Debt			<u>12,033,754</u>
Total direct and overlapping debt			<u><u>30,692,782</u></u>

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis

2019	1,998,829,375
2018	1,982,950,975
2017	1,979,465,275
	<u>5,961,245,625</u>

Average equalized valuation of taxable property 1,987,081,875

Debt limit (4% of average)	79,483,275
Net bonded school debt	<u>4,372,422</u>
Legal debt margin	<u>75,110,853</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	59,612,456	47,976,863	48,095,426	47,301,437	46,844,801	46,723,034	47,448,820	51,686,155	55,569,914	79,483,275
Total net debt appl. to limit	<u>9,822,000</u>	<u>9,112,000</u>	<u>8,392,000</u>	<u>7,405,000</u>	<u>6,590,000</u>	<u>7,998,948</u>	<u>8,068,599</u>	<u>7,593,599</u>	<u>5,021,656</u>	<u>4,372,422</u>
Legal debt margin	<u>49,790,456</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>	<u>75,110,853</u>
Total net debt applicable to	16.48%	18.99%	17.45%	15.65%	14.07%	17.12%	17.00%	14.69%	9.04%	5.50%

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

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

Year	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
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
2019	5846	440,759,170	75,395	3.1

*=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**

<u>Employer</u>	<u>2019</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>

***No Information Available**

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	116	110	110	102	103	101.5	98.5	103	104	107
Special education	19	20	18	20	22	30	34	30.5	30	32
Other special education	2	2	2	2	2	2	2	2	2	2
Other instruction	9	9	11	9	7	7	9	9	9	9
Support Services:										
Student & instruction related services	32.3	31.3	31.3	35	36	41	37	43	42	42.5
General administration	3	3	3	3	3	3	3	4	4	5
School administrative services	11.6	11.6	11.6	9	9	9	11	9	9	9
Central services	5	5	5	7	5	5	7	7	7	7
Administrative Information Technology	2	2	2	2	2.5	3.5	3.5	3.5	3.5	3.5
Plant operations and maintenance	19.1	19.1	19.1	18	17	16	18	17	19	19.5
Total	219.0	213.0	213.0	207.0	206.5	218.0	223.0	228.0	229.5	236.5

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		ADE	ADA	% Change in ADE	Student Attendance %
						Elementary	High School				
2010	1699	23,328,052	13,734	1.95%	132	10.8	11.9	1698.60	1610.20	-0.80%	94.80%
2011	1697	23,372,328	13,773	0.28%	132	10.8	11.9	1696.80	1604.30	-0.11%	94.55%
2012	1666	24,515,369	14,715	6.80%	130	10.8	11.9	1666.10	1576.90	-1.81%	94.65%
2013	1593	25,599,996	16,070	9.20%	124	12	13.5	1593.00	1513.00	-4.39%	94.98%
2014	1635	24,227,685	14,818	-7.79%	127	11.3	14.2	1635.40	1566.02	2.66%	95.76%
2015	1599	25,671,645	16,055	8.35%	133.5	9.9	14.3	1599.98	1522.70	-2.17%	95.17%
2016	1580	26,243,926	16,610	3.46%	134.5	9.9	13.5	1579.76	1499.82	-1.26%	94.94%
2017	1560	27,786,562	17,812	7.24%	133.5	10.2	13.5	1560.27	1480.23	-1.23%	94.87%
2018	1505	28,967,272	19,247	8.06%	134	9.1	13.1	1504.62	1431.90	-3.57%	95.17%
2019	1495	32,407,087	21,677	12.62%	139	8.4	12.8	1494.83	1415.35	-0.65%	94.68%

From C-1

Source: District Records

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<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	711	688	682	659	657	622	641	630	585	547
<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	123,558
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,832
Enrollment	988	1,009	984	934	978	977	939	930	920	948

Source: District Records, ASSA

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

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

Year	School Facilities	Manasquan	Manasquan
	Project # (s)	High School	Elementary School
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
2019		373,308	78,978
Total School Facilities		2,158,371	449,448

Source: District Records, CAFR Schedule C-1

**Manasquan School District
Insurance Schedule
June 30, 2019**

	Coverage	Deductible
School Package Policy (1)		
Multi-Peril Policy (Incl. Boiler & Machinery)	52,913,400	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	3,000,000	-
Flood/Earthquake	35,000,000	
Student Accident Insurance (2)		
Maximum Benefit Blanket Coverage Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Catastrophic	500,000	
Surety Bonds (3)		
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, 2019, and the related notes to the financial statements, which collectively comprise the Manasquan Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 5, 2019.

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

December 5, 2019

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, 2019. 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, 2019.

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

December 5, 2019

MANASQUAN SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Schedule A
K-3

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, 2018	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances Adjustments	Balance at June 30, 2019		
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:														
General Fund:														
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	07/01/2018	06/30/2019	34,046	\$ -	-	34,046	(34,046)	-	-	-	-
Total General Fund							-	-	34,046	(34,046)	-	-	-	-
U.S. Department of Education:														
Passed Through State Department of Education:														
Special Revenue Fund:														
NCLB:														
Title I	84.010	S010A180030	NCLB19	07/01/2018	06/30/2019	86,842		64,039	(82,332)		(18,293)			
Title I	84.010	S010A170030	NCLB18	07/01/2017	06/30/2018	85,608	(17,322)	17,322						
Title IIA	84.367A	S367A180029	NCLB19	07/01/2018	06/30/2019	16,749		15,240	(15,529)		(289)			
Title III	84.365A	S365A170030	NCLB18	07/01/2017	06/30/2018	10,000	(7,430)	7,430						
Title IV	84.424	S424A180031	NCLB19	07/01/2018	06/30/2019	11,072		10,669	(11,052)		(383)			
Title IV	84.424	S424A170031	NCLB18	07/01/2017	06/30/2018	10,000	(6,528)	6,528						
Special Education Cluster:														
IDEA:														
Part B - Basic	84.027	H027A180100	FT19	07/01/2018	06/30/2019	302,826		284,131	(288,977)		(4,846)			
Preschool	84.173	H173A180114	FT19	07/01/2018	06/30/2019	8,160		7,137	(7,680)		(543)			
Total Special Revenue							(31,280)	-	412,496	(405,570)	-	(24,354)	-	-
U.S. Department of Agriculture -														
Passed Through State Department of Education:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	181NJ304N1099	N/A	07/01/2017	06/30/2018	71,115	(13,405)	13,405						
National School Lunch Program	10.555	191NJ304N1099	N/A	07/01/2018	06/30/2019	67,675		63,229	(67,675)		(4,446)			
HHFKA Lunch Program	10.555	181NJ304N1099	N/A	07/01/2017	06/30/2018	3,274	(617)	617						
HHFKA Lunch Program	10.555	191NJ304N1099	N/A	07/01/2018	06/30/2019	2,656		2,493	(2,656)		(163)			
Food Distribution Program	10.550	191NJ304N1099	N/A	07/01/2018	06/30/2019	10,560		10,560	(10,560)					
Total U.S. Dept. of Agriculture							(14,022)	-	90,304	(80,891)	-	(4,609)	-	-
Total Federal Financial Assistance							\$ (45,302)	-	536,846	(520,507)	-	(28,963)	-	-

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

MANASOUAN SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2018				Budgetary Expenditures Pass Through Funds	Adjustments	Balance at June 30, 2019			MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received			Repayment of Prior Year Balances	Intergovernmental (Accounts Receivable)	Deferred Revenue Interfund Payable	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
General Fund:																
Extraordinary Aid	19-495-034-5120-044	\$ 137,866	07/01/2018	06/30/2019	\$ -				(137,866)			(137,866)				137,866
Extraordinary Aid	18-495-034-5120-044	150,926	07/01/2017	06/30/2018	(150,926)			150,926								
Special Education Categorical Aid	19-495-034-5120-089	539,919	07/01/2018	06/30/2019				502,968	(539,918)						(36,950)	539,918
Transportation Aid	19-495-034-5120-014	76,841	07/01/2018	06/30/2019				69,157	(76,841)						(7,684)	76,841
Security Aid	19-495-034-5120-084	83,868	07/01/2018	06/30/2019				75,474	(83,868)						(8,394)	83,868
Adjustment Aid	19-495-034-5120-085	20,596	07/01/2018	06/30/2019				18,536	(20,596)						(2,060)	20,596
Teachers Pension & Annuity Fund	19-495-034-5094-002	3,315,358	07/01/2018	06/30/2019				3,315,358	(3,315,358)							3,315,358
Reimbursed TPAF S.S. Contr.	19-100-034-5095-003	904,652	07/01/2018	06/30/2019				904,652	(904,652)							904,652
Reimbursed TPAF S.S. Contr.	18-100-034-5095-003	856,688	07/01/2017	06/30/2018	(42,078)			42,078								
Total General Fund					(193,004)			5,079,149	(5,079,099)			(137,866)			(55,088)	5,079,099
Special Revenue Fund:																
N.J. Nonpublic Aid:																
Transportation	19-100-034-5120-066	102	07/01/2018	06/30/2019				102	(102)							102
Exam and Classification	19-100-034-5120-067	1,786	07/01/2018	06/30/2019				1,786	(893)					893		893
Total Special Revenue								1,888	(995)					893		995
State Department of Agriculture:																
Enterprise Fund																
National School Lunch Program																
State Share	19-100-034-3360-023	2,305	07/01/2018	06/30/2019				2,164	(2,305)			(141)				2,305
State Share	18-100-034-3360-023	2,824	07/01/2017	06/30/2018	(532)			532								
Total Enterprise Fund					(532)			2,696	(2,305)			(141)				2,305
Total State Financial Assistance					\$ (193,536)			5,083,733	(5,082,399)			(138,007)		893	(55,088)	5,082,399
Less on Behalf TPAF Pension System Contributions									\$ 3,315,358							
Total for State Financial Assistance-Major Program Distribution									\$ (1,766,454)							

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, 2019****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 \$3,736 for the general fund and \$(12,580) 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>
<u>State Assistance</u>				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 5,079,100	995	2,305	5,082,400
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)	<u>3,736</u>	—	—	<u>3,736</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 5,082,836</u>	<u>995</u>	<u>2,305</u>	<u>5,086,136</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	\$ 34,046	405,570	80,891	520,507
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(12,580)	_____	(12,580)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 34,046</u>	<u>392,990</u>	<u>80,891</u>	<u>507,927</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, 2019 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, 2019.

BOROUGH OF MANASQUAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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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 No

2) Were reportable condition(s) identified that were not considered to be material weaknesses?

_____ Yes No

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

_____ Yes No

Federal Awards Section

Not Applicable

BOROUGH OF MANASQUAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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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)

Name of State Program

<u>19-495-034-5120-089</u>	<u>Special Education Categorical Aid (State Aid-Public Cluster)</u>
<u>19-495-034-5120-084</u>	<u>Security Aid (State Aid-Public Cluster)</u>
<u>19-495-034-5120-085</u>	<u>Adjustment Aid (State Aid-Public Cluster)</u>
<u>19-495-034-5120-014</u>	<u>Transportation Aid (State Aid - Public Cluster)</u>
<u>19-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>

BOROUGH OF MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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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
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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Prior Audit Findings:

None