

**SCHOOL DISTRICT**

**OF**

**MANASQUAN**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**MANASQUAN BOARD OF EDUCATION**

**MANASQUAN, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**PREPARED BY**

**MANASQUAN BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**MANASQUAN SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1 to 13.
Roster of Officials	14.
Consultants & Advisors	15.
Organizational Chart	16.
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	17 to 19.
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	20 to 27.
<b><u>Basic Financial Statements</u></b>	
<b>A. District-wide Financial Statements</b>	
A-1 Statement of Net Position	28.
A-2 Statement of Activities	29 & 30.
<b>B. Fund Financial Statements</b>	
Governmental Funds:	
B-1 Balance Sheet	31.
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	32 & 33.
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	34.
Proprietary Funds:	
B-4 Statement of Net Position	35.
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	36.
B-6 Statement of Cash Flows	37.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	38.
B-8 Statement of Changes in Fiduciary Net Position	39.
Notes to Financial Statements	40 to 64.

**MANASQUAN SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Required Supplementary Information – Part II</b>	
<b>C. <u>Budgetary Comparison Schedules</u></b>	
C-1	Budgetary Comparison Schedule – General Fund 65 to 77.
C-1a	Budgetary Comparison Schedule – General Fund – Education Jobs Fund N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund 78.
<b>Notes to the Required Supplementary Information</b>	
C-3	Required Supplementary Information Budgetary Comparison Schedule Note to RSI 79.
<b>Required Supplementary Information – Part III</b>	
<b>L. <u>Schedules Related to Accounting and Reporting for Pensions (GASB 68)</u></b>	
L-1	Schedule of the Districts Proportionate Share of the Net Pension Liability – PERS 80.
L-2	Schedule of District Contributions – PERS 81.
L-3	Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF 82.
L-4	Schedule of the School District’s Contributions – Teacher’s Pension Annuity Fund (TPAF) 83.
L-5	Notes to Required Supplementary Information – Part III 84.
<b>Other Supplementary Information</b>	
<b>D. <u>School Level Schedules</u></b>	
	N/A
<b>E. <u>Special Revenue Fund</u></b>	
E-1	Combining Schedule of Revenues and Expenditures – Special Revenue Fund – Budgetary Basis 85 & 86.
E-2	Demonstrable Effective Program Aid Schedule of Expenditures – Budgetary Basis N/A
E-3	Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis N/A
E-4	Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis N/A
E-5	Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis N/A

# MANASQUAN SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>F. <u>Capital Projects Fund</u></b>	
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	87.
F-1a Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	88.
<b>G. <u>Proprietary Funds</u></b>	
G-1 Combining Statement of Net Position	89.
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	90.
G-3 Combining Statement of Cash Flows	91.
<b>H. <u>Fiduciary Fund</u></b>	
H-1 Combining Statement of Fiduciary Net Position	92.
H-2 Statement of Changes in Fiduciary Net Position	93.
H-3 Student Activity Agency Fund – Schedule of Receipts and Disbursements	94.
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	95.
<b>I. <u>Long-Term Debt</u></b>	
I-1 Schedule of Long-Term Debt Group	96.
I-1a Schedule of Loans Payable	97.
I-2 Schedule of Obligations Under Capital Leases	98.
I-3 Debt Service Fund Budgetary Comparison Schedule	99.
<b>STATISTICAL SECTION</b>	
<b>(Unaudited)</b>	
J-1 Net Position by Component	100.
J-2 Changes in Net Position	101 & 102.
J-3 Fund Balances, Governmental Funds	103.
J-4 Changes in Fund Balance, Governmental Funds	104.
J-5 General Fund Other Local Revenue by Source	105.
J-6 Assessed Value and Actual Value of Taxable Property	106.
J-7 Direct and Overlapping Property Tax Rates	107.
J-8 Principal Property Taxpayers	108.
J-9 Property Tax Levies and Collections	109.
J-10 Ratios of Outstanding Debt by Type	110.
J-11 Ratios of Net General Bonded Debt Outstanding	111.
J-12 Direct and Overlapping Governmental Activities Debt	112.
J-13 Legal Debt Margin Information	113.
J-14 Demographic and Economic Statistics	114.

**MANASQUAN SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>STATISTICAL SECTION (Continued)</b>	
<b>(Unaudited)</b>	
J-15	Principal Employers 115.
J-16	Full-Time Equivalent District Employees by Function/Program 116.
J-17	Operating Statistics 117.
J-18	School Building Information 118.
J-19	Schedule of Required Maintenance 119.
J-20	Insurance Schedule 120.
<b>SINGLE AUDIT SECTION</b>	
K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> 121 & 122.
K-2	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 15-08 123 to 125.
K-3	Schedule of Federal Financial Assistance, Schedule A 126.
K-4	Schedule of State Financial Assistance, Schedule B 127.
K-5	Notes to Schedules of Financial Assistance 128 to 130.
K-6	Schedule of Findings and Questioned Costs 131 to 135.
K-7	Summary Schedule of Prior Audit Findings 136.

## **INTRODUCTORY SECTION**

# MANASQUAN BOARD OF EDUCATION

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

November 14, 2017

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, 2017. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. The District adopted this financial reporting model as required by the State in 2003. This model is supposed to provide the users of this document with more useful financial and statistical information relying on and including all disclosures made by the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis.
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular Title II U.S. *CFR*, Part 200, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter NJ OMB 15-08, "Single Audit



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

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

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

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

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

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

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

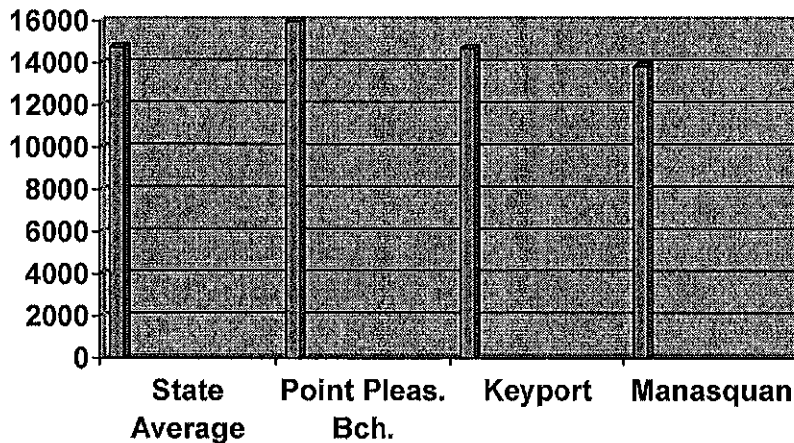
To maintain effective communications, the District has a website that is updated frequently. Information about the budget is posted on the website during the budget review process. Meetings are held and offers to present materials on the budget are available to all community and civic groups within the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

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

The New Jersey Department of Education released its 2017 Taxpayers' Guide to Education Spending, formally the Comparative Spending Guide, for all school districts in the State. The guide compares districts with those who are similar in enrollment/ configuration. The information on expenditures was

taken from certified budgets on file with the State Department of Education. This report shows that the district spent \$13,856 per pupil (certified costs for 2015-16) while the average cost for similar districts was \$14,755. According to the report of the 49 other K-12 school districts in the state with enrollments between 0 and 1800 children, Manasquan was ranked the 19<sup>th</sup> lowest in total cost per pupil.

**Per Pupil Comparative Spending 2017 (Certified 2015-16 Costs)**



***Manasquan Elementary School***

Manasquan Elementary School is comprised primarily of Manasquan students, but receives a small number of students on a tuition basis. Overall, the 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, and most recently, upgrades to our HVAC system.

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

With regards to technology, ActivBoards have been installed in every classroom. Every teacher is provided with a Dell Laptop and classrooms are also equipped with at least two thin client workstations or additional desktop computers for student computer centers. Document scanners and digital cameras are also available for faculty use with their students. The district is a Windows 10 Microsoft Active Directory computer environment using MS Office 365. A mobile iPad cart was funded by a donation from the PTO for classroom use. In addition, iPads have been purchased for learning centers in every K-5 classroom and ELL classes, as well as a mobile Dell tablet cart, funded by our Education foundation. 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.

Additional technological advances include increased usage of our Genesis Student Data Management System and our school website, hosted by Schoolwires. The guidance program, Naviance is implemented to provide a learning style inventory and career awareness activities for middle school students. Eighth grade students continue to participate in multi-media digital storytelling, in which they have an opportunity to participate in this project-based learning experience utilizing video- and sound-editing software. The Genesis Parent Portal is utilized for student attendance, real-time gradebook access, electronic report card and interim report distribution, all significantly reducing postal mailings. Furthermore, in order to provide teachers with more opportunities to assess individual student skills and track their academic progress in the early primary grades, the on-line testing program, MAP (Measurement of Academic Progress) is administered to K-2 students in language arts and mathematics. MAP is also utilized to provide additional practice for on-line testing in order to further prepare our students for the state-mandated PARCC assessment. 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 which was selected for implementation to assist teachers in curriculum alignment to the NJ Student Learning Standards and the Common Core State Standards for English Language Arts. In order to enhance differentiation of instruction, more time has been designated for guided reading lessons with the assistance of the school's Reading Specialist, who works collaboratively with the classroom teachers. The language arts program was further expanded by the implementation of the Wilson Foundations Program in Grades K-3 and additional formative assessment opportunities using the Fountas & Pinnell Benchmark Assessment Program. With regards to mathematics, to assure alignment to the NJ Student Learning Standards and the Common Core State Standards, a Pearson's K-6 enVision program is implemented. Furthermore, a Basic Skills Program (FUNdamentals) has been established for students in Grades K-8 in both language arts and mathematics. Our science program, Pearson Interactive Science, has been adopted for use in Grades K-6, with goals to include a digital platform in Grades 7 & 8. Our curriculum is aligned to the Next Generation Science Standards and the NJ Student Learning Standards. A school-wide STEM initiative across all grade levels, K-8, has been implemented, including the creation of an Accelerated STEM Class for students in Grades 7 & 8.

With regards to our school's Guidance Department, the Second Step Character Education Program was continued in Grades 3-5, with assembly programs relating to tolerance, respect, and anti-bullying initiatives. In Grades K-3, the Kelso's Choice Conflict Management Program remains in place. Implementation of our middle school Cyberbullying Program was also maintained. In addition, school-wide anti-bullying and violence awareness programs and assemblies are presented during every school year.

Each grade level also participated in an educational field trip aligned with the curriculum and a walking trip to see a live performance at our community theater, The Algonquin Arts. Primary grade level musical performances are presented each year in Grades K-2. In addition to our Field Day for Grades 5-7, a successful K-4 Field Day program was implemented once again this year. Furthermore, the students participated in 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 PTO also continues to remain very active, organizing such events as an Art Appreciation Program, a Science Fair, Book Fairs, an Organic Garden, and a Summer Enrichment Program. In addition to our outdoor classroom and amphitheater area for Grades Preschool – Grade 4, outside tables are present for middle school students in order to create a second area for outdoor classroom activities. A very active Education Foundation also works tirelessly to raise funds for our students and school initiatives.

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

Manasquan High School is a traditional, older school that is well-maintained. Maintenance on the interior and exterior of the building is continual, and upgrades are scheduled (carpeting, painting, etc.) on a regular basis. In January of 2017, a referendum was passed and a major building upgrade was approved. The referendum focuses on major facilities upgrades, including the construction of new science labs, a STEM Lab, modifications to the TV Production Studio and safety and security upgrades. In addition, the Manasquan High School Alumni Endowment funded a major technology-based renovation to our Media Center in the summer of 2017.

The administration and staff of Manasquan High School believes in the potential and promise of all learners. To that end, MHS offers students the opportunity to experience an academy model within the context of a comprehensive high school. Through participation in one or more of MHS's four academies, students can earn college credits and/or develop important vocational skills. Supported by its 1:1 technology initiative, the cornerstones of MHS's instructional program are academic rigor and personalized learning.

Ranked 61st in NJ by the U.S. News and World Report, Manasquan High School uses curriculum that is aligned to the NJSLs and meets the needs & interests of diverse learners. In addition to our honors, general education and life skills classes, 17 AP courses are offered. For students with specialized interests, they can enter one of three Academies - Finance, Health Careers, and Engineering. Through Georgian Court's Course Ahead Program and the Health Careers Academy's affiliation with Rutgers, students can earn college credits while at MHS.

Students from the class of 2017 were accepted into a prestigious & diverse group of colleges & universities. 92% of students planned to attend 4 or 2-year post-secondary schools. Over 5% of students planned to enter the workforce, while nearly 2% planned to enlist in the military. Through Naviance, students were guided through the college & career planning process, including required testing and financial aid resources. MHS continues to administer the PSAT to 10th & 11th graders annually.

In addition to the comprehensive services provided by the Manasquan High School Child Study Team, MHS offers a complete English Language Learners program, a Freshman Transition program, student mentoring/tutoring through PEERS, and guided college & career guidance through Naviance. MHS Life Skills program completed its 2nd year, blending academic, daily living, personal/social, and

occupational skills into integrated lessons designed to help students learn to function independently in society.

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

Manasquan High School continued its tradition of success in the athletic arena finishing 2nd in the Shop Rite Cup for Group 2 schools in NJ. The scoring for this award is based on a school's cumulative championships and ranking across all sports. State Sectional Championships in Football and Girls Swimming, as well as Group Championships in Baseball, Golf, Girls Basketball, & Boys Bowling helped propel MHS to this position. MHS Surf Team took home its 3rd consecutive state championship, establishing a dynasty.

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

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

### ***Special Education***

The Special Education program is an integral part of each school. In the 2016-2017 school year the number of educationally disabled students in the district was 176 High School Students, 108 Elementary School Students, 6 Pre-School Disabled Students and 43 (13 Manasquan, 30 Sending Districts) other students were sent to facilities outside the district. Most of the 290 students were placed in general education classes with in class resource services. In addition, Manasquan has two Learning Language Disabled teachers instructing two classes in the high school and two teachers assigned to Multiply Disabled classes in the elementary school. The Life Skills was continued to address the needs of the students in need of functional skills. There is also an in-house Integrated Preschool program operating in the Elementary School to provide preschool instruction/related services to preschoolers with disabilities as well as to typically developing preschoolers who attend on a tuition basis.

### ***Core Curriculum Content Standards and the Common Core Standards***

Throughout the 2016-2017 school year, the Manasquan School District ensured that our curriculum was rigorous, aligned to the standards, and engaged students in authentic learning as well as critical thinking.

Teachers reviewed and updated existing curriculum, revised courses as needed to meet the newly updated New Jersey Student Learning Standards, and wrote new curriculum for the implementation of several new courses. Teachers were trained in the components of the district's newly adopted curriculum template before beginning. This training emphasized the connections between each component (Essential Questions, Unit Goals, Objectives, Tasks, Activities, Resources & Assessments) as well as its links to the standards. In the new template all teachers were to connect their content area instructional practices and activities to the ELA and math standards as well as the technology standards to support our 1:1 technology initiative. These curricula would serve as the roadmap for instruction with the ingredients for rigorous learning and understanding.

During the summer, twenty-five curricula were written and/or revised in grades K-12. Our elementary school work focused on revisions to our K-8 science curriculum. This curriculum had been aligned to the NGSS. After working with this document for a year, teachers made revisions and added to their resources and STEM activities. Also at the elementary school, our technology department updated their curriculum as students grades 6-8 had tablets. They added projects which connected to our STEM program as well as other real-world applications. Our high school science teachers had begun rewriting the curriculum to correlate with the NGSS during the previous school year. Four courses (Integrated Science, Environmental Science, Anatomy & Physiology and Astronomy & Meteorology) were finished during the summer. Curriculum for two of our Engineering Academy courses – Business of Architecture & Construction and Business of Engineering & Design were updated to reflect connections with technology, ELA and math as well as the critical thinking skills and student-directed learning being emphasized in the district. In accordance with College Board requirements our AP World History curriculum had also been updated and was approved through the AP College Board audit. The curriculum for a new AP course, Human Geography was written and approved by College Board. The curriculum for three other new courses - Fashion & Interior Design, Italian II, and Painting offered during the 2016-2017 school year were written and board approved in September 2016.

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

### *Staff Development*

During the 2016-2017 school year, Manasquan School District continued its innovative plan in which all staff members selected professional development opportunities which best suited their needs and

interests to grow as educators. In its second year, Teachers Teaching Teachers presented twenty workshops on October 10 and again on January 23. Educators attended two of workshops that focused on innovation, technology and science and the arts in all content areas. Keynote speaker, Drew Minock, a leader in educational technology, presented to the faculty and then held workshops – “Inspire Innovation through Collaboration & Creativity”, “Augmented Reality”, “Student-directed Learning” and “Design Thinking.” Teachers were given additional collaboration time to build lessons and materials using the tools they had acquired in their individual sessions.

Advanced Placement Teachers led a round table discussion to evaluate the instructional planning reports they received from College Board and share best practices to increase student achievement.

The district offered a series of summer technology workshops to support our 1:1 initiative – Windows 10 & Office 365; Canvas for Beginners; OneNote; Digital Assessments; Creating Learning Centers in Elementary Classroom; Canvas Advanced; Flipping the Classroom. 62 staff members and administrators took advantage of these offerings.

A group of administrators and teachers attended a summer workshop presented by PLS 3<sup>rd</sup> Learning an organization dedicated to the improvement of teaching and learning by leveraging advanced technologies. Manasquan School District is participating in the development of a state-wide online education portal for professional development, resources, and technology-based systems.

Our elementary school teachers received additional training in the use of the Foundations materials. Deanne Opatosky, Balanced Literacy Consultant, continued to provide collaborative writing workshops for our teachers both in-district and at our neighboring sending district schools. STEM teachers worked with experts regarding the newly adopted science series. Training, activities, and collaborative sessions were held concerning the whole school initiative of “Mindfulness and Executive Functioning”.

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

All staff members attended the state-mandated trainings which were presented by administrators or content experts at faculty meetings. Staff members also, using Safe Schools’ online programs, viewed videos pertinent to relevant district issues as well as topics required by the state (School Safety: School Intruders; Managing Difficult Behaviors; Mandatory Reporting of Child Abuse; Bullying: Recognition & Response; Online Safety: Cyberbullying; Online Safety: What Every Educator Needs to Know; Hazard Communication: Right to Understand; FERPA; Safety Data Sheets).

Staff members were also encouraged and provided the means to attend workshops outside the district which were relevant to their content areas, roles within the district or needs determined through the

evaluation tools. Groups of teachers along with administrators visited local vocational schools (BioTechnology and Communications) to research schedules, facilities, and programs which could be brought to Manasquan School District. A group toured and met with administrators and teachers at Passaic County Technical School to gather information about their Public Safety Academy, an academy which would begin in Manasquan during the 2017-2018 school year.

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

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

### ***Technology***

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

All classrooms are equipped with multi-media equipment including projectors and audio, most with interactive white boards. The district maintains some traditional desktop computer setups in some elementary school but has moved to 1 to 1 mobile technology program in grades 6-12 where all students and teachers are issued 2-in-1 tablet devices permitting them to be mobile throughout the school buildings and use at home. Upgraded wireless network access points supporting wireless-n and wireless-ac standards are now installed throughout the district allowing for high-speed network and internet connections from all classrooms and offices.

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

### ***Personnel***



The district employed 228 people during the 2016-2017 school year. The certificated staff numbered 172.5 and educational support personnel 55.5.

***Pupil Enrollment***

The district completed the 2016-2017 fiscal year with an Average Daily Enrollment of 1560.27 which is 19.53 students less than 2015-2016 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
1997-98	1573.0	-0.260%
1998-99	1576.1	0.197%
1999-00	1595.9	1.256%
2000-01	1587.5	-0.526%
2001-02	1664.5	4.850%
2002-03	1726.3	3.713%
2003-04	1726.5	0.012%
2004-05	1723.1	-0.197%
2005-06	1720.6	-0.145%
2006-07	1712.3	-0.482%
2007-08	1702.0	-0.602%
2008-09	1712.3	0.605%
2009-10	1698.6	-0.800%
2010-11	1696.8	-0.106%
2011-12	1666.1	-1.809%
2012-13	1593.0	-4.388%
2013-14	1635.4	2.662%
2014-15	1598.9	-2.166%
2015-16	1579.8	-1.263%
2016-17	1560.2	-1.240%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The population of families with school age children is relatively stable in Manasquan; however, the total school enrollment has decreased by 19.53 students. Any future changes in the population served could be due to continued home sales or changes resulting from expansion and/or development in Manasquan post Superstorm Sandy. It appears that any differences in the High School enrollment may be due to our

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

3. **MAJOR INITIATIVES:**

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

4. **INTERNAL ACCOUNTING CONTROLS:**

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

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

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

5. **BUDGETARY CONTROLS:**

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

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

**6. CASH MANAGEMENT:**

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

**7. RISK MANAGEMENT:**

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

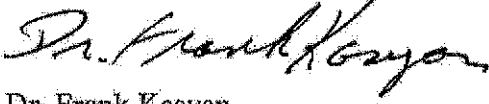
**8. OTHER INFORMATION:**

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

**9. ACKNOWLEDGMENTS:**

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

Respectfully submitted,



Dr. Frank Kasyan  
Superintendent of Schools



Lynn Coates  
Business Administrator/Board Secretary

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

**ROSTER OF OFFICIALS  
JUNE 30, 2017**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Thomas Pellegrino, President	2018
Fred Sorino, Vice President	2019
Donna Bossone	2018
Eugene Cattani	2017
Linda DiPalma	2017
Mark Furey (Belmar)	2017
Heather Garrett-Muly	2017
Terence Hoverter	2017
Joseph A. Loffredo, Jr.	2019
Anne McGarry (SLH)	2017
Colin T. Warren	2019
Tedd Vitale (Brielle)	2017

**Other Officials**

Dr. Frank Kasyan, Superintendent

Lynn Coates, School Business Administrator/Board Secretary

Patricia A. Christopher, Treasurer

**MANASQUAN BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

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

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

**FINANCIAL ADVISORS**

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

**OFFICIAL DEPOSITORY**

Wells Fargo Bank  
Allaire Plaza  
Wall, New Jersey 07719

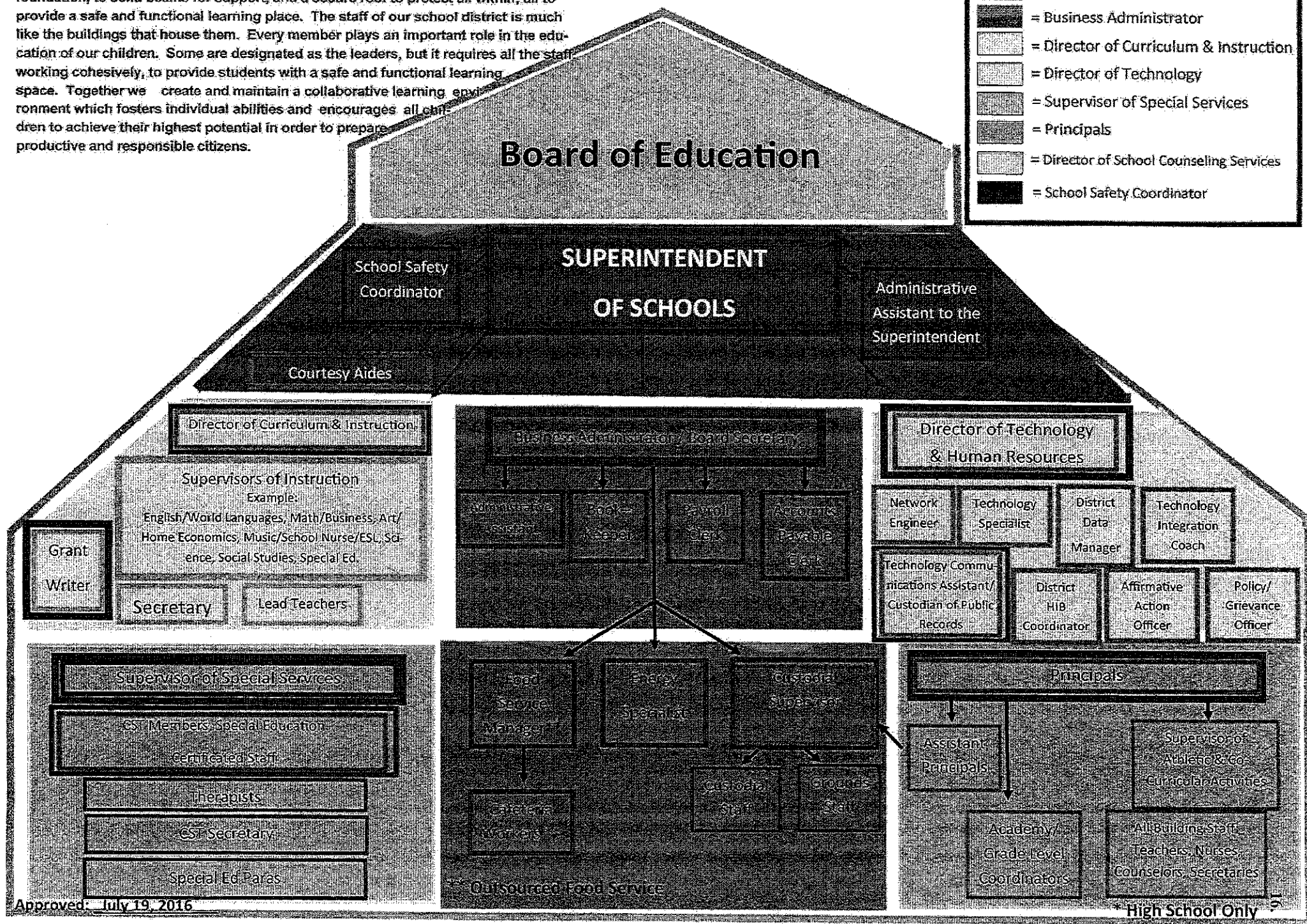
Manasquan Bank  
2221 Landmark Place  
Wall, New Jersey 08736

**Manasquan School District Organizational Chart**

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

**Color Designates Administrator Responsible:**

- = Superintendent
- = Business Administrator
- = Director of Curriculum & Instruction
- = Director of Technology
- = Supervisor of Special Services
- = Principals
- = Director of School Counseling Services
- = School Safety Coordinator



Approved: July 19, 2016

\* High School Only

## **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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

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

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2017 on our consideration of the Manasquan's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Manasquan Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

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

November 14, 2017

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**MANASQUAN PUBLIC SCHOOL DISTRICT  
BOROUGH OF MANASQUAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017. 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 2017 are as follows:

- ◆ General revenues accounted for \$27,109,641 in revenue or 95% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,317,784 or 5% to total revenues of \$28,427,425.
- ◆ Total Net Position of governmental activities decreased by \$1,216,772 as cash and cash equivalents, and receivables decreased by \$6,269,517, accounts payable and long-term liabilities increased by \$9,179,456 and capital assets decreased by \$483,281; Net Pension changes accounted for the remaining \$1,209,886. The Board borrowed a short term note in the amount of \$5,000,000 to fund the first phase of the referendum building project.
- ◆ The School District had \$29,644,196 in expenses; only \$1,317,784 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$27,109,641 were adequate to provide for these programs.
- ◆ The General Fund had \$27,181,962 revenues and \$27,786,562 in expenditures. The General Fund's balance increased \$604,600 from 2016. 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 2017?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

### **Enterprise Fund**

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

## The School District as a Whole

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

	<u>2016</u>	<u>2017</u>
<b>Assets</b>		
Current and other assets	\$ 2,235,359	\$ 8,525,984
Capital assets, net	<u>18,289,144</u>	<u>18,753,154</u>
<b>Total Assets</b>	<b><u>\$20,524,503</u></b>	<b><u>\$27,279,138</u></b>
<b>Deferred Outflow of Resources</b>	<b><u>\$1,576,528</u></b>	<b><u>\$2,810,324</u></b>
<b>Deferred Inflow of Resources</b>	<b><u>\$501,019</u></b>	<b><u>\$524,929</u></b>
<b>Liabilities</b>		
Long-term liabilities	\$14,851,302	\$16,152,949
Other liabilities	<u>761,412</u>	<u>8,639,220</u>
<b>Total Liabilities</b>	<b><u>\$15,612,714</u></b>	<b><u>\$24,792,169</u></b>
<b>Net Assets</b>		
Invested in capital assets, net of debt	\$10,109,769	\$6,600,719
Restricted	1,659,785	554,816
Unrestricted	<u>(5,782,256)</u>	<u>(2,383,171)</u>
<b>Total Net Position</b>	<b><u>\$5,987,298</u></b>	<b><u>\$4,772,364</u></b>

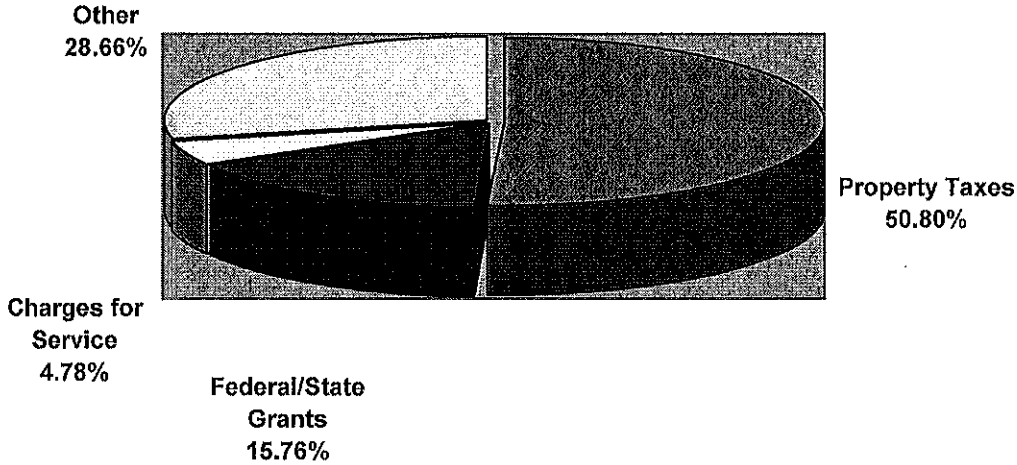
Table 2 shows the changes in net position from fiscal year 2015 to 2016.

	<u>2016</u>	<u>2017</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$1,538,206	\$1,393,875
Operating grants and contributions	725,576	668,315
General revenues		
Property taxes	13,940,608	14,819,969
Grants and entitlements	4,396,847	3,927,921
Other	<u>7,845,725</u>	<u>8,361,818</u>
<b>Total Revenues</b>	<b><u>28,446,962</u></b>	<b><u>29,171,898</u></b>
<b>Program Expenses</b>		
Instruction	11,253,998	11,217,544
Support services		
Pupils and instructional staff	3,914,558	4,179,151
General administration, school administration, business	9,276,858	10,085,578
Operations and maintenance of Facilities	2,029,373	2,032,233
Pupil Transportation	554,515	553,740
Interest on debt	240,110	239,612
Food service/Surf Team	704,194	742,636
FEMA Loan Payable	839,651	0
Capital Outlay	51,245	646,257
Other	<u>684,889</u>	<u>690,081</u>
<b>Total Expenses</b>	<b><u>29,549,391</u></b>	<b><u>30,386,832</u></b>
<b>Inc./(Dec.) in Net Assets</b>	<b><u>(1,102,429)</u></b>	<b><u>(1,214,934)</u></b>

**Governmental Activities**

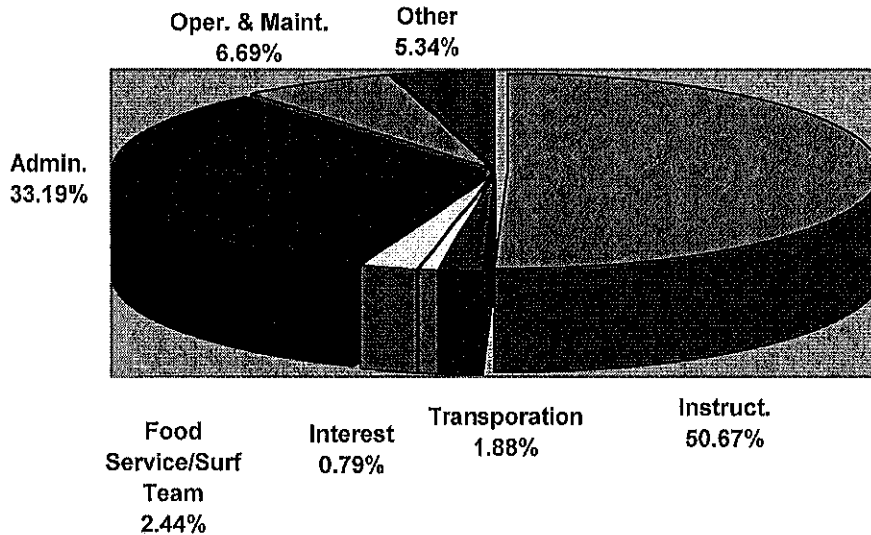
Property taxes made up 50.80% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2017. The District's total revenues were \$29,171,831 for the fiscal year ended June 30, 2017. Federal, state and local grants accounted for another 15.76%. Tuition, interest revenue and miscellaneous income make up 28.66% and charges for services equal 4.78%.

**Sources of Revenues for Fiscal Year 2017**



The total cost of all programs and services was \$30,386,832. Instruction comprised 50.67% of District expenses. Administration equaled 33.19% and the balance of 16.14% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

**Expenses for Fiscal Year 2017**





### 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 \$16,334.
- ◆ Charges for services represent \$591,035 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 \$92,000.
- ◆ The Surf Team is partially supported by a parent group. The current year revenues and expenditures plus the beginning balance left a positive net assets of \$1,118.
- ◆ The Before and After Care Program is supported by participant revenues. The current year revenues and expenditures left a positive net assets of \$17,589.

### Governmental Activities

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

	<b>Total Cost of Services 2016</b>	<b>Net Cost of Services 2016</b>	<b>Total Cost of Services 2017</b>	<b>Net Cost of Services 2017</b>
Instruction	\$11,253,998	\$10,706,168	\$11,217,544	\$10,764,875
Support services				
Pupils and instructional staff	3,914,558	2,921,703	4,179,151	3,314,036
General administration, school administration, business	9,276,858	9,276,858	10,085,578	10,085,578
Operation and maintenance of facilities	2,029,373	2,029,373	2,032,233	2,032,233
Pupil transportation	554,515	537,515	553,740	553,740
Interest and fiscal charges	240,110	240,110	239,612	239,612
FEMA Loan Payable	839,651	839,651	0	0
Capital Outlay	51,245	51,245	646,257	646,257
Other	<u>684,889</u>	<u>684,889</u>	<u>690,081</u>	<u>690,081</u>
<b>Total Expenses</b>	<b><u>29,549,391</u></b>	<b><u>27,287,512</u></b>	<b><u>29,644,196</u></b>	<b><u>28,326,412</u></b>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

### The School District's Funds

Information about the School District's major funds starts with Schedule B-2. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$28,427,425 and expenditures of \$30,012,513. The net change in fund balance for the year was in the General Fund, a decrease of \$1,585,088. The debt service fund balance had no decrease/increase. The revenues of \$28,427,425 does not include the short term note of \$5,000,000 borrowed from Manasquan Bank for the referendum building project.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2017, 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 2016</u>
Local Sources	\$23,984,285	84.37%	\$1,213,910
State Sources	3,988,700	14.03%	253,206
Federal Sources	<u>454,440</u>	<u>1.60%</u>	<u>(780,542)</u>
<b>Total Revenue</b>	<b><u>\$28,427,425</u></b>	<b><u>100.00%</u></b>	<b><u>\$686,574</u></b>

The increase in Local Sources of \$1,213,910 was attributed to an increase in the local general fund tax levy, a decrease in the debt service tax levy and a decrease in tuition revenues.

The increase in State Sources of \$253,206 was attributed to changes in state aid revenues.

The decrease in Federal Sources of \$780,542 was attributed to the CDL loan.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2017.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase/ (Decrease) from 2016</b>
Current:			
Instruction	\$11,122,910	37.06%	\$ (67,434)
Undistributed expenditures	16,403,635	54.66%	781,252
Capital outlay	1,819,618	6.06%	1,768,373
Debt service:			
Principal	475,000	1.58%	(295,000)
Interest	191,350	0.64%	(26,975)
<b>Total Expenditures</b>	<b>\$30,012,513</b>	<b>100.00%</b>	<b>\$2,160,216</b>

The decrease in Current - Instruction of \$67,434 was attributed to a decrease in supplies, textbooks and technology supplies.

The increase in Current-Undistributed Expenditures of \$781,252 was primarily attributed to the TPAF non-paid pension contribution and maintenance and repair.

The increase of \$1,768,373 in capital outlay was based on needed expenditures.

The decrease in debt service of \$321,975 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 2017, 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 2017, the School District had \$17,572,675 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2017 balances compared to 2016 and 2015.

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

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Land	\$1,068,000	\$1,068,000	\$1,068,000
Site Improvements	236,791	263,974	569,058
Buildings	16,821,241	16,355,430	16,544,613
Machinery and Equipment	567,111	469,990	459,004
<b>Totals Capital Assets</b>	<b>\$18,693,143</b>	<b>\$18,157,394</b>	<b>\$17,572,675</b>

Overall capital assets decreased \$584,719 from fiscal year 2016 to fiscal year 2017. This decrease was due primarily due to retirements and depreciation.

#### **Debt Administration**

At June 30, 2017, the School district had \$21,663,099 outstanding debt. Of this amount \$671,300 is for compensated absences, \$4,560,000 for bonds payable, \$48,862 for capital leases, \$3,033,599 for loans payable, \$5,000,000 for notes payable and \$8,349,338 for pension liability.

#### **For the Future**

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

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

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

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

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

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

MANASQUAN SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 2,158,257	86,316	2,244,573
Receivables, Net	380,748	10,786	391,534
Inventory		3,634	3,634
Restricted Assets:			
Cash and Cash Equivalents	5,389,066		5,389,066
Capital Reserve Account - Cash	497,177		497,177
Capital Assets Not Depreciated	1,068,000		1,068,000
Capital Assets, Net	<u>17,572,675</u>	<u>112,479</u>	<u>17,685,154</u>
Total Assets	<u>27,065,923</u>	<u>213,215</u>	<u>27,279,138</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>2,810,324</u>		<u>2,810,324</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>524,929</u>		<u>524,929</u>
<b><u>Liabilities</u></b>			
Accounts Payable	118,469		118,469
Accrued Interest	192,465		192,465
Deferred Revenue	2,818,163		2,818,163
Noncurrent Liabilities:			
Due Within One Year	5,510,124		5,510,124
Due Beyond One Year	<u>16,152,949</u>		<u>16,152,949</u>
Total Liabilities	<u>24,792,170</u>	<u>-</u>	<u>24,792,170</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	6,488,240	112,479	6,600,719
Restricted For:			
Other Purposes	554,816		554,816
Unrestricted	<u>(2,483,908)</u>	<u>100,736</u>	<u>(2,383,172)</u>
Total Net Position	<u>\$ 4,559,148</u>	<u>213,215</u>	<u>4,772,363</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, 2017**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 7,700,144			(7,700,144)		(7,700,144)
Special Education	2,568,417		452,669	(2,115,748)		(2,115,748)
Other Special Instruction	216,132			(216,132)		(216,132)
Other Instruction	732,851			(732,851)		(732,851)
Support Services:						
Tuition	741,469	741,469		-		-
Student & Instruction Related Services	3,437,682		123,646	(3,314,036)		(3,314,036)
General Administrative Services	1,713,755			(1,713,755)		(1,713,755)
School and Business Administrative Services	682,691			(682,691)		(682,691)
Plant Operations and Maintenance	2,032,233			(2,032,233)		(2,032,233)
Pupil Transportation	553,740			(553,740)		(553,740)
Capital Outlay	646,258			(646,258)		(646,258)
Unallocated Benefits	7,689,132			(7,689,132)		(7,689,132)
Interest on Long-Term Debt	239,612			(239,612)		(239,612)
Unallocated Depreciation	690,081			(690,081)		(690,081)
<b>Total Government Activities</b>	<b>29,644,197</b>	<b>741,469</b>	<b>576,315</b>	<b>(28,326,413)</b>	<b>-</b>	<b>(28,326,413)</b>
Business-Type Activities:						
Food Service	742,636	652,406	92,000		1,770	1,770
<b>Total Business-Type Activities</b>	<b>742,636</b>	<b>652,406</b>	<b>92,000</b>	<b>-</b>	<b>1,770</b>	<b>1,770</b>
<b>Total Primary Government</b>	<b>30,386,833</b>	<b>1,393,875</b>	<b>668,315</b>	<b>(28,326,413)</b>	<b>1,770</b>	<b>(28,324,643)</b>

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, 2017

	<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				14,153,618		14,153,618
Taxes Levied for Debt Service				666,351		666,351
Tuition				8,182,853		8,182,853
Federal and State Aid Not Restricted				3,927,921		3,927,921
Miscellaneous Income				178,898	67	178,965
Total General Revenues, Special Items and Transfers				<u>27,109,641</u>	<u>67</u>	<u>27,109,708</u>
Change in Net Position				(1,216,772)	1,837	(1,214,935)
Net Position - Beginning				<u>5,775,920</u>	<u>211,378</u>	<u>5,987,298</u>
Net Position - Ending				<u>\$ 4,559,148</u>	<u>213,215</u>	<u>4,772,363</u>

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents-Restricted	\$ 1,020,612		4,037,264	333,551	5,391,427
Cash and Cash Equivalents-Unrestricted	2,653,073			2,797	2,655,870
Interfund Receivable	76,197				76,197
Accounts Receivable	269,720	5,000			274,720
Receivables from Other Governments		106,028			106,028
Total Assets	<u>\$ 4,019,602</u>	<u>111,028</u>	<u>4,037,264</u>	<u>336,348</u>	<u>8,504,242</u>
<b><u>Liabilities and Fund Balance</u></b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 100,716		17,753		118,469
Interfund Payable		76,197	2,797		78,994
Deferred Revenue	2,449,782	34,831		333,550	2,818,163
Total Liabilities	<u>2,550,498</u>	<u>111,028</u>	<u>20,550</u>	<u>333,550</u>	<u>3,015,626</u>
<b>Fund Balance:</b>					
<b>Restricted For:</b>					
Emergency Reserve	50,000				50,000
Maintenance Reserve	10,000				10,000
Capital Reserve Account	494,816				494,816
<b>Assigned To:</b>					
<b>Designated for Subsequent Years Expenditures:</b>					
Tuition Reserve	135,000				135,000
Capital Reserve	2,361				2,361
Excess Surplus	112,699				112,699
<b>Designated by the Board of Education for Subsequent Year's Expenditures-Excess Surplus</b>					
Other Purposes	216,738				216,738
	13,661		1,082,742		1,096,403
<b>Unassigned:</b>					
Capital Projects			2,933,972		2,933,972
Debt Service				2,798	2,798
General Fund	433,829				433,829
Total Fund Balances	<u>1,469,104</u>	<u>-</u>	<u>4,016,714</u>	<u>2,798</u>	<u>5,488,616</u>
Total Liabilities and Fund Balance	<u>\$ 4,019,602</u>	<u>111,028</u>	<u>4,037,264</u>	<u>336,348</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$32,158,314 and the accumulated depreciation is \$13,517,639.

18,640,675

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.

(21,663,073)

Deferred outflow of resources - contributions to the pension plan

2,810,324

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

(524,929)

Accrued Interest

(192,465)

Net Position of Governmental Activities

\$ 4,559,148

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, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Local Sources:					
Local Tax Levy	\$ 14,153,618			666,351	14,819,969
Tuition Charges	8,924,322				8,924,322
Shared Services/Athletic Jointure	17,000				17,000
Miscellaneous	159,101	61,096	2,797		222,994
Total Local Sources	23,254,041	61,096	2,797	666,351	23,984,285
State Sources	3,918,637	70,063			3,988,700
Federal Sources	9,284	445,156			454,440
Total Revenues	27,181,962	576,315	2,797	666,351	28,427,425
<b>Expenditures</b>					
Current:					
Regular Instruction	7,605,510				7,605,510
Special Education Instruction	2,115,748	452,669			2,568,417
Other Special Instruction	216,132				216,132
Other Instruction	732,851				732,851
Support Services and Undistributed Costs:					
Tuition	741,469				741,469
Student and Instruction Related Services	3,314,036	123,646			3,437,682
General Administrative Services	682,691				682,691
School and Other Administrative Services	1,713,755				1,713,755
Plant Operations and Maintenance	1,969,194				1,969,194
Security	124,979				124,979
Pupil Transportation	553,740				553,740
Unallocated Benefits	7,180,125				7,180,125
Debt Service:					
Principal				475,000	475,000
Interest and Other Charges				191,350	191,350
Capital Outlay	836,332		983,286		1,819,618
Total Expenditures	27,786,562	576,315	983,286	666,350	30,012,513

MANASQUAN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2  
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	<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>(604,600)</u>	<u>-</u>	<u>(980,489)</u>	<u>1</u>	<u>(1,585,088)</u>
Other Financing Sources and Uses:					
Other Financing Sources - Transfer from Capital Projects			(2,797)	2,797	
Other Financing Sources - Temporary Notes			<u>5,000,000</u>		<u>5,000,000</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>4,997,203</u>	<u>2,797</u>	<u>5,000,000</u>
Total Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources and Uses	<u>(604,600)</u>	<u>-</u>	<u>4,016,714</u>	<u>2,798</u>	<u>3,414,912</u>
Net Change in Fund Balances	(604,600)	-	4,016,714	2,798	3,414,912
Fund Balance - July 1	<u>2,073,704</u>				<u>2,073,704</u>
Fund Balance - June 30	<u>\$ 1,469,104</u>	<u>-</u>	<u>4,016,714</u>	<u>2,798</u>	<u>5,488,616</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-3TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 3,414,912
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	(690,081)
Capital Outlay	1,173,360
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.	(4,463,060)
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.	(94,634)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,233,796
Pension related deferrals	(23,930)
Change in Net Pension Liability	(1,718,873)
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>(48,262)</u>
Change in Net Position of Governmental Activities (A-2)	<u>\$ (1,216,772)</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, 2017

	<u>Enterprise Fund Totals</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 86,316
Accounts Receivable:	
Federal	5,421
State	186
Other	5,179
Inventories	3,634
Total Current Assets	<u>100,736</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	445,966
Less: Accumulated Depreciation	<u>(333,487)</u>
Total Noncurrent Assets	<u>112,479</u>
Total Assets	<u><u>\$ 213,215</u></u>
 <b><u>Net Position</u></b>	
Invested in Capital Assets Net of Related	
Debt	\$ 112,479
Unrestricted	<u>100,736</u>
Total Net Position	<u><u>\$ 213,215</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, 2017

	<u>Enterprise Fund Totals</u>
Operating Revenues:	
Charge for Services:	
Daily Sales-Reimbursable Programs	\$ 109,311
Daily Sales-Non-Reimbursable Programs	467,583
Fees	61,371
Catering	14,141
Total Operating Revenues	<u>652,406</u>
Operating Expenses:	
Cost of Sales-Reimbursable Programs	57,878
Cost of Sales-Non-Rembursable Programs	231,514
Salaries	257,465
Employee Benefits	35,128
Worker's Compensation	10,000
Cost of Supplies	27,202
General Liability Insurance	29,595
Management Fees	21,000
Miscellaneous	53,583
Depreciation	19,271
Total Operating Expenses	<u>742,636</u>
Operating Income (Loss)	(90,230)
Nonoperating Revenues (Expenses):	
Interest Revenue	67
State Sources:	
State School Lunch Program	2,745
Federal Sources:	
National School Lunch Program	76,947
HHFKA Lunch Program	3,644
Food Distribution Program	8,664
Total Nonoperating Revenues (Expenses)	<u>92,067</u>
Change in Net Position	1,837
Total Net Position - Beginning	<u>211,378</u>
Total Net Position - Ending	<u>\$ 213,215</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, 2017

	<u>Enterprise Fund Totals</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 638,265
Payments to Employees	(257,465)
Payments to Suppliers	(435,391)
Net Cash Provided (Used by) Operating Activities	<u>(54,591)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,745
Federal Sources	80,591
Net Cash Provided (Used by) Noncapital Financing Activities	<u>83,336</u>
Cash Flows from Investing Activities:	
Interest Received	<u>67</u>
Net Increase (Decrease) in Cash & Cash Equivalents	28,812
Balances - Beginning of Year	<u>57,504</u>
Balances - End of Year	<u>\$ 86,316</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (90,230)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities	
Depreciation	19,271
Federal Commodities	8,664
(Increase)/Decrease in Accounts Receivable	8,573
(Increase)/Decrease in Inventories	(869)
Net Cash Provided (Used by) Operating Activities	<u>\$ (54,591)</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, 2017

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 108,388	68,852
Total Assets	<u>\$ 108,388</u>	<u>68,852</u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 108,388	
Reserved for Scholarships		68,852
Total Net Position	<u>\$ 108,388</u>	<u>68,852</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, 2017

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b><u>Additions</u></b>		
Contributions:		
Plan Member	\$ 25,084	
Donations		17,362
Total Contributions	<u>25,084</u>	<u>17,362</u>
Investment Earnings:		
Interest	97	53
Net Investments Earnings	<u>97</u>	<u>53</u>
Total Additions	<u>25,181</u>	<u>17,415</u>
<b><u>Deductions</u></b>		
Unemployment Claims	7,553	
Scholarships Awarded		18,900
Total Deductions	<u>7,553</u>	<u>18,900</u>
Change in Net Position	17,628	(1,485)
Net Position - Beginning of Year	<u>90,760</u>	<u>70,337</u>
Net Position - End of the Year	<u>\$ 108,388</u>	<u>68,852</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, 2017**

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

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

**A. Reporting Entity:**

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

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

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

**B. Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

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

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

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

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

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

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

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

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

**D. Fund Accounting:**

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

**Governmental Fund Types**

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

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

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

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

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

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

**Proprietary Fund Type**

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

**Fiduciary Fund Types**

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

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

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 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, 2017.

**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 2017 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2016-2017 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2017, fiscal year 2017 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, 2017 was as follows:

	<b>Balance</b>			<b>Balance</b>
	<b><u>July 1, 2016</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>June 30, 2017</u></b>
Governmental Activities:				
Land	\$ 1,068,000	_____	_____	1,068,000
Depreciable Assets:				
Site Improvements	1,400,664	336,832		1,737,496
Buildings	26,117,517	731,273		26,848,790
Equipment	<u>2,398,771</u>	<u>105,256</u>		<u>2,504,027</u>
Total	<u>29,916,952</u>	<u>1,173,361</u>	_____	<u>31,090,313</u>

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

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>
Less: Accumulated Depreciation:				
Sites	1,136,690	31,748		1,168,438
Buildings	9,762,087	542,090		10,304,177
Equipment	<u>1,928,780</u>	<u>116,243</u>	_____	<u>2,045,023</u>
Total Accumulated Depreciation	<u>12,827,557</u>	<u>690,081</u>	_____	<u>13,517,638</u>
Net Depreciable Assets	<u>17,089,395</u>	<u>483,280</u>	_____	<u>17,572,675</u>
Governmental Activities Capital Assets (Net)	<u>\$ 18,157,395</u>	<u>483,280</u>	_____	<u>18,640,675</u>
Business-Type Activities:				
Equipment	\$ 445,965			445,965
Less: Accumulated Depreciation:				
Equipment	<u>314,216</u>	<u>19,271</u>	_____	<u>333,487</u>
Business-Type Capital Assets (Net)	<u>\$ 131,749</u>	<u>(19,271)</u>	_____	<u>112,478</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years' Accumulated Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Retirements</u>	<u>Total Accumulated Depreciation</u>
Unallocated	<u>\$ 12,827,557</u>	<u>690,081</u>	_____	<u>13,517,638</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 2017. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

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

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

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

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

**Deposits**

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

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

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

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

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

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

**Investments**

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

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

As of June 30, 2017, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash <u>Equivalents</u></b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 8,585,142</u>

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2017 was \$8,585,142 and the bank balance was \$9,012,594. Of the bank balance, \$251,315 was covered by federal depository insurance and \$8,761,279 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	\$ 251,315
GUDPA	<u>8,761,279</u>
	<u>\$ 9,012,594</u>

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

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Long-Term</u> <u>Portion</u>	<u>2017-18</u> <u>Payment</u>
Pension Liability Compensated	\$ 6,630,465	1,718,873		8,349,338	8,349,338	
Absences Payable	576,666	94,634		671,300	671,300	
Capital Leases Payable	110,776		(61,914)	48,862	28,712	20,124
Notes Payable		5,000,000		5,000,000		5,000,000
Loans Payable	3,033,599			3,033,599	3,033,599	
Bonds Payable	<u>5,035,000</u>		<u>(475,000)</u>	<u>4,560,000</u>	<u>4,070,000</u>	<u>490,000</u>
	<u>\$ 15,386,506</u>	<u>6,813,507</u>	<u>(536,914)</u>	<u>21,663,099</u>	<u>16,152,949</u>	<u>5,510,124</u>

**A. Bonds Payable**

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

1. Community Disaster Loan for Hurricane Sandy for \$3,033,599 at interest of 1.375% with a balance of \$3,033,599 maturing July 17, 2022.
2. 2013 refunding bonds for an addition to the elementary school for \$5,550,000 at interest from 3% to 5% with a balance of \$5,035,000 maturing on January 15, 2025.

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017-2018	\$ 490,000	177,100	667,100
2018-2019	1,116,720	218,879	1,335,599
2019-2020	1,136,720	147,100	1,283,820
2020-2021	1,161,720	125,900	1,287,620
2021-2022	1,186,720	98,150	1,284,870
2022-2025	<u>2,501,719</u>	<u>126,600</u>	<u>2,628,319</u>
	<u>\$ 7,593,599</u>	<u>893,729</u>	<u>8,487,328</u>

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

<u>Description</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2017</u>
Community Disaster Loan	2014-2015	1.375%	\$ 3,033,599
Refunding Bonds	04-30-13	3% to 5%	<u>4,560,000</u>
			<u>\$ 7,593,599</u>

**B. Bonds Authorized But Not Issued**

As of June 30, 2017, the Board had no authorized but not issued bonds.

**C. Capital Leases Payable:**

The District has a lease from Konica and Ricoh for copying machines. These capital leases are for a term of five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2017.

<u>Year Ended June 30</u>	<u>Amount</u>
2018	\$ 30,139
2019	17,246
2020	<u>3,349</u>
	50,734
Less: Amount Representing Interest	<u>1,872</u>
Present Value of Net Minimum Lease Payments	<u>\$ 48,862</u>

**Summary of Leases**

Ricoh copier lease at 2.89% maturing 12-28-19 with a balance of \$21,386 at 6/30/17.

Ricoh copier lease at 3.77% maturing 4-1-20 with a balance of \$9,194 at 6/30/17.

Ricoh copier lease at 4.89% maturing 4-1-20 with a balance of \$18,282 at 6/30/17.

**NOTE 4: Pension Plans**

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

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

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

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

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



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

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

**Funding Policy** - The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.20% 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.

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, 2017, the State of New Jersey contributed \$2,326,778 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 \$865,231 during the year ended June 30, 2017 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>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/17	\$ 259,057	100%	0
6/30/16	264,627	100%	0
6/30/15	231,784	100%	0

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

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/17	\$ 2,326,778	100%	0
6/30/16	2,012,427	100%	0
6/30/15	1,487,818	100%	0

For the year ended June 30, 2017, the District recognized pension expense of \$259,057. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience Changes of Assumptions	\$ 155,272	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,729,537	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	318,368	
District Contributions Subsequent to the Measurement Date	348,090	524,949
	<u>259,057</u>	<u>          </u>
<b>Total</b>	<b><u>\$ 2,810,324</u></b>	<b><u>524,949</u></b>

\$2,810,324 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Additional Information**

Collective balances at December 31, 2016 and 2015 are as follows:

	<b><u>Dec. 31, 2016</u></b>	<b><u>Dec. 31, 2015</u></b>
Collective Deferred Outflows of Resources	\$ 2,810,324	1,311,901
Collective Deferred Inflows of Resources	524,949	501,019
Collective Net Pension Liability	8,349,338	6,630,465
District's Proportion	.02819%	.02954%

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

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

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

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

The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

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

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, 2015 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 (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

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

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 years. State employer 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2016, 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>2016</u>		
	<u>At 1% Decrease (3.90%)</u>	<u>At Current Discount Rate (4.90%)</u>	<u>At 1% Increase (5.90%)</u>
State	\$ 34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>
	<u>2015</u>		
	<u>At 1% Decrease (3.90%)</u>	<u>At Current Discount Rate (4.90%)</u>	<u>At 1% Increase (5.90%)</u>
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>

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

The components of the net pension liability of the State as of June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Total Pension Liability	\$ 101,746,770,000	89,182,662,000
Plan Fiduciary Net Position	<u>22,717,862,967</u>	<u>25,604,797,560</u>
Net Pension Liability	<u>\$ 79,028,907,033</u>	<u>63,577,864,440</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%

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

	<u>2016</u>	<u>2015</u>
District's Liability	<u>\$ 90,257,822</u>	<u>67,221,830</u>
District's Proportion	.11421%	.10573%

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.65%

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

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign – Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds – Equity Hedge	3.75%	4.72%
Hedge Funds – Distressed	3.75%	3.49%

**Discount Rate**

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 30% 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, 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 Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2016 (2.22%, 3.22%, 4.22%)	\$ 94,378,176,033	79,028,907,033	66,494,248,033
2015 (3.13%, 4.13%, 5.13%)	75,559,915,440	63,577,864,440	53,254,610,440

**NOTE 5: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

**NOTE 6: Compensated Absences**

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

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



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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017 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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 781,291
Added Interest	428
Less: Withdrawal from Capital Reserve 2016-17 Budget	<u>(284,542)</u>
Balance June 30, 2017	<u>\$ 497,177</u>

\$2,361 has been designated for use in the budget in 2017-18.

**NOTE 8: Risk Management**

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2016-2017	\$ 25,181	7,553	108,388
2015-2016	23,978	19,643	90,960
2014-2015	23,031	18,812	86,422

**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, 2017 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, 2017.

**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**

2016-17 Total General Fund Expenditures Per the CAFR	\$ 27,786,562
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(3,192,009)</u>
Adjusted 2016-17 General Fund Expenditures	<u>\$ 24,594,553</u>
2% of Adjusted 2016-17 General Fund Expenditures	\$ 491,891
Increased by: Allowable Adjustment	<u>0</u>
Maximum Unassigned Fund Balance	<u>\$ 491,891</u>

**Section 2**

Total General Fund – Fund Balances @ 6-30-17	\$ 1,527,166
Decreased by:	
Other Reserves	(554,816)
Assigned Fund Balance:	
Designated for Subsequent Years Expenditures	(216,738)
Tuition Reserve - Designated for Subsequent Years Expenditures	(135,000)
Capital Reserve - Designated for Subsequent Years Expenditures	(2,361)
Designated Fund Balance - Encumbrances	<u>(13,661)</u>
Total Unassigned Fund Balance	<u>\$ 604,590</u>
Reserve Fund Balance – Excess Surplus	<u>\$ 112,699</u>

**Section 3**

Reserved Excess Surplus - Designated for Subsequent Expenditures	\$ 216,738
Reserved Fund Balance Excess Surplus 2016-2017	<u>112,699</u>
	<u>\$ 329,437</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 0
Non-Public Transportation Aid	<u>0</u>
	<u>\$ 0</u>

**Detail of Other Restricted Fund Balance**

Capital Reserve	\$ 494,816
Emergency Reserve	50,000
Maintenance Reserve	<u>10,000</u>
Total Other Reserved Fund Balance	<u>\$ 554,816</u>

**NOTE 14: Fund Balance Appropriated**

**General Fund** – Of the \$1,527,166 General Fund fund balance at June 30, 2017; \$494,816 has been reserved in the Capital Reserve Account; \$50,000 has been reserved for emergencies; \$10,000 is reserved for maintenance reserve; \$2,361 of Capital Reserve has been designated for subsequent year's expenditures; \$216,738 of Excess Surplus has been designated for subsequent years expenditures, \$135,000 of Tuition Reserve has been designated for subsequent years expenditures, \$112,699 is Excess Surplus – Current Year, \$491,891 is unassigned and \$13,661 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, 2017 of \$112,699.

**NOTE 16: Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2017. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2017 through November 14, 2017.

**NOTE 17: FEMA Community Disaster Loan (CDL)**

The School District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for \$4,719,338 total loan and chose to withdraw \$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 18: SUBSEQUENT EVENTS**

On August 15, 2017, the Board of Education authorized the issuance of a temporary note for \$12,033,754, which was issued on September 9, 2017, with a maturity date of September 7, 2018. The interest rate on the note is 1.35% per annum. The proceeds are being used to finance various improvements to the Manasquan Elementary School and High School. The above issuance includes the \$5,000,000 temporary note issued on March 9, 2017 that matured on September 9, 2017.

**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, 2017

	<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	\$ 14,153,618		14,153,618	14,153,618	-
Tuition From Other LEA's	8,798,133		8,798,133	8,874,471	76,338
Tuition From Individuals	50,000		50,000	49,851	(149)
Athletic Jointure/Business Office Shared Services	17,000		17,000	17,000	-
Miscellaneous Revenues - Unrestricted	48,669		48,669	155,899	107,230
Interest	50		50	3,202	3,152
Total Local Sources	<u>23,067,470</u>	<u>-</u>	<u>23,067,470</u>	<u>23,254,041</u>	<u>186,571</u>
State Sources:					
Extraordinary Aid	200,000		200,000	117,923	(82,077)
Special Education Categorical Aid	515,757		515,757	515,757	-
Transportation Aid	26,032		26,032	26,032	-
Security Aid	20,069		20,069	20,069	-
Adjustment Aid	20,596		20,596	20,596	-
PARCC Readiness Aid	9,560		9,560	9,560	-
Per Pupil Growth Aid	9,560		9,560	9,560	-
Professional Learning Community Aid	9,300		9,300	9,300	-
TPAF Pension Contribution			-	2,326,778	2,326,778
TPAF Social Security Contribution			-	865,231	865,231
Total State Sources	<u>810,874</u>	<u>-</u>	<u>810,874</u>	<u>3,920,806</u>	<u>3,109,932</u>
Federal Sources:					
Medicaid Reimbursement	27,448		27,448	9,284	(18,164)
Total Revenues	<u>23,905,792</u>	<u>-</u>	<u>23,905,792</u>	<u>27,184,131</u>	<u>3,278,339</u>



MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 2 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	305,392	12,153	317,545	317,544	1
Grades 1-5 - Salaries of Teachers	1,583,790	(62,756)	1,521,034	1,521,033	1
Grades 6-8 - Salaries of Teachers	1,101,738	39,736	1,141,474	1,141,473	1
Grades 9-12 - Salaries of Teachers	4,204,459	(160,193)	4,044,266	4,044,264	2
Total Regular Programs - Instruction	<u>7,195,379</u>	<u>(171,060)</u>	<u>7,024,319</u>	<u>7,024,314</u>	<u>5</u>
Regular Programs - Home Instruction:					
Salaries	31,000	39,231	70,231	70,230	1
Purchased Professional/Educational Services	11,156	18,476	29,632	29,631	1
Total Regular Programs - Home Instruction	<u>42,156</u>	<u>57,707</u>	<u>99,863</u>	<u>99,861</u>	<u>2</u>
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	99,550	(14,323)	85,227	85,152	75
Other Purchased Services	33,964	(3,291)	30,673	29,728	945
General Supplies	275,261	41,789	317,050	316,142	908
Textbooks	20,390	27,091	47,481	47,103	378
Other Objects	3,220	(8)	3,212	3,210	2
Total Regular Programs - Undistributed Instruction	<u>432,385</u>	<u>51,258</u>	<u>483,643</u>	<u>481,335</u>	<u>2,308</u>
Total Regular Programs - Instruction	<u>7,669,920</u>	<u>(62,095)</u>	<u>7,607,825</u>	<u>7,605,510</u>	<u>2,315</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	351,853	22,546	374,399	374,399	-
Other Salaries For Instruction	4,800	2,596	7,396	7,396	-
General Supplies	3,908	1,436	5,344	5,344	-
Textbooks		1,138	1,138	1,137	1
Total Learning and/or Language Disabilities	<u>360,561</u>	<u>27,716</u>	<u>388,277</u>	<u>388,276</u>	<u>1</u>
Multiple Disabilities:					
Salaries of Teachers	134,512	(2,546)	131,966	131,966	-
Other Salaries for Instruction	34,063	(916)	33,147	33,146	1
Total Multiple Disabilities	<u>168,575</u>	<u>(3,462)</u>	<u>165,113</u>	<u>165,112</u>	<u>1</u>
Resource Room/Center:					
Salaries of Teachers	1,325,026	78,487	1,403,513	1,403,511	2
Other Salaries Instruction	75,866	(2,676)	73,190	73,189	1
General Supplies	1,490	587	2,077	2,077	-
Total Resource Room/Center	<u>1,402,382</u>	<u>76,398</u>	<u>1,478,780</u>	<u>1,478,777</u>	<u>3</u>
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	39,878	(14,977)	24,901	24,900	1
Other Salaries For Instruction	29,163	(1,705)	27,458	27,457	1
Total Pre-School Disabilities-Full-Time	<u>69,041</u>	<u>(16,682)</u>	<u>52,359</u>	<u>52,357</u>	<u>2</u>
Home Instruction					
Salaries of Teachers	12,200	11,145	23,345	23,344	1
Purchased Professional Educational Services	9,000	(1,118)	7,882	7,882	-
Total Home Instruction	<u>21,200</u>	<u>10,027</u>	<u>31,227</u>	<u>31,226</u>	<u>1</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	<u>2,021,759</u>	<u>93,997</u>	<u>2,115,756</u>	<u>2,115,748</u>	<u>8</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	106,955	(7,798)	99,157	99,157	-
General Supplies	<u>500</u>	<u>(72)</u>	<u>428</u>	<u>427</u>	<u>1</u>
Total Basic Skills/Remedial - Instruction	<u>107,455</u>	<u>(7,870)</u>	<u>99,585</u>	<u>99,584</u>	<u>1</u>
Bilingual Education - Instruction:					
Salaries of Teachers	151,930	(35,381)	116,549	116,548	1
General Supplies	<u>200</u>	<u>(200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Bilingual Education - Instruction	<u>152,130</u>	<u>(35,581)</u>	<u>116,549</u>	<u>116,548</u>	<u>1</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	171,968	4,451	176,419	176,419	-
Purchased Services (300-500 Series)	7,713	(4,595)	3,118	3,117	1
Supplies and Materials	6,496	5,893	12,389	12,388	1
Other Objects	<u>2,875</u>	<u>(1,422)</u>	<u>1,453</u>	<u>1,453</u>	<u>-</u>
Total School Sponsored Co-Curricular	<u>189,052</u>	<u>4,327</u>	<u>193,379</u>	<u>193,377</u>	<u>2</u>
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	397,840	(25,827)	372,013	372,012	1
Purchased Services (300-500 Series)	68,700	(3,290)	65,410	65,284	126
Supplies and Materials	66,456	5,083	71,539	71,467	72
Other Objects	13,150	(5,380)	7,770	6,471	1,299
Transfers to Cover Deficit (Agency Fund)	<u>23,540</u>	<u>700</u>	<u>24,240</u>	<u>24,240</u>	<u>-</u>
Total School Sponsored Co-Curr. Athletics - Instruction	<u>569,686</u>	<u>(28,714)</u>	<u>540,972</u>	<u>539,474</u>	<u>1,498</u>
Total Distributed Expenditures	<u>10,710,002</u>	<u>(35,936)</u>	<u>10,674,066</u>	<u>10,670,241</u>	<u>3,825</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 5 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	120,000	(30,796)	89,204	89,143	61
Tuition to County Vocational School:					
Regular	162,240	(20,300)	141,940	140,224	1,716
Special	39,480	(12,477)	27,003	21,222	5,781
Tuition to Private Schools for the Disabled - Within State	645,039	(130,109)	514,930	490,880	24,050
Total Instruction	<u>966,759</u>	<u>(193,682)</u>	<u>773,077</u>	<u>741,469</u>	<u>31,608</u>
Attendance & Social Work:					
Salaries	37,514	(1)	37,513	37,513	-
Health Services:					
Salaries	197,030	3,145	200,175	200,173	2
Purchased Professional/Technical Services	6,000	(1,000)	5,000	3,746	1,254
Other Purchased Services (400-500 Series)	650	(25)	625	605	20
Supplies and Materials	8,450	175	8,625	8,425	200
Other Objects	389	(69)	320	319	1
Total Health Services	<u>212,519</u>	<u>2,226</u>	<u>214,745</u>	<u>213,268</u>	<u>1,477</u>
Other Support Services Students Related Services:					
Salaries	250,765	16,889	267,654	267,654	-
Purchased Professional Educational Services	45,750	(10,309)	35,441	35,441	-
Supplies and Materials	1,331	(28)	1,303	1,301	2
Total Other Support Services Students Related Services	<u>297,846</u>	<u>6,552</u>	<u>304,398</u>	<u>304,396</u>	<u>2</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 6 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	157,052	164,261	321,313	321,312	1
Purchased Professional Educational Services	250		250		250
Supplies and Materials		870	870	867	3
Total Other Support Svcs. Students Extraordinary Svcs.	<u>157,302</u>	<u>165,131</u>	<u>322,433</u>	<u>322,179</u>	<u>254</u>
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	649,366	10,845	660,211	660,210	1
Salaries of Secretarial & Clerical Assistants	44,715	4,808	49,523	49,522	1
Purchased Professional/Educational Services		5,568	5,568	5,568	-
Purchased Professional/Technical Services	38,204	7,052	45,256	45,025	231
Other Purchased Services	3,489	(714)	2,775	2,774	1
Supplies and Materials	8,844	(5,596)	3,248	3,227	21
Other Objects	3,350	369	3,719	3,719	-
Total Other Support Svcs. Students - Regular Services	<u>747,968</u>	<u>22,332</u>	<u>770,300</u>	<u>770,045</u>	<u>255</u>
Other Support Services Students - Special:					
Salaries of Other Professional Staff	634,896	(69,001)	565,895	565,892	3
Salaries of Secretarial & Clerical Assistants	52,100	(11,957)	40,143	40,141	2
Purchased Professional Educational Services	3,000	6,922	9,922	9,090	832
Other Purchased Professional/Technical Services	13,850	273	14,123	12,421	1,702
Other Purchased Services (400-500 Series)	13,402	(5,357)	8,045	6,235	1,810
Supplies and Materials	5,000	1,403	6,403	6,241	162
Other Objects	900	220	1,120	970	150
Total Other Support Services Students - Special	<u>723,148</u>	<u>(77,497)</u>	<u>645,651</u>	<u>640,990</u>	<u>4,661</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	315,538	47,476	363,014	363,013	1
Salaries of Other Professional Staff	74,445	2,600	77,045	77,045	-
Salaries of Secretarial & Clerical Assistants	46,540	(100)	46,440	46,440	-
Other Purchased Services (400-500 Series)	1,500	(1,025)	475	455	20
Supplies & Materials	1,900	(1,840)	60	60	-
Other Objects	2,320	(276)	2,044	2,019	25
Total Improvement of Instructional Services	<u>442,243</u>	<u>46,835</u>	<u>489,078</u>	<u>489,032</u>	<u>46</u>
Educational Media/School Library:					
Salaries	136,200	(1,213)	134,987	134,987	-
Salaries of Technology Coordinators	247,084	94,238	341,322	341,321	1
Other Purchased Services (400-500 Series)	24,057	3,788	27,845	26,668	1,177
Supplies and Materials	7,150	1,943	9,093	8,731	362
Other Objects	555	(83)	472	472	-
Total Educational Media/School Library	<u>415,046</u>	<u>98,673</u>	<u>513,719</u>	<u>512,179</u>	<u>1,540</u>
Staff Training:					
Salaries of Other Professional Staff	6,500	(800)	5,700	5,700	-
Salaries of Secretarial/Clerical Assistants	5,160		5,160	5,160	-
Purchased Professional Educational Services		4,575	4,575	4,078	497
Other Purchased Services	8,075	1,494	9,569	9,333	236
Supplies & Materials	750		750	163	587
Total Staff Training	<u>20,485</u>	<u>5,269</u>	<u>25,754</u>	<u>24,434</u>	<u>1,320</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	260,437	1,146	261,583	261,582	1
Legal Services	82,500	56,496	138,996	138,996	-
Audit Fees	12,500		12,500	12,500	-
Architectural/Engineering Services	5,000	(5,000)	-		-
Other Purchased Services		850	850	850	-
Purchased Technical Services	21,884	(281)	21,603	21,598	5
Communications/Telephone	96,000	(10,515)	85,485	85,484	1
Miscellaneous Purchased Services	100,697	112	100,809	100,807	2
General Supplies	1,458	5,996	7,454	7,454	-
Judgments Against the School District	2,500	32,500	35,000	35,000	-
Miscellaneous Expenditures	6,000	1,567	7,567	7,567	-
Membership Dues and Fees	12,000	(1,145)	10,855	10,853	2
Total Support Services - General Administration	<u>600,976</u>	<u>81,726</u>	<u>682,702</u>	<u>682,691</u>	<u>11</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	727,149	(8,466)	718,683	718,683	-
Salaries of Other Professional Staff	156,232	(109,746)	46,486	46,485	1
Salaries of Secretarial & Clerical Assistants	379,674	(2,004)	377,670	377,669	1
Purchased Professional & Technical Services	3,000		3,000	2,985	15
Other Purchased Services (400-500 Series)	75,454	5,164	80,618	80,613	5
Supplies & Materials	34,750	(5,937)	28,813	28,812	1
Other Objects	7,270	(416)	6,854	6,853	1
Total Support Services - School Administration	<u>1,383,529</u>	<u>(121,405)</u>	<u>1,262,124</u>	<u>1,262,100</u>	<u>24</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	396,998	20,451	417,449	417,447	2
Other Purchased Professional Services	1,000		1,000	1,000	-
Purchased Technical Services	16,068		16,068	16,068	-
Other Purchased Services (400-500 Series)	8,459	(1,238)	7,221	7,139	82
Supplies	4,376	2,262	6,638	6,638	-
Miscellaneous Expenditures	2,040	1,323	3,363	3,363	-
Total Support Services - Central Services	<u>428,941</u>	<u>22,798</u>	<u>451,739</u>	<u>451,655</u>	<u>84</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	<u>35,300</u>	<u>96,245</u>	<u>131,545</u>	<u>119,474</u>	<u>12,071</u>
Total Required Maintenance for School Facilities	<u>35,300</u>	<u>96,245</u>	<u>131,545</u>	<u>119,474</u>	<u>12,071</u>
Other Operations & Maintenance of Plant:					
Salaries	750,992	(27,938)	723,054	723,051	3
Salaries of Non-Instructional Aides	77,293	(3,494)	73,799	73,798	1
Purchased Professional/Technical Services	54,600		54,600	54,600	-
Cleaning, Repair & Maintenance Services	155,950	39,060	195,010	195,009	1
Other Purchased Property Services	9,800	322	10,122	10,108	14
Insurance	155,570	(12,884)	142,686	142,686	-
General Supplies	83,850	(21,030)	62,820	62,792	28
Energy (Electricity)	360,000	(96,498)	263,502	263,500	2
Other Objects	7,650	643	8,293	8,200	93
Energy (Natural Gas)	202,000	(96,179)	105,821	105,820	1
Total Other Operations and Maintenance of Plant	<u>1,857,705</u>	<u>(217,998)</u>	<u>1,639,707</u>	<u>1,639,564</u>	<u>143</u>



**MANASQUAN SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Care and Upkeep of Grounds:					
Salaries	132,275	(1,945)	130,330	130,329	1
Purchased Professional and Technical Services		550	550	550	-
Cleaning, Repair and Maintenance Services	10,000	11,653	21,653	21,653	-
General Supplies	30,573	27,052	57,625	57,624	1
Total Care and Upkeep of Grounds	<u>172,848</u>	<u>37,310</u>	<u>210,158</u>	<u>210,156</u>	<u>2</u>
 Total Operations & Maintenance	 <u>2,065,853</u>	 <u>(84,443)</u>	 <u>1,981,410</u>	 <u>1,969,194</u>	 <u>12,216</u>
 Security:					
Salaries	97,557	5,250	102,807	102,805	2
Purchased Professional and Technical Services	20,699	1,442	22,141	21,854	287
General Supplies	800	(480)	320	320	-
Total Security	<u>119,056</u>	<u>6,212</u>	<u>125,268</u>	<u>124,979</u>	<u>289</u>
 Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	178,500	(25,141)	153,359	153,359	-
Contracted Services - Between Home/School - Joint Agreements		10,880	10,880	10,880	-
Contracted Services Regular - ESCs & CTSAs	163,827	(30,896)	132,931	132,929	2
Contracted Services Special - ESCs & CTSAs	194,918	54,283	249,201	249,200	1
Contracted Services Aid-In-Lieu Non-Public	2,652	4,720	7,372	7,372	-
Total Student Transportation	<u>539,897</u>	<u>13,846</u>	<u>553,743</u>	<u>553,740</u>	<u>3</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 11 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	290,000	30,093	320,093	320,093	-
Other Retirement Contributions-PERS	289,000	(29,942)	259,058	259,057	1
Unemployment Compensation	1,000	(487)	513	513	-
Workmen's Compensation	181,035	(19,642)	161,393	161,392	1
Health Benefits	3,046,622	(192,563)	2,854,059	2,852,467	1,592
Tuition Reimbursement	5,000	2,200	7,200	7,200	-
Other Employee Benefits	307,300	80,095	387,395	387,394	1
Total Unallocated Benefits	<u>4,119,957</u>	<u>(130,246)</u>	<u>3,989,711</u>	<u>3,988,116</u>	<u>1,595</u>
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	2,326,778	(2,326,778)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	865,231	(865,231)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,192,009</u>	<u>(3,192,009)</u>
Total Personal Services - Employee Benefits	<u>4,119,957</u>	<u>(130,246)</u>	<u>3,989,711</u>	<u>7,180,125</u>	<u>(3,190,414)</u>
Total Undistributed Expenditures	<u>13,279,039</u>	<u>(135,674)</u>	<u>13,143,365</u>	<u>16,279,989</u>	<u>(3,136,624)</u>
Total General Current Expense	<u>23,989,041</u>	<u>(171,610)</u>	<u>23,817,431</u>	<u>26,950,230</u>	<u>(3,132,799)</u>
Capital Outlay:					
Instruction					
Grades 9-12	9,500	17,175	26,675	23,535	3,140
Grades 6-8		18,000	18,000	17,949	51

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay (Continued):					
Equipment:					
Administration		2,500	2,500	2,487	13
O & M		25,910	25,910	25,910	-
Maintenance	28,644	(3,159)	25,485	25,440	45
Total Regular Programs - Instruction	<u>38,144</u>	<u>60,426</u>	<u>98,570</u>	<u>95,321</u>	<u>3,249</u>
Facilities Acquisition & Construction Services:					
Architectural/Engineering Service	14,325	24,901	39,226	39,225	1
Construction	580,039	94,662	674,701	674,677	24
Assessment for Debt Service on SDA Funding	27,109		27,109	27,109	-
Total Facilities Acquisition & Construction Services	<u>621,473</u>	<u>119,563</u>	<u>741,036</u>	<u>741,011</u>	<u>25</u>
Total Capital Outlay	<u>659,617</u>	<u>179,989</u>	<u>839,606</u>	<u>836,332</u>	<u>3,274</u>
Total Expenditures	<u>24,648,658</u>	<u>8,379</u>	<u>24,657,037</u>	<u>27,786,562</u>	<u>(3,129,525)</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures & Other Financing Uses	(742,866)	(8,379)	(751,245)	(602,431)	148,814
Fund Balance July 1	<u>2,129,597</u>		<u>2,129,597</u>	<u>2,129,597</u>	
Fund Balance June 30	<u>\$ 1,386,731</u>	<u>(8,379)</u>	<u>1,378,352</u>	<u>1,527,166</u>	<u>148,814</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 13 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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				\$ 494,816	
Emergency Reserve				50,000	
Maintenance Reserve				10,000	
Excess Surplus				112,699	
Assigned Fund Balance:					
Reserved for Encumbrances				13,661	
Designated For Subsequent Year's Expenditures - Excess Surplus				216,738	
Designated For Subsequent Year's Expenditures - Tuition Reserve				135,000	
Designated For Subsequent Year's Expenditures - Capital Reserve				2,361	
Unassigned Fund Balance				<u>491,891</u>	
				1,527,166	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(58,062)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,469,104</u>	

MANASQUAN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources	\$ 78,370		78,370	62,705	15,665
State Sources	70,063		70,063	70,063	
Federal Sources	479,952		479,952	462,714	17,238
Total Revenues	<u>\$ 628,385</u>	<u>-</u>	<u>628,385</u>	<u>595,482</u>	<u>32,903</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 77,328		77,328	77,328	
Purchased Professional Educational Services	2,200		2,200	2,200	
Other Purchased Services	270,000		270,000	270,000	
General Supplies	136,258		136,258	120,552	15,706
Other Objects	2,000		2,000	1,756	244
Total Instruction	<u>487,786</u>	<u>-</u>	<u>487,786</u>	<u>471,836</u>	<u>15,950</u>
Support Services:					
Personal Services - Salaries	420		420	420	
Personal Services - Employee Benefits	16,288		16,288	16,288	
Purchased Professional - Educational Services	96,724		96,724	80,796	15,928
Other Purchased Services	12,844		12,844	11,838	1,006
Supplies and Materials	12,910		12,910	12,891	19
Other Objects	1,413		1,413	1,413	
Total Support Services	<u>140,599</u>	<u>-</u>	<u>140,599</u>	<u>123,646</u>	<u>16,953</u>
Total Expenditures	<u>\$ 628,385</u>	<u>-</u>	<u>628,385</u>	<u>595,482</u>	<u>32,903</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

MANASQUAN SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 27,184,131	595,482
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(19,167)
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes	55,893	
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	(58,062)	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 27,181,962</u>	<u>576,315</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 27,786,562	595,482
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		(19,167)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 27,786,562</u>	<u>576,315</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 FOUR FISCAL YEARS

	<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%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<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	\$ 2,088,171	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	25.01%	28.43%	37.79%	32.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	31.20%	38.21%	42.74%	40.71%

**MANASQUAN SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST FOUR FISCAL YEARS**

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

**MANASQUAN SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**Exhibit L-3**

**LAST FOUR FISCAL YEARS**

	<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%
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>90,257,822</u>	<u>67,221,830</u>	<u>62,231,640</u>	<u>57,010,446</u>
Total	<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	\$ 11,291,785	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	12.51%	17.13%	17.35%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

**MANASQUAN SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**MANASQUAN SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate changed from 4.90% as of June 30, 2015, to 3.98% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.

**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, 2017

	<u>Teacher Recognition</u>	<u>Sustainable Jersey Mindfull Warriors</u>	<u>AED Donation</u>	<u>Track Donations</u>	<u>NJSBAIG Safety Grant</u>	<u>Science Grant Donations</u>	<u>Athletic Trainer Donations</u>	<u>Future Ready</u>
Revenues:								
State Sources	\$ -							68,650
Federal Sources								
Local Revenues	<u>100</u>	<u>550</u>	<u>2,353</u>	<u>5,000</u>	<u>2,622</u>	<u>500</u>	<u>1,000</u>	
Total Revenues	<u>\$ 100</u>	<u>550</u>	<u>2,353</u>	<u>5,000</u>	<u>2,622</u>	<u>500</u>	<u>1,000</u>	<u>68,650</u>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -							18,083
Purchased Professional Educational Services								
Other Purchased Services								
General Supplies	100	550	2,353	5,000		500	1,000	9,616
Other Objects								
Total Instruction	<u>100</u>	<u>550</u>	<u>2,353</u>	<u>5,000</u>	<u>-</u>	<u>500</u>	<u>1,000</u>	<u>27,699</u>
Support Services:								
Personal Services - Salaries								420
Personal Services - Employee Benefits								1,404
Purchased Professional Educational Services					2,395			31,444
Other Purchased Services								
Supplies and Materials					227			7,683
Other Objects								
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,622</u>	<u>-</u>	<u>-</u>	<u>40,951</u>
Total Expenditures	<u>\$ 100</u>	<u>550</u>	<u>2,353</u>	<u>5,000</u>	<u>2,622</u>	<u>500</u>	<u>1,000</u>	<u>68,650</u>

MANASQUAN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>I.D.E.A Flow-Thru Part B</u>	<u>I.D.E.A. Flow-Thru Preschool</u>	<u>Dog Therapy Donation</u>	<u>MES PTO Grant</u>	<u>MES Education Foundation</u>	<u>Summitt Assoc. Grant</u>	<u>193 Corrective Speech</u>	<u>Totals</u>
Revenues:											
State Sources	-									1,413	70,063
Federal Sources	86,472	43,808	2,000	317,146	13,288						462,714
Local Revenues						500	16,000	28,963	5,117		62,705
<b>Total Revenues</b>	<b>86,472</b>	<b>43,808</b>	<b>2,000</b>	<b>317,146</b>	<b>13,288</b>	<b>500</b>	<b>16,000</b>	<b>28,963</b>	<b>5,117</b>	<b>1,413</b>	<b>595,482</b>
Expenditures:											
Instruction:											
Salaries of Teachers	57,245		2,000								77,328
Purchased Professional Educational Services				2,200							2,200
Other Purchased Services				270,000							270,000
General Supplies	14,343			24,978	11,532	500	16,000	28,963	5,117		120,552
Other Objects					1,756						1,756
<b>Total Instruction</b>	<b>71,588</b>	<b>-</b>	<b>2,000</b>	<b>297,178</b>	<b>13,288</b>	<b>500</b>	<b>16,000</b>	<b>28,963</b>	<b>5,117</b>	<b>-</b>	<b>471,836</b>
Support Services:											
Personal Services - Salaries											420
Personal Services - Employee Benefits	14,884										16,288
Purchased Professional Educational Services		31,970		14,987							80,796
Other Purchased Services		11,838									11,838
Supplies and Materials				4,981							12,891
Other Objects										1,413	1,413
<b>Total Support Services</b>	<b>14,884</b>	<b>43,808</b>	<b>-</b>	<b>19,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,413</b>	<b>123,646</b>
<b>Total Expenditures</b>	<b>86,472</b>	<b>43,808</b>	<b>2,000</b>	<b>317,146</b>	<b>13,288</b>	<b>500</b>	<b>16,000</b>	<b>28,963</b>	<b>5,117</b>	<b>1,413</b>	<b>595,482</b>

**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, 2017Revenues and Other Financing Sources

Temporary Note	\$ 5,000,000
Interest Earned	2,797
Total Revenues	<u>5,002,797</u>

Expenditures and Other Financing Uses

Legal Services	8,162
Architectural/Engineering Services	690,760
Construction Services	268,150
Other Objects	16,214
Total Expenditures	<u>983,286</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	4,019,511
---	-----------

## Other Financing (Uses):

Interest due Debt Service	(2,797)
Total Other Financing (Uses)	<u>(2,797)</u>

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

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Temporary Note	\$ -	5,000,000	5,000,000	5,000,000
Total Revenues	-	5,000,000	5,000,000	5,000,000
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services		8,162	8,162	8,162
Other Purchased Professional and Technical Services		690,760	690,760	1,314,208
Construction Services		268,150	268,150	3,661,416
Other Objects		16,214	16,214	16,214
Total Expenditures	-	983,286	983,286	5,000,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	4,016,714	4,016,714	-
<b><u>Additional Project Information</u></b>				
Project Number				
Grant Date		N/A		
Note Authorization Date		3/19/17		
Authorized Note		5,000,000		
Notes Issued		5,000,000		
Original Authorized Cost		5,000,000		
Additional Authorized Cost				
Revised Authorized Cost		5,000,000		
Percentage Increase Over Original Authorized Cost			0%	
Percentage Completion				
Original Target Completion Date				
Revised Target Completion Date				

**PROPRIETARY FUNDS – G**

MANASQUAN SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET POSITIONENTERPRISE FUNDSJUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	Aftercare Program	Surf Team	
<b><u>Assets</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ 67,609	17,589	1,118	86,316
Accounts Receivable:				
Federal	5,421			5,421
State	186			186
Other	5,179			5,179
Inventories	3,634			3,634
Total Current Assets	<u>82,029</u>	<u>17,589</u>	<u>1,118</u>	<u>100,736</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	445,966			445,966
Less: Accumulated Depreciation	(333,487)			(333,487)
Total Noncurrent Assets	<u>112,479</u>	<u>-</u>	<u>-</u>	<u>112,479</u>
Total Assets	<u>\$ 194,508</u>	<u>17,589</u>	<u>1,118</u>	<u>213,215</u>
<b><u>Net Position</u></b>				
Invested in Capital Assets net of Related Debt	\$ 112,479			112,479
Unrestricted	<u>82,029</u>	<u>17,589</u>	<u>1,118</u>	<u>100,736</u>
Total Net Position	<u>\$ 194,508</u>	<u>17,589</u>	<u>1,118</u>	<u>213,215</u>



MANASQUAN SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES ANDCHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2017

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Food Service</u>	<u>Aftercare Program</u>	<u>Surf Team</u>	
Operating Revenues:				
Charge for Services:				
Daily Sales-Reimbursable Programs	\$ 109,311			109,311
Daily Sales-Non-Reimbursable Programs	467,583			467,583
Fees		47,291	14,080	61,371
Catering	14,141			14,141
Total Operating Revenues	<u>591,035</u>	<u>47,291</u>	<u>14,080</u>	<u>652,406</u>
Operating Expenses:				
Cost of Sales-Reimbursable Programs	57,878			57,878
Cost of Sales-Non-Rembursable Programs	231,514			231,514
Salaries	234,597	22,868		257,465
Employee Benefits	33,379	1,749		35,128
Worker's Compensation	10,000			10,000
Cost of Supplies	22,117	5,085		27,202
General Liability Insurance	29,595			29,595
Management Fees	21,000			21,000
Miscellaneous	40,084		13,499	53,583
Depreciation	19,271			19,271
Total Operating Expenses	<u>699,435</u>	<u>29,702</u>	<u>13,499</u>	<u>742,636</u>
Operating Income (Loss)	(108,400)	17,589	581	(90,230)
Nonoperating Revenues (Expenses):				
Interest Revenue	66		1	67
State Sources:				
State School Lunch Program	2,745			2,745
Federal Sources:				
National School Lunch Program	76,947			76,947
HHFKA Lunch Program	3,644			3,644
Food Distribution Program	8,664			8,664
Total Nonoperating Revenues (Expenses)	<u>92,066</u>	<u>-</u>	<u>1</u>	<u>92,067</u>
Change in Net Position	(16,334)	17,589	582	1,837
Total Net Position - Beginning	<u>210,842</u>		<u>536</u>	<u>211,378</u>
Total Net Position - Ending	<u>\$ 194,508</u>	<u>17,589</u>	<u>1,118</u>	<u>213,215</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWSENTERPRISE FUNDSJUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	Aftercare Program	Surf Team	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 576,894	47,291	14,080	638,265
Payments to Employees	(234,597)	(22,868)	-	(257,465)
Payments to Suppliers	(415,058)	(6,834)	(13,499)	(435,391)
Net Cash Provided (Used by) Operating Activities	(72,761)	17,589	581	(54,591)
Cash Flows from Noncapital Financing Activities:				
State Sources	2,745			2,745
Federal Sources	80,591			80,591
Net Cash Provided (Used by) Noncapital Financing Activities	83,336	-	-	83,336
Cash Flows from Investing Activities:				
Interest Received	66		1	67
Net Increase (Decrease) in Cash & Cash Equivalents	10,641	17,589	582	28,812
Balances - Beginning of Year	56,968		536	57,504
Balances - End of Year	\$ 67,609	17,589	1,118	86,316
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income	\$ (108,400)	17,589	581	(90,230)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities				
Depreciation	19,271			19,271
Federal Commodities	8,664			8,664
(Increase)/Decrease in Accounts Receivable	8,573			8,573
(Increase)/Decrease in Inventories	(869)			(869)
Net Cash Provided (Used by) Operating Activities	\$ (72,761)	17,589	581	(54,591)

**FIDUCIARY FUND – H**

MANASOUAN SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	<u>Student Activities</u>	<u>Flexible Spending Account</u>	<u>Agency Account</u>	<u>Staff Account</u>	<u>Non-Expendable Trust Scholarship</u>	<u>Unemployment</u>	<u>Totals June 30, 2017</u>
Assets:							
Cash and Cash Equivalents	\$ 259,268	15,250	759	1,808	68,852	108,388	454,325
Total Assets	<u>\$ 259,268</u>	<u>15,250</u>	<u>759</u>	<u>1,808</u>	<u>68,852</u>	<u>108,388</u>	<u>454,325</u>
Liabilities:							
Due to Student Groups	\$ 259,268						259,268
Payroll Withholdings		15,250	759				16,009
Total Liabilities	<u>\$ 259,268</u>	<u>15,250</u>	<u>759</u>				<u>275,277</u>
Net Position:							
Reserved - Unemployment Benefits				\$ -		108,388	108,388
Reserved - Staff Account				1,808			1,808
Reserved - Scholarships					68,852		68,852
Total Net Position				<u>\$ 1,808</u>	<u>68,852</u>	<u>108,388</u>	<u>179,048</u>

MANASQUAN SCHOOL DISTRICT  
SCHOLARSHIP NONEXPENDABLE TRUST FUND

Exhibit H-2

STATEMENT OF CHANGES  
IN FIDUCIARY NET POSITION

JUNE 30, 2017

	<u>2017</u>
Additions:	
Deposits	\$ 17,362
Interest on Investments	53
Total Additions	17,415
Deductions:	
Scholarship Payments	18,900
Total Deductions	18,900
Change in Net Position	(1,485)
Net Position June 30, 2016	70,337
Net Position June 30, 2017	\$ 68,852

MANASQUAN SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUNDSCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Elementary School:				
Manasquan Elementary	\$ 32,242	82,758	81,922	33,078
High School:				
Recording Studio	7,396	1,530	2,068	6,858
Technology Device Account	19,251	82,710	75,823	26,138
Manasquan High School	<u>189,889</u>	<u>291,351</u>	<u>288,046</u>	<u>193,194</u>
Total - All Schools	<u>\$ 248,778</u>	<u>458,349</u>	<u>447,859</u>	<u>259,268</u>

MANASQUAN SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets:				
Cash and Cash Equivalents	\$ 290	10,482,494	10,482,025	759
Total Assets	<u>\$ 290</u>	<u>10,482,494</u>	<u>10,482,025</u>	<u>759</u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	\$ 290	10,482,494	10,482,025	759
Total Liabilities	<u>\$ 290</u>	<u>10,482,494</u>	<u>10,482,025</u>	<u>759</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, 2017

<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, 2016</u>	<u>Paid</u>	<u>Ending Balance June 30, 2017</u>
Refunding Issue of 2013 Addition to Elementary School	4-30-13	\$ 5,550,000	1-15-17	\$ 475,000	3.000%	\$ 5,035,000	475,000	4,560,000
			1-15-18	490,000				
			1-15-19	510,000				
			1-15-20	530,000	4.000%			
			1-15-21	555,000	5.000%			
			1-15-22	580,000				
			1-15-23	615,000				
			1-15-24	645,000	3.000%			
			1-15-25	635,000				
Community Disaster Loan	2014/2015	3,033,599	7-18-18	606,720	1.375%	3,033,599		3,033,599
			7-18-19	606,720				
			7-18-20	606,720				
			7-18-21	606,720				
			7-18-22	606,719				
						<u>\$ 8,068,599</u>	<u>475,000</u>	<u>7,593,599</u>

MANASQUAN SCHOOL DISTRICT

Exhibit I-1a

GENERAL LONG-TERM DEBT ACCOUNT GROUP

SCHEDULE OF LOANS PAYABLE

JUNE 30, 2017

<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>Issued</u>	<u>Ending Balance June 30, 2017</u>
2017 Referendum	3/9/17	\$ 5,000,000	9/9/17	\$ 5,000,000	0.8518%	<u>\$ 5,000,000</u>	<u>5,000,000</u>

MANASQUAN SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-2

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2017

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2016</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2017</u>
Konica Copiers	5.40%	\$ 18,736	\$ 1,384	1,384	-
Ricoh Copiers	2.89%	71,556	35,964	14,578	21,386
Ricoh Copiers	3.77%	24,673	15,396	6,202	9,194
Ricoh Copiers	4.89%	35,436	25,238	6,956	18,282
Security Cameras	2.27%	98,401	32,794	32,794	-
			<u>\$ 110,776</u>	<u>61,914</u>	<u>48,862</u>

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 666,351		666,351	666,351	
Total Revenues	<u>666,351</u>	<u>-</u>	<u>666,351</u>	<u>666,351</u>	<u>-</u>
Expenditures:					
Regular Debt Service Interest	191,351		191,351	191,350	1
Redemption of Principal	475,000		475,000	475,000	
Total Expenditures	<u>666,351</u>	<u>-</u>	<u>666,351</u>	<u>666,350</u>	<u>1</u>
Excess Revenues Over Expenditures	-	-	-	1	1
Other Financing Sources/(Uses):					
Transfer from Capital Projects				2,797	2,797
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	2,798	2,798
Fund Balance July 1			-		-
Fund Balance June 30	<u>\$ -</u>	<u></u>	<u>-</u>	<u>2,798</u>	<u>2,798</u>

**STATISTICAL SECTION**

**(Unaudited)**

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

**Fiscal Year Ending June 30,**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	7,990,282	9,127,231	9,779,920	9,978,263	10,871,682	12,159,569	12,483,066	10,520,497	9,978,019	6,488,240
Restricted	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785	554,816
Unrestricted	(406,971)	(315,336)	(389,542)	96,800	(38,284)	22,838	(594,876)	(5,628,782)	(5,861,884)	(2,483,907)
<b>Total governmental activities net position</b>	<b>9,877,750</b>	<b>9,986,499</b>	<b>10,813,707</b>	<b>11,482,418</b>	<b>12,428,636</b>	<b>12,710,957</b>	<b>13,654,152</b>	<b>6,664,748</b>	<b>5,775,920</b>	<b>4,559,149</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	44,255	174,596	178,410	159,107	169,502	169,286	166,533	183,013	131,750	112,479
Restricted	-	-	-	-	-	-	-	-	-	0
Unrestricted	112,055	88,842	89,060	81,322	72,550	75,843	62,748	26,448	79,628	100,736
<b>Total business-type net position</b>	<b>156,310</b>	<b>263,438</b>	<b>267,470</b>	<b>240,429</b>	<b>242,052</b>	<b>245,129</b>	<b>229,281</b>	<b>209,461</b>	<b>211,378</b>	<b>213,215</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	8,034,537	9,301,827	9,958,330	10,137,370	11,041,184	12,328,855	12,649,599	10,703,510	10,109,769	6,600,719
Restricted	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238	528,550	1,765,962	1,773,033	1,659,785	554,816
Unrestricted	(294,916)	(226,494)	(300,482)	178,122	34,266	98,681	(532,128)	(5,602,334)	(5,782,256)	(2,383,171)
<b>Total District Net Position</b>	<b>10,034,060</b>	<b>10,249,937</b>	<b>11,081,177</b>	<b>11,722,847</b>	<b>12,670,688</b>	<b>12,956,086</b>	<b>13,883,433</b>	<b>6,874,209</b>	<b>5,987,298</b>	<b>4,772,364</b>

Source: CAFRE Schedule A-1

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

**Fiscal Year Ending June 30,**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	7,274,382	7,063,043	7,551,074	7,305,273	7,477,970	7,316,046	7,797,346	8,147,082	7,732,999	7,700,144
Special education	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851	1,979,082	2,115,748
Other special education	368,333	264,954	279,203	134,068	139,112	112,527	147,703	511,598	798,855	216,132
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	717,953	759,997	772,300	760,384	797,543	710,900	706,050	731,633	743,062	732,851
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	653,166	744,955	648,534	574,831	728,556	788,073	721,990	751,334	920,639	741,469
Student & instruction related services	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,833,209	2,900,023	2,993,919	3,437,682
General administrative services	540,949	531,885	555,444	526,375	657,133	651,981	611,877	609,263	634,576	1,713,755
School & Business Administrative Svcs	1,603,060	1,663,493	1,597,796	1,611,840	1,630,154	1,622,452	1,593,831	1,739,955	1,758,684	682,691
Unallocated Benefits	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,441,411	6,883,598	7,689,132
Plant operations and maintenance	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,139,894	2,029,373	2,032,233
Pupil transportation	532,769	567,314	488,417	351,776	392,692	392,999	432,476	506,389	554,515	553,740
FEMA Loan Payable	-	-	-	-	-	-	-	-	839,651	-
Capital Outlay	-	-	-	-	-	-	-	-	51,245	646,257
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	434,891	406,224	383,508	359,470	333,738	244,608	258,283	259,874	240,110	239,612
Unallocated depreciation	396,725	717,221	516,764	698,880	827,188	818,422	704,421	681,910	684,889	690,081
<b>Total Governmental Activities Expenses</b>	<b>24,590,902</b>	<b>24,521,500</b>	<b>25,155,284</b>	<b>24,904,598</b>	<b>26,194,163</b>	<b>27,210,048</b>	<b>25,646,396</b>	<b>27,368,217</b>	<b>28,845,197</b>	<b>29,191,527</b>
<b>Business-Type Activities:</b>										
Food service	661,200	664,102	637,527	659,787	629,346	647,049	704,878	702,665	704,194	742,636
Surf Team	16,111	10,641	-	3,870	9,749	2,828	23,462	12,096	-	-
<b>Total Business-Type Activities Expense</b>	<b>677,311</b>	<b>674,743</b>	<b>637,527</b>	<b>663,657</b>	<b>639,095</b>	<b>649,877</b>	<b>728,340</b>	<b>714,761</b>	<b>704,194</b>	<b>742,636</b>
<b>Total District Expenses:</b>	<b>25,268,213</b>	<b>25,196,243</b>	<b>25,792,811</b>	<b>25,568,255</b>	<b>26,833,258</b>	<b>27,859,925</b>	<b>26,374,736</b>	<b>28,082,978</b>	<b>29,549,391</b>	<b>29,934,163</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	788,073	721,990	751,334	937,639	741,469
Operating grants and contributions	421,228	424,097	811,247	673,525	506,399	539,995	425,888	457,252	620,046	576,315
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Rev.</b>	<b>421,228</b>	<b>424,097</b>	<b>811,247</b>	<b>673,525</b>	<b>506,399</b>	<b>1,328,068</b>	<b>1,147,878</b>	<b>1,208,586</b>	<b>1,557,685</b>	<b>1,317,784</b>





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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	360,590	240,278	732,302	1,405,664	1,593,851	527,515	1,369,608	1,811,647	1,815,330	1,252,366
Unreserved	680,832	690,981	489,371	536,680	568,825	490,658	396,354	373,503	258,374	216,738
<b>Total General Fund</b>	<b>1,041,422</b>	<b>931,259</b>	<b>1,221,673</b>	<b>1,942,344</b>	<b>2,162,676</b>	<b>1,018,173</b>	<b>1,765,962</b>	<b>2,185,150</b>	<b>2,073,704</b>	<b>1,469,104</b>
<b>All Other Governmental Funds</b>										
Reserved	-	22,887	-	-	-	1035	-	-	-	1,082,742
Unreserved, reported in										
Special revenue fund	-	-	-	-	-	-	19,996	-	-	-
Capital projects fund	1,303,654	597,982	450,142	1,029	-	-	-	-	-	2,933,973
Debt service fund	353,995	796	1,457	662	1,387	-	-	-	-	2,798
<b>Total All Other Governmental Funds</b>	<b>1,657,649</b>	<b>621,665</b>	<b>451,599</b>	<b>1,691</b>	<b>1,387</b>	<b>1,035</b>	<b>19,996</b>	<b>0</b>	<b>0</b>	<b>4,019,513</b>

Source: CAFR Schedule B-1

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	11,822,383	12,321,458	12,983,460	13,251,492	13,237,482	13,719,834	13,085,044	13,587,490	13,940,608	14,819,969
Tuition charges	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759	8,975,713	8,941,819	9,467,615	8,722,074	8,924,322
Interest earnings	192,281	28,399	5,047	4,924	926	772	-	-	-	-
Miscellaneous	84,455	164,365	119,568	178,154	162,284	219,660	119,934	91,714	107,693	239,994
State sources	3,473,332	2,541,409	2,694,698	1,918,542	2,634,865	3,162,312	2,897,658	3,128,589	3,735,494	3,988,700
Federal sources	296,507	296,632	670,043	571,515	465,890	424,751	1,656,898	1,285,135	1,234,982	454,440
<b>Total Revenue</b>	<b>24,772,044</b>	<b>24,576,634</b>	<b>25,846,056</b>	<b>26,050,738</b>	<b>26,495,206</b>	<b>26,503,042</b>	<b>26,701,353</b>	<b>27,560,543</b>	<b>27,740,851</b>	<b>28,427,425</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	7,189,073	7,168,323	7,424,565	7,504,878	7,457,057	7,309,019	7,763,727	8,147,082	7,669,345	7,605,510
Special education instruction	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492	1,916,118	2,131,954	1,947,851	1,979,082	2,568,417
Other special education	368,333	264,954	279,203	134,068	139,112	112,527	147,703	511,598	798,855	216,132
Other school programs	717,953	759,997	772,300	760,384	797,543	710,900	706,050	731,633	743,062	732,851
<b>Support Services:</b>										
Tuition	653,166	744,955	648,534	574,831	728,556	788,073	721,990	751,334	920,639	741,469
Student & Instruction related services	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776	2,971,791	2,833,209	2,900,023	2,993,919	3,437,682
General administrative services	540,949	531,885	555,444	526,375	657,133	651,981	611,877	609,263	634,576	682,691
School administrative services	1,044,376	1,117,008	1,201,927	1,207,308	1,216,712	1,622,452	1,593,831	1,739,955	1,758,684	1,713,755
Business administrative services	367,990	388,939	395,869	404,532	413,442	-	-	-	-	-
Plant operations and maintenance	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036	2,698,669	1,941,900	2,014,574	1,907,333	1,969,194
Security	-	-	-	-	-	-	-	125,320	122,040	124,979
Pupil transportation	532,769	567,314	488,417	351,776	392,692	392,999	432,476	506,389	554,515	553,740
Other Support Services	190,694	157,546	-	-	-	-	-	-	-	-
Employee Benefits	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773	6,965,462	5,765,356	6,037,358	6,730,677	7,180,125
Food Service	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,291,326	999,399	512,995	653,262	180,989	443,671	252,991	106,517	51,245	1,819,618
<b>Debt service:</b>										
Principal	775,825	801,155	690,000	710,000	720,000	745,000	815,000	785,000	770,000	475,000
Interest and other charges	448,315	418,892	394,210	370,860	346,010	319,235	216,569	247,425	218,325	191,350
<b>Total Expenditures</b>	<b>26,189,443</b>	<b>25,722,781</b>	<b>25,725,708</b>	<b>25,779,975</b>	<b>26,259,323</b>	<b>27,647,897</b>	<b>25,934,633</b>	<b>27,161,322</b>	<b>27,852,297</b>	<b>30,012,513</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(1,417,399)</b>	<b>(1,146,147)</b>	<b>120,348</b>	<b>270,763</b>	<b>235,883</b>	<b>(1,144,855)</b>	<b>766,720</b>	<b>399,221</b>	<b>(111,446)</b>	<b>(1,585,088)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	18,736	-	-	-	-	-
Temporary Notes	-	-	-	-	-	-	-	-	-	5,000,000
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	75,770	8,896	661	355	1,035	-	-	-	-	-
Transfers out	(75,770)	(8,896)	(661)	(355)	(1,035)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,736</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>
<b>Net Change in Fund Balances</b>	<b>(1,417,399)</b>	<b>(1,146,147)</b>	<b>120,348</b>	<b>270,763</b>	<b>254,619</b>	<b>(1,144,855)</b>	<b>766,720</b>	<b>399,221</b>	<b>(111,446)</b>	<b>3,414,912</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>4.674%</b>	<b>4.743%</b>	<b>4.215%</b>	<b>4.193%</b>	<b>4.060%</b>	<b>3.849%</b>	<b>3.978%</b>	<b>3.801%</b>	<b>3.548%</b>	<b>2.220%</b>

**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>
2008	116,511	8,903,086	34,320	47,385	9,101,302
2009	19,503	9,224,371	35,690	92,584	9,372,148
2010	4,386	9,373,240	53,115	60,407	9,491,148
2011	4,569	10,126,111	84,580	84,077	10,299,337
2012	926	9,993,759	78,800	83,484	10,156,969
2013	772	8,975,713	47,600	172,060	9,196,145
2014	679	8,941,819	17,000	102,255	9,061,753
2015	826	9,467,615	17,000	65,754	9,551,195
2016	778	8,722,074	17,000	43,498	8,783,350
2017	3,202	8,924,322	17,000	155,899	9,100,423

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.)
2008	121	2847	0	0	186	13	8	1,708,021,000	130,937,600	451,000	1,577,534,400	0.781	72.58
2009	106	2867	0	0	185	13	8	1,722,788,139	127,892,700	467,239	1,594,895,437	0.814	70.55
2010	94	2879	0	0	186	13	8	1,734,600,014	130,651,600	472,614	1,601,395,414	0.828	73.88
2011	108	2870	0	0	184	12	8	1,739,469,940	131,496,600	1,053,040	1,605,420,340	0.825	73.78
2012	95	2883	0	0	184	12	8	1,741,294,154	131,989,400	1,063,154	1,606,751,754	0.854	78.28
2013	97	2882	0	0	184	12	7	1,656,447,600	134,451,100	0	1,521,996,500	0.860	79.49
2014	135	2859	0	0	186	11	7	1,705,061,000	132,585,500	0	1,572,475,500	0.873	79.65
2015	137	2858	0	0	188	11	7	1,723,847,700	132,717,600	0	1,591,130,100	0.876	80.59
2016	107	2873	0	0	205	11	6	2,112,687,200	136,928,400	0	1,975,758,800	0.753	100.00 Re-Val
2017	89	2890	0	0	205	11	6	1,916,539,375	137,406,800	0	2,055,689,746	0.777	96.30

Source: County Abstract of Ratables & Municipal Tax Assesor

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

Fiscal Year Ended June 30,	<u>Manasquan Board of Education</u>			<u>Overlapping Debt</u>			<u>Total Direct &amp; 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>	
2008	0.725	0.056	0.781	0.331	0.040	0.357	1.509
2009	0.747	0.067	0.814	0.331	0.042	0.372	1.559
2010	0.760	0.068	0.828	0.345	0.044	0.373	1.590
2011	0.758	0.067	0.825	0.352	0.044	0.388	1.609
2012	0.788	0.066	0.854	0.368	0.045	0.377	1.644
2013	0.791	0.069	0.860	0.379	0.048	0.388	1.675
2014	0.765	0.066	0.831	0.379	0.048	0.388	1.646
2015	0.790	0.063	0.853	0.384	0.048	0.388	1.673
2016	0.655	0.050	0.705	0.334	0.039	0.303	1.381
2017	0.688	0.032	0.720	0.345	0.042	0.306	1.428

Source: District Records and Municipal Tax Collector

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

Taxpayer	2017			2007		
	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	0.54%	8,424,400	1	0.54%
208 Properties, LLC	4,248,200	2	0.21%			
Giunco Realty	4,110,700	3	0.20%	4,289,200	4	0.27%
Acme	3,622,100	4	0.18%	3,141,400	5	0.20%
Carbone, John V. & Diane M.	3,544,400	5	0.17%			
Sprint Comm Co LP c/o Prop Tax Dept.	3,346,200	6	0.16%	7,532,200	2	0.48%
Williamson, Mark	3,266,200	7	0.16%			
S & B Associates	3,217,100	8	0.16%	2,798,200	9	0.18%
Falvo, Victor	3,068,800	9	0.15%			
SeaBreeze LLC	2,892,500	10	0.14%	3,000,000	7	0.19%
Osprey Realty				2,822,000	8	0.18%
American Timber Co.				3,068,500	6	0.20%
Leg-It LLC				4,592,900	3	0.29%
O'Grady, John & Benedetta				2621900	10	16.78%
	42,459,100			42,290,700		

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>
2008	11,822,383.00	11,822,383.00	100.00%	-
2009	12,321,458.00	12,321,458.00	100.00%	-
2010	12,983,460.00	12,983,460.00	100.00%	-
2011	13,251,492.00	13,251,492.00	100.00%	-
2012	13,237,482.00	13,237,482.00	100.00%	-
2013	13,719,834.00	13,719,834.00	100.00%	-
2014	13,085,044.00	13,085,044.00	100.00%	-
2015	13,587,490.00	13,587,490.00	100.00%	-
2016	13,940,608.00	13,940,608.00	100.00%	-
2017	14,819,969.00	14,819,969.00	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**

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total District</b>	<b>Percentage Of Personal Income</b>	<b>Per Capita</b>
2008	11,313,154	46,438	11,359,592	3.06%	1818
2009	10,512,000	33,621	10,545,621	3.01%	1681
2010	9,822,000	19,878	9,841,878	2.93%	1667
2011	9,112,000	5,144	9,117,144	2.71%	1544
2012	8,392,000	17,117	8,409,117	2.50%	1345
2013	7,405,000	13,719	7,418,719	2.00%	1164
2014	6,590,000	73,224	6,663,224	2.06%	1157
*2015	7,998,948	173,698	8,172,646	2.52%	1418
*2016	8,068,599	110,776	8,179,375	2.29%	1406
2017	7,593,599	48,862	7,642,461	2.58%	1314

\*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**

General Bonded Debt Outstanding

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Deductions</b>	<b>Net General Bonded Debt Outstanding</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2008	11,313,154	-	11,313,154	0.7171%	1,810.97
2009	10,512,000	-	10,512,000	0.6591%	1,675.75
2010	9,822,000	-	9,822,000	0.6133%	1,663.90
2011	9,112,000	-	9,112,000	0.5676%	1,543.62
2012	8,392,000	-	8,392,000	0.5223%	1,429.40
2013	7,405,000	-	7,405,000	0.4865%	1,261.28
2014	6,590,000	-	6,590,000	0.4330%	1,144.69
2015	7,998,948	-	7,998,948	0.5027%	1,387.74
2016	8,068,599	-	8,068,599	0.4083%	1,387.54
2017	7,593,599	-	7,593,599	0.3693%	1,305.19

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

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

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
<b>Debt repaid with property taxes</b>	12,952,045	100.00%	12,952,045
Manasquan Borough			
<b>Other debt</b>			
County of Monmouth Borough's Share	437,154,080	1.740%	7,606,481
Utility Authority- Borough's Share	18,225,294	12.24%	2,230,776
Utility Authority- Sanitary Sewer Rehabilitation			<u>223,195</u>
Subtotal, overlapping debt			10,060,452
<b>Manasquan School District Direct Debt</b>			<u>7,593,599</u>
<b>Total direct and overlapping debt</b>			<u><u>30,606,096</u></u>

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

**Legal Debt Margin Calculation for Fiscal Year 2017**

**Equalized valuation basis**

2017	1,979,465,275
2016	1,594,575,100
2015	<u>1,594,575,100</u>
	<b><u>5,168,615,475</u></b>

**Average equalized valuation of taxable property** 1,722,871,825

Debt limit (3% of average)	51,686,155
Net bonded school debt	<u>7,593,599</u>
Legal debt margin	<b><u>44,092,556</u></b>

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Debt limit	46,832,788	47,352,211	51,686,155	47,976,863	48,095,426	47,301,437	46,844,801	46,723,034	47,448,820	51,686,155
Total net debt appl. to limit	<u>11,313,154</u>	<u>10,512,000</u>	<u>9,822,000</u>	<u>9,112,000</u>	<u>8,392,000</u>	<u>7,405,000</u>	<u>6,590,000</u>	<u>7,998,948</u>	<u>8,068,599</u>	<u>7,593,599</u>
Legal debt margin	<b><u>35,519,634</u></b>	<b><u>36,840,211</u></b>	<b><u>41,864,155</u></b>	<b><u>38,864,863</u></b>	<b><u>39,703,426</u></b>	<b><u>39,896,437</u></b>	<b><u>40,254,801</u></b>	<b><u>38,724,086</u></b>	<b><u>39,380,221</u></b>	<b><u>44,092,556</u></b>
Total net debt applicable to	24.16%	22.20%	19.00%	18.99%	17.45%	15.65%	14.07%	17.12%	17.00%	14.69%

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

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

<b>Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>* Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2008	6247	370,659,498	59,334	2.9
2009	6273	349,807,572	55,764	4.8
2010	5903	336,205,365	56,955	4.8
2011	5903	344,469,565	58,355	4.9
2012	5871	342,602,205	58,355	4.9
2013	5871	342,602,205	58,355	5.1
2014	5757	353,629,482	61,426	4.9
2015	5764	362,561,364	62,901	5.1
2016	5815	383,900,485	66,019	4.6
2017	5818	403,827,380	69,410	3.8

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

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

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

Employer	2017			2007		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

\*No Information Available

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Instruction</b>										
Regular	106	113	116	110	110	102	103	101.5	98.5	103
Special education	15	18	19	20	18	20	22	30	34	30.5
Other special education	1	1	2	2	2	2	2	2	2	2
Other instruction	10	12	9	9	11	9	7	7	9	9
<b>Support Services:</b>										
Student & instruction related services	37.4	33.4	32.3	31.3	31.3	35	36	41	37	43
General administration	3	3	3	3	3	3	3	3	3	4
School administrative services	10.6	11.6	11.6	11.6	11.6	9	9	9	11	9
Central services	5	5	5	5	5	7	5	5	7	7
Administrative Information Technology	2	2	2	2	2	2	2.5	3.5	3.5	3.5
Plant operations and maintenance	16	18	19.1	19.1	19.1	18	17	16	18	17
<b>Total</b>	<b>206.0</b>	<b>217.0</b>	<b>219.0</b>	<b>213.0</b>	<b>213.0</b>	<b>207.0</b>	<b>206.5</b>	<b>218.0</b>	<b>223.0</b>	<b>228.0</b>

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				
2008	1702	23,252,749	13,662	0.00%	121	11.0	12.6	1702.00	1614.50		94.86%
2009	1711	23,043,147	13,472	-1.39%	131	11.0	12.1	1712.30	1632.00	0.61%	95.31%
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%

From C-1

Source: District Records

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
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	690	698	711	688	682	659	657	622	641	630
<b><u>High School</u></b>										
Manasquan High School										
Square Feet	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156	117,156
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Enrollment	1,012	1,014	988	1,009	984	934	978	977	939	930

Source: District Records, ASSA



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

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

<b>Year</b>	<b>School Facilities Project # (s)</b>	<b>Manasquan High School</b>	<b>Manasquan Elementary School</b>
2008		359,326	54,936
2009		279,560	84,797
2010		71,550	32,000
2011		305,438	4,291
2012		189,954	24,356
2013		847,925	152,482
2014		46,101	2,705
2015		72,274	27,302
2016		40,175	43,156
2017		92,005	39,540
<b>Total School Facilities</b>		<b>2,304,308</b>	<b>465,565</b>

Source: District Records, CAFR Schedule C-1

**Manasquan School District  
Insurance Schedule  
June 30, 2017**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy (1)</b>		
Multi-Peril Policy (Incl. Boiler & Machinery)	51,431,618	2,500
General Automobile Liability	5,000,000	1,000
School Board Legal Liability	5,000,000	10,000
Catastrophic Excess Liability	5,000,000	-
Workers' Compensation	2,000,000	-
Flood/Earthquake	25,000,000	
<b>Student Accident Insurance (2)</b>		
Maximum Benefit Blanket Coverage Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Catastrophic	500,000	
<b>Surety Bonds (3)</b>		
Treasurer	250,000	-
Board Secretary/Business Administrator	250,000	-

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

(2) BMI

(3) Boynton & Boynton (Selective)

**SINGLE AUDIT SECTION**

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

121.

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.  
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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, 2017, and the related notes to the financial statements, which collectively comprise the Manasquan Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated November 14, 2017.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

November 14, 2017

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

123.

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

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, 2017. 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, 2017.

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

Management of the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Manasquan School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Manasquan School District, County of Monmouth, and State of New Jersey's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

November 14, 2017



**MANASQUAN SCHOOL DISTRICT**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances Adjustments	Balance at June 30, 2017		
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:														
General Fund:														
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	9/1/2016	8/31/2017	9,284	\$ -	-	9,284	(9,284)	-	-	-	-
Total General Fund							-	-	9,284	(9,284)	-	-	-	-
U.S. Department of Education:														
Passed Through State Department of Education:														
Special Revenue Fund:														
NCLB:														
Title I	84.010	S010A160030	NCLB17	9/1/2016	8/31/2017	86,494	-	48,658	(86,472)	-	(37,814)	-	-	-
Title I	84.010	S010A150030	NCLB16	9/1/2015	8/31/2016	86,166	(14,971)	14,971	-	-	-	-	-	-
Title IIA	84.367A	S367A160029	NCLB17	9/1/2016	8/31/2017	43,814	-	20,850	(43,808)	-	(22,958)	-	-	-
Title IIA	84.367A	S367A150029	NCLB15	9/1/2014	8/31/2015	23,688	(5,408)	5,408	-	-	-	-	-	-
Title IIA	84.367A	S367A150029	NCLB16	9/1/2015	8/31/2016	22,600	(3,165)	3,165	-	-	-	-	-	-
Title III	84.365A	S365A150030	NCLB17	9/1/2016	8/31/2017	2,000	-	-	(2,000)	-	(2,000)	-	-	-
Title III	84.365A	S365A150030	NCLB16	9/1/2015	8/31/2016	4,737	(4,737)	4,737	-	-	-	-	-	-
Special Education Cluster:														
IDEA:														
Part B - Basic	84.027	H027A160100	FT17	9/1/2016	8/31/2017	332,831	-	277,286	(317,146)	-	(39,860)	-	-	-
Part B - Basic	84.027	H027A150100	FT16	9/1/2015	8/31/2016	321,603	(4,163)	4,163	-	-	-	-	-	-
Preschool	84.173	H173A150114	FT15	9/1/2014	8/31/2015	7,149	(444)	444	-	-	-	-	-	-
Preschool	84.173	H173A160114	FT17	9/1/2016	8/31/2017	14,812	-	9,892	(13,288)	-	(3,396)	-	-	-
Total Special Revenue							(32,888)	-	389,574	(462,714)	-	(106,028)	-	-
U.S. Department of Agriculture -														
Passed Through State Department of Education:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	16161NJ304N1099	N/A	7/1/2015	6/30/2016	81,142	(15,425)	15,425	-	-	-	-	-	-
National School Lunch Program	10.555	171NJ304N1099	N/A	7/1/2016	6/30/2017	76,947	-	71,772	(76,947)	-	(5,175)	-	-	-
HHFKA Lunch Program	10.555	16161NJ304N1099	N/A	7/1/2015	6/30/2016	3,862	(734)	734	-	-	-	-	-	-
HHFKA Lunch Program	10.555	171NJ304N1099	N/A	7/1/2016	6/30/2017	3,644	-	3,397	(3,644)	-	(247)	-	-	-
Food Distribution Program	10.550	171NJ304N1099	N/A	7/1/2016	6/30/2017	8,664	-	8,664	(8,664)	-	-	-	-	-
Total U.S. Dept. of Agriculture							(16,159)	-	99,992	(89,255)	-	(5,422)	-	-
Total Federal Financial Assistance							\$ (49,047)	-	498,850	(561,253)	-	(111,450)	-	-

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

**MANASOHAN SCHOOL DISTRICT**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016			Budgetary Expenditures Pass Through Funds	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2017		MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				Cash Received	Intergovernmental (Accounts Receivable)	Deferred Revenue Interfund Payable	Due to Grantor
General Fund:														
Extraordinary Aid	17-495-034-5120-044	\$ 117,923	7/1/2016	6/30/2017	\$ -			(117,923)			(117,923)			117,923
Extraordinary Aid	16-495-034-5120-044	138,040	7/1/2015	6/30/2016	(138,040)		138,040							
Special Education Categorical Aid	17-495-034-5120-089	515,757	7/1/2016	6/30/2017			466,735	(515,757)				(49,022)	515,757	
Transportation Aid	17-495-034-5120-014	26,032	7/1/2016	6/30/2017			23,559	(26,032)				(2,473)	26,032	
Security Aid	17-495-034-5120-084	20,069	7/1/2016	6/30/2017			18,159	(20,069)				(1,910)	20,069	
Adjustment Aid	17-495-034-5120-085	20,596	7/1/2016	6/30/2017			18,639	(20,596)				(1,957)	20,596	
PARCC Readiness Aid	17-495-034-5120-098	9,560	7/1/2016	6/30/2017			8,654	(9,560)				(906)	9,560	
Per Pupil Growth Aid	17-495-034-5120-097	9,560	7/1/2016	6/30/2017			8,654	(9,560)				(906)	9,560	
Professional Learning Community Aid	17-495-03405120-101	9,300	7/1/2016	6/30/2017			8,412	(9,300)				(888)	9,300	
Non Public Transportation	16-495-034-5120-014	1,566	7/1/2015	6/30/2016	(1,566)		1,566							
Teachers Pension & Annuity Fun	17-495-034-5094-002	2,326,778	7/1/2016	6/30/2017			2,326,778	(2,326,778)					2,326,778	
Reimbursed TPAF S.S. Contr.	17-100-034-5095-003	865,231	7/1/2016	6/30/2017			823,827	(865,231)			(41,404)		865,231	
Reimbursed TPAF S.S. Contr.	16-100-034-5095-003	819,115	7/1/2015	6/30/2016	(40,583)		40,583							
<b>Total General Fund</b>					<b>(180,189)</b>		<b>3,883,606</b>	<b>(3,920,806)</b>			<b>(159,327)</b>		<b>(58,062)</b>	<b>3,920,806</b>
Special Revenue Fund:														
Future Ready	16-TG04-G02	177,629	7/1/2015	6/30/2016	(177,629)		177,629							
Future Ready	16-TG04-G02	68,650	7/1/2016	6/30/2017			68,650	(68,650)						68,650
N.J. Nonpublic Aid: Corrective Speech	17-100-034-5120-066	1,413	7/1/2016	6/30/2017			1,413	(1,413)						1,413
<b>Total Special Revenue</b>					<b>(177,629)</b>		<b>247,692</b>	<b>(70,063)</b>						<b>70,063</b>
State Department of Agriculture: Enterprise Fund														
National School Lunch Program														
State Share	17-100-034-3360-023	2,745	7/1/2016	6/30/2017			2,559	(2,745)			(186)			2,745
State Share	16-100-034-3360-023	2,917	7/1/2015	6/30/2016	(554)		554							
<b>Total Enterprise Fund</b>					<b>(554)</b>		<b>3,113</b>	<b>(2,745)</b>			<b>(186)</b>			<b>2,745</b>
<b>Total State Financial Assistance</b>					<b>\$ (358,372)</b>		<b>4,134,411</b>	<b>(3,993,614)</b>			<b>(159,513)</b>		<b>(58,062)</b>	<b>3,993,614</b>
Less on Behalf TPAF Pension System Contributions								\$ (2,316,778)						
Total for State Financial Assistance-Major Program Distribution								\$ (1,559,028)						

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, 2017****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 \$(2,169) for the general fund and \$(17,558) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented on the following page:

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 3,920,806	70,063	2,745	3,993,614
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>(2,169)</u>	_____	_____	<u>(2,169)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 3,918,637</u>	<u>70,063</u>	<u>2,745</u>	<u>3,991,445</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	\$ 9,284	462,714	89,255	561,253
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(17,558)	_____	_(17,558)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 9,284</u>	<u>445,156</u>	<u>89,255</u>	<u>543,695</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, 2017 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, 2017.

**BOROUGH OF MANASQUAN SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part I - Summary of Auditor's Results*

**Financial Statement Section**

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      x   No

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

  x   Yes    \_\_\_\_\_ No

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

\_\_\_\_\_ Yes      x   No

**Federal Awards Section**

Not Applicable



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

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017*****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 DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017*Part III - State Financial Assistance Findings and Questioned Costs*

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

STATE AWARDS

Finding: No matters were reported.

Information on the State Program: N/A

Criteria or specific requirement:

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause:

Recommendation: N/A

Management's response: N/A

**BOROUGH OF MANASQUAN SCHOOL DISTRICT**

**K-6**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017

K-7

Prior Audit Findings:

None