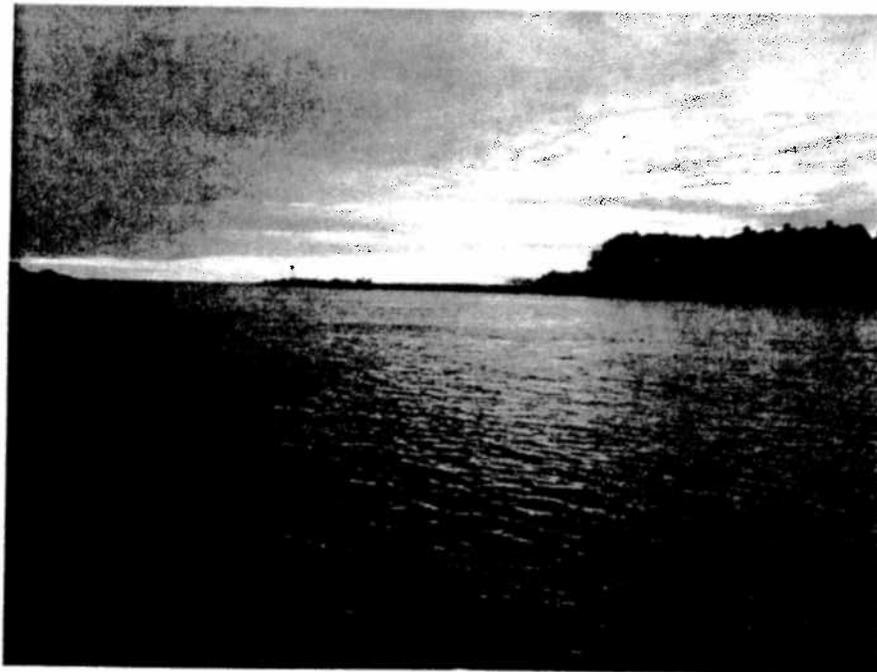


**SCHOOL DISTRICT  
OF  
MANASQUAN**



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

*MANASQUAN, NEW JERSEY*

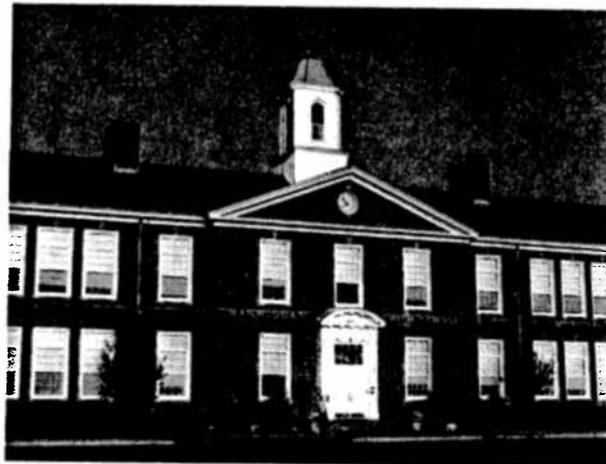
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**PREPARED BY**

**MANASQUAN BOARD OF EDUCATION  
BUSINESS ADMINISTRATOR/BOARD SECRETARY  
MARGARET M. HOM**



**MANASQUAN ELEMENTARY SCHOOL**



**MANASQUAN HIGH SCHOOL**

**MANASQUAN SCHOOL DISTRICT**

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**MANASQUAN SCHOOL DISTRICT**

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**INTRODUCTORY**

**SECTION**

# Manasquan Board of Education

1.

Central Administrative Offices, 169 Broad Street, Manasquan, New Jersey 08736  
Margaret M. Hom, Business Admin./Board Secy.  
(732) 528-8803 / Fax: (732) 223-7422

September 25, 2012

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, 2012. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. The District adopted this financial reporting model as required by the State in 2003. This model is supposed to provide the users of this document with more useful financial and statistical information relying on and including all disclosures made by the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis.

- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the State Treasury Circular Letter 04-04 OMB, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid”. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulation, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

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

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

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

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

The Board of Education is comprised of twelve members. Manasquan holds nine positions on the Board, these members are usually elected for three year terms. We currently have 9 three year term members. The Sending Districts fill the other three positions and are appointed to one year terms according to the agreement filed with the County Office. The Manasquan Board of Education usually meets on the third and fourth Tuesdays of each month except when district functions or holidays interfere with that schedule. The actual schedule is posted on our website for the year. During its agenda and action meetings the Board determines district goals and priorities and conducts the business of the Board of Education. These meetings begin at 7:00 p.m..

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

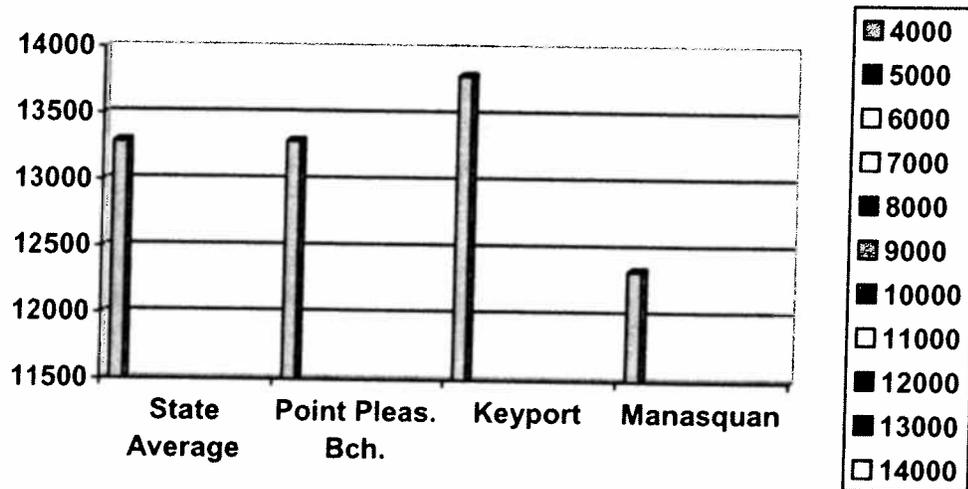
To maintain effective communications, the District has a website that is updated frequently. Information about the budget is posted on the website during the budget review process. Meetings are held and offers to present materials on the budget are extended to all community and civic groups within the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

Each of the schools in the district strive to meet the district-wide goals by employing best practices in instruction and focusing on student achievement, while maintaining a unique

personality that makes up the particular school. All curricula in our district have been aligned to the New Jersey Core Curriculum Content Standards and the Common Core Standards.

In July 2012, the New Jersey Department of Education released its 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 \$12,332 per pupil (certified costs for 2010-11) while the average cost for similar districts was \$13,290. According to the report of the 46 other K-12 school districts in the state with enrollments between 0 and 1800 children, Manasquan was ranked the 14th lowest in total cost per pupil.

**Per Pupil Comparative Spending July 2012 (Certified 2010-11 Costs)**



***Manasquan Elementary School***

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

Manasquan Elementary School holds classes for students in Preschool through Eighth Grade, including a full-day Kindergarten program. Grades 6-8 operate as a middle school and grades Preschool – Grade 5 operate as an elementary school. Two cafeterias are in operation with Grades 5-8 assigned lunch periods in the newer Cafetorium and

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

With regards to technology, ActivBoards have been installed in every regular education classroom, as well as several special education classrooms and special subject area classrooms. Every classroom is now equipped with at least one desktop computer for the teacher to fully utilize the ActivBoard. Most classrooms are also equipped with at least two thin client workstations or additional student desktop computers.

The district also upgraded to a Windows 7 environment and Microsoft Office 2010. Unfortunately, for maximum utilization of the upgrades, the school is very much in need of a new wiring project throughout the building.

Additional technological advances include increased usage of our Genesis Student Data Management System and our school website, powered by Schoolwires. Teachers have received professional development to enhance their personal websites, as well as increase their knowledge of ActivBoard applications they can use in the classroom. The district purchased Discovery Education and teachers continue to incorporate the web-based streaming video service which gives them access to more than 75,000 content-specific video clips aligned directly to state and national standards. In addition, a new guidance program, Naviance, was implemented to provide a learning style inventory and career awareness activities for middle school students. Eighth grade students continue to participate in Digital Storytelling, in which they had an opportunity to participate in this project-based learning experience utilizing video- and sound-editing software. Teachers continued to incorporate lessons in mathematics and language arts from the Skills Tutor Program. Skills Tutor, in addition to classroom assessment and instructional utilization, also provides a skills review program for use at home over the summer months. The Genesis Parent Portal, opened during the 2010-2011 school year for attendance only, was expanded to include real-time gradebook access and electronic report card distribution, significantly reducing postal mailings.

Several new instructional programs were implemented this past year, including a new K-5 mathematics program, enVision, published by Scott Foresman. Our K-5 language arts program, Macmillan's Treasures, was enhanced by allowing more time for guided reading lessons with the assistance of the school's Reading Specialist, who worked collaboratively with the classroom teachers. The language arts program was further expanded by the implementation of additional formative assessment opportunities using the new Fountas & Pinnell Benchmark Assessment Program. A new Drama Rotation class was also created for students in grades six and seven. In addition, a new Basic Skills pull-out program and a new Gifted and Talented pull-out program were both implemented for students in grades 5-8 in the subject areas of language arts and mathematics. The school's Second Step Character Education Program was continued in grades 3-8, with new assembly programs relating to tolerance, respect, and anti-bullying initiatives. A new middle school Cyberbullying curriculum was also implemented, as well as the NJ CAP Program, "No More Bullies, No More Victims". Each grade level participated in an educational field trip aligned with the curriculum and a walking trip to

see a live performance at our community theater, The Algonquin Arts. In addition to our Field Day for grades 5-7, a successful K-4 field day program was implemented once again this year. Furthermore, the students participated in an Interactive Art Show in which student art work was displayed and students dressed in costume, playing the role of famous artists. Students also demonstrated various art techniques at several stations, allowing parents to participate in creating art projects. Fifth grades once again did an outstanding job with their Wax Museum, portraying famous people in history.

The Manasquan Elementary School PTO also continued to remain very active, organizing such events as an Art Appreciation Program, a Science Fair, Book Fairs, and a new Organic Garden. The PTO also worked collaboratively with the school to renovate and design a new outside Courtyard area, which includes a primary playground unit, an outside amphitheater, and a deck with picnic tables for outside educational activities. In addition, a new mural was painted in the Cafeteria focusing on our school-wide initiative to promote healthy eating habits and better nutrition.

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

Manasquan High School is a traditional, older building that is maintained very well. Maintenance on the interior and exterior of the building is continual, and upgrades are scheduled (carpeting, painting, etc.) on a regular basis.

Manasquan High School continues to perform well on the 11<sup>th</sup> grade, state-mandated HSPA (High School Proficiency Assessment). MHS had 32.3% of its students score in the Advanced Proficient range in Math and 26.7% score in the Advanced Proficient range in Language Arts.

All students enrolled in our AP courses took the College Board AP exam. In 2011-12, students scored an average of 3.57, the highest in school history. The high school also had 87% of all tests score a “3” or above, and A.P. Psychology students achieved the highest scores in school history.

The high school also continued its partnership with UMDNJ (University of Medicine and Dentistry of New Jersey) to offer college credit through courses offered in the area of health and sciences, and we continue to explore an “academy model”. Over 30 students received college credit in 2011-12.

Manasquan High School also encourages students to apply for acceptance to the Monmouth County Arts Program. This year, MHS had 8 students enrolled in the program.

Manasquan High School’s Academy of Finance continues to be a centerpiece of the high school program. Through our affiliation with the National Academy Foundation (NAF) Manasquan offers a comprehensive curriculum (Introduction to Business, Entrepreneurship, Accounting, etc.) along with an internship with a local business to all

students who qualify to enter the academy. In 2012, the Academy of Finance graduated over 30 students.

A program to recognize “Student of the Month” at all grade levels, continues as a partnership with The Brielle/Spring Lake Rotary. One student from each grade level and a teacher are selected each month. The award focuses on student achievement, leadership, and community service.

With regards to technology, continued training was provided for staff and administrators related to the Genesis student information system and for teachers’ web pages development. The Genesis Parent Portal, opened during the 2010-2011 school year for attendance only, was expanded to include real-time gradebook access and electronic report card distribution, significantly reducing postal mailings.

In the spring of 2012, a significant data rewiring project was completed for major sections of the high school. New data wiring and network switching equipment was added to support additional devices, increase reliability of network connections, and increase network capacity.

### ***Special Education***

The Special Education program is an integral part of each school. In the 2011-2012 school year the number of educationally disabled students in the district was 139 High School Students, 100 Elementary School Students, 6 Pre-School Disabled Students and 39 (12 Manasquan, 27 Sending Districts) other students were sent to facilities outside the district. Most of the 239 students were placed in general education classes with in class resource services. In addition Manasquan has four Learning Language Disabled teachers instructing two class in the high school and two classes in the elementary school. There is also an in-house Preschool Disabled program operating in the Elementary School. Child Study Team members were shared with Sea Girt approximately ½ day per week.

### ***Core Curriculum Content Standards***

Our district curriculum is aligned to the New Jersey Core Curriculum Content Standards and the State Common Core Standards. Collaborating with the sending districts, new curriculum has been developed in the UbD design for grades K-8 in Mathematics and Language Arts. In grades K-8 all courses have been revised to align with the NJCCCS 2009. In grades 9-12 most courses in each discipline have been revised to align with the NJCCCS 2009 or the State Common Core Standards all will be complete by September, 2012. Each summer teachers from all grade levels and disciplines spend many hours collaborating and writing curriculum.

### ***Staff Development***

The Manasquan School District provides its teaching staff with many opportunities for professional development.

In the beginning of the school year on two days in September and one in October the district provided extensive in-service programs for the staff. The district also provided an in-service day in January. Staff members are permitted and encouraged to attend workshops outside the district in addition to the in-house services already provided. This year Dr. Joanne Monroe presented the Common Core State Standards to K-12 Language Arts teachers. Dr. Jill Tackacs presented the Math Common Core State Standards to K-8 math teachers. All mandated staff training was completed on Professional Development Days or during faculty meetings. The Manasquan High School meets in PLC's a minimum of four times a year. The Manasquan Elementary School teachers meet weekly in PLC's and have participated in a three-year long state initiative on PLC's.

### ***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.

The district possesses more than 700 computers, all of which are connected to the Internet via a high-speed broadband connection. Each classroom is equipped with a desktop computer that interfaces with the other classroom multimedia technology (e.g. projector, ActivBoard, audio system). The district also implemented the use of 20 IPAD2's to use in special education classes and for teacher evaluation.

To meet the need for increased internet use, the district upgraded its internet bandwidth through Optimum Lightpath from 20/20 Mbps to 50/50 Mbps.

The district completed its transition from a Novell network environment to Windows Active Directory. The purchase of two new file/application servers has laid the foundation to deploy a virtual server environment in the future.

The district is an entirely wireless campus, with network connections accessible from all locations. Still, some connections in areas of the Elementary School can be less than reliable because data wiring is old and needs replacement. 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 213 people during the 2011-2012 school year. The certificated staff numbered 161 and educational support personnel 52.

### *Pupil Enrollment*

The district completed the 2011-2012 fiscal year with an Average Daily Enrollment of 1666.1 which is 30.7 students less than 2010-2011 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:

<b>FISCAL YEAR</b>	<b>ENROLLMENT JUNE 30</b>	<b>PERCENTAGE CHANGE</b>
1992-93	1312.8	4.706%
1993-94	1393.2	6.124%
1994-95	1489.1	6.883%
1995-96	1534.8	3.069%
1996-97	1577.1	2.756%
1997-98	1573.0	-0.260%
1998-99	1576.1	0.197%
1999-00	1595.9	1.256%
2000-01	1587.5	-0.526%
2001-02	1664.5	4.850%
2002-03	1726.3	3.713%
2003-04	1726.5	0.012%
2004-05	1723.1	-0.197%
2005-06	1720.6	-0.145%
2006-07	1712.3	-0.482%
2007-08	1702.0	-0.602%
2008-09	1712.3	0.605%
2009-10	1698.6	-0.800%
2010-11	1696.8	-0.106%
2011-12	1666.1	-1.809%

2. **ECONOMIC CONDITION AND OUTLOOK:**

The population of families with school age children is relatively stable in Manasquan; however, the total school enrollment has declined by 30.7 students. Any future changes in the population served will be largely due to continued home sales with only small changes resulting from expansion and/or development in Manasquan. It appears that any differences in the High School enrollment will most likely be due to our Sending/Receiving relationships with the seven surrounding towns, either through development, population shifts or both.

3. **MAJOR INITIATIVES:**

- A.) The teachers and administrators will continue to incorporate technology into all area of instruction.
- B.) The staff will continue their work on UbD design and PLC's.
- C.) The district will continue to follow its Long Range Facility Plan and Technology Plan.
- D.) The district will continue to focus on Community Relations within the district and sending districts.
- E.) The district will continue to focus on maximizing student achievement.

4. **INTERNAL ACCOUNTING CONTROLS:**

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

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

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

**5. BUDGETARY CONTROLS:**

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

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

**6. CASH MANAGEMENT:**

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

**7. RISK MANAGEMENT:**

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

8. **OTHER INFORMATION:**

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

9. **ACKNOWLEDGMENTS:**

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

Respectfully submitted,

  
Geraldine Margin  
Superintendent

  
Margaret Moran Hom  
Business Admin./Bd. Secy.

2012-2013  
Organizational  
Chart 6/2012

**Manasquan Board of Education**  
 Michelle LaSala (President)  
 John Winterstella (Vice-President)  
 Thomas Bauer  
 Julia Barnes  
 Jack Campbell  
 Michele Degnan-Spang  
 Linda DiPalma  
 Mark Furey  
 Christine Muly  
 Katherine Verdi

**Geraldine Margin**  
Superintendent

**Margaret Hom**  
Business Administrator

**Bernard Bigley**  
Maintenance

Maintenance Supervisors  
**Kevin DeForge** Custodial  
**Cory Schnebel** Grounds

**Colleen Graziano**  
Principal  
Elementary School

**Richard Kirk**  
Asst. Principal  
Elementary School

**Jesse Place**  
Director  
Technology/Science

**Margaret Polak**  
District Supervisor  
Special Education

**Rick Coppola**  
Principal  
High School

High School Supervisors  
**Barbara Kerensky**  
English/World Languages  
**Craig Murin**  
Math/Business

**Ronald Kornegay**  
Athletic Director

Assistant Principals High School  
**Donald Bramley**  
Supervisor  
Art/ Home Economics/  
Music/ School Nurse  
**Pete Cahill**  
Supervisor  
Media Specialist/  
Social Studies/Industrial  
Arts

**Sean McCarthy**  
Dean of Students

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

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Michelle LaSala, President	2014
Peter Kenny/John Winterstella, Vice President	2012
Julia Barnes (Brielle)	2012
Thomas B. Bauer	2012
Trisha Brown/Michael L. Shelton	2012
Jack Campbell	2014
Mark Furey (Belmar)	2012
Michelle Degnan-Spang (Spring Lake Heights)	2012
Linda DiPalma	2014
Christine Muly	2013
Jim Smith/Patricia T. Walsh	2013
Katherine Verdi	2013
 <b>Other Officials</b>	
Geraldine Margin, Superintendent	
Margaret Moran Hom, Business Administrator/Board Secretary	
Joanne S. Madden, Treasurer	

**MANASQUAN BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

McOmber & McOmber  
54 Shrewsbury Avenue  
Red Bank, New Jersey 07701

**OFFICIAL DEPOSITORY**

Wachovia (Wells Fargo) Bank  
Allaire Plaza  
Wall, New Jersey 07719

**FINANCIAL**

**SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Manasquan School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Manasquan Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Manasquan Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2012, on our consideration of the Manasquan Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this 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 the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 17 through 24 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Manasquan Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

September 25, 2012

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

**MANASQUAN PUBLIC SCHOOL DISTRICT  
BOROUGH OF MANASQUAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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, 2012. 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 2012 are as follows:

- ◆ General revenues accounted for \$25,988,821 in revenue or 95.77% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,147,103 or 4.23% to total revenues of \$27,135,924
- ◆ Total assets of governmental activities increased by \$181,285 as cash and cash equivalents, receivables decreased by \$125,202 and capital assets increased by \$185,392.
- ◆ The School District had \$26,833,258 in expenses; only \$1,147,103 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and tuition) of \$25,988,821 were adequate to provide for these programs.
- ◆ The General Fund had \$24,941,837 revenues and \$24,721,505 in expenditures. The General Fund's balance increased \$220,332 from 2011. This increase was anticipated by the Board of Education.

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

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

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

## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets 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 assets for 2011 and 2012.

	<u>2011</u>	<u>2012</u>
<b>Assets</b>		
Current and other assets	\$ 2,299,381	\$ 2,433,187
Capital assets, net	<u>19,254,514</u>	<u>18,382,021</u>
<b>Total Assets</b>	<b><u>\$21,553,895</u></b>	<b><u>\$20,815,208</u></b>
<b>Liabilities</b>		
Long-term liabilities	\$ 999,168	\$1,102,011
Other liabilities	<u>8,831,880</u>	<u>8,111,189</u>
<b>Total Liabilities</b>	<b><u>\$ 9,831,048</u></b>	<b><u>\$9,213,200</u></b>
<b>Net Assets</b>		
Invested in capital assets, net of debt	\$10,137,370	\$11,041,184
Restricted	1,407,355	1,595,238
Unrestricted	<u>178,122</u>	<u>34,266</u>
<b>Total Net Assets</b>	<b><u>\$11,722,847</u></b>	<b><u>\$12,670,688</u></b>

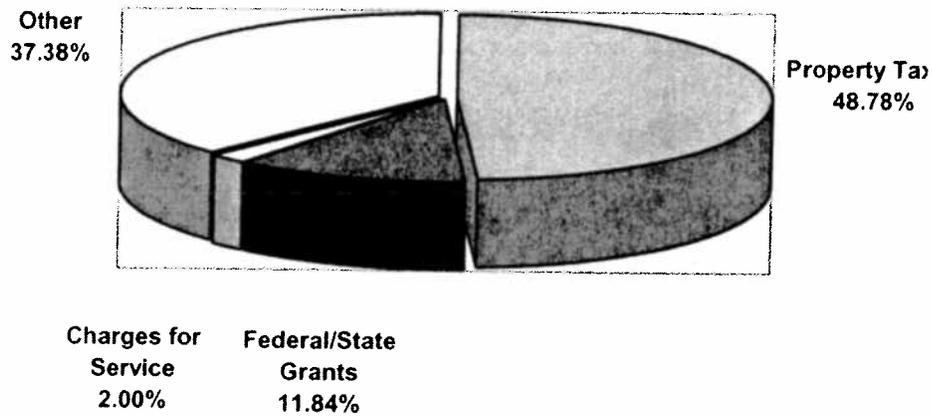
Table 2 shows the changes in net assets from fiscal year 2011 to 2012.

	<u>2011</u>	<u>2012</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 537,854	\$ 542,265
Operating grants and contributions	772,211	604,838
General revenues		
Property taxes	13,251,492	13,237,482
Grants and entitlements	1,826,029	2,607,265
Other	<u>10,299,768</u>	<u>10,144,074</u>
<b>Total Revenues</b>	<b><u>26,687,354</u></b>	<b><u>27,135,924</u></b>
<b>Program Expenses</b>		
Instruction	9,963,148	10,168,117
Support services		
Pupils and instructional staff	3,401,219	3,942,332
General administration, school administration, business	7,727,361	8,511,060
Operations and maintenance of Facilities	2,402,744	2,019,036
Pupil Transportation	351,776	392,692
Interest on debt	359,470	333,738
Food service/Surf Team	663,657	639,095
Other	<u>698,880</u>	<u>827,188</u>
<b>Total Expenses</b>	<b><u>25,568,255</u></b>	<b><u>26,833,258</u></b>
<b>Inc./Dec. in Net Assets</b>	<b><u>1,119,099</u></b>	<b><u>302,666</u></b>

### Governmental Activities

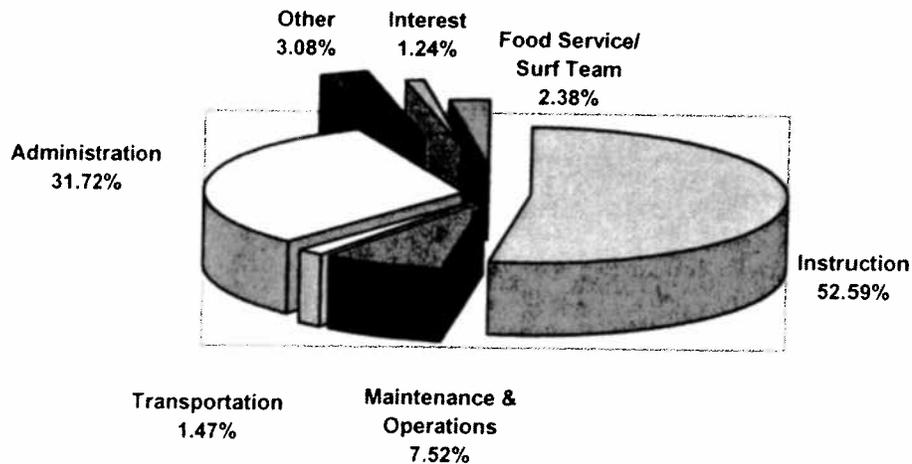
The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 48.78% of revenues for governmental activities for the Manasquan Public School District for fiscal year 2012. The District's total revenues were \$27,135,924 for the fiscal year ended June 30, 2012. Federal, state and local grants accounted for another 11.84%. Tuition, interest revenue and miscellaneous income make up 37.38% and charges for services equal 2.00%.

Sources of Revenues for Fiscal Year 2012



The total cost of all program and services was \$26,833,258. Instruction comprised 52.59% of District expenses. Administration equaled 31.72% and the balance of 15.69% was comprised of operations and maintenance, transportation, interest payments, other payments, food service and surf team.

Expenses for Fiscal Year 2012



### 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 exceeded expenditures by \$372.
- ◆ Charges for services represent \$524,193 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 \$98,439.
- ◆ The Surf Team is partially supported by a parent group. The current year revenues plus the beginning balance left positive net assets of \$1,393.

### 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 2011 have been shown below.

Table 3

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Instruction	\$ 10,168,117	\$ 9,976,735	\$ 9,963,148	\$ 9,577,220
Support services				
Pupils and instructional staff	3,942,332	3,627,315	3,401,219	3,177,670
General administration, school administration, business	8,511,060	8,511,060	7,727,361	7,663,313
Operation and maintenance of facilities	2,019,036	2,019,036	2,402,744	2,402,744
Pupil transportation	392,692	392,692	351,776	351,776
Interest and fiscal charges	333,738	333,738	359,470	359,470
Other	<u>827,188</u>	<u>827,188</u>	<u>698,880</u>	<u>698,880</u>
<b>Total Expenses</b>	<b><u>\$ 26,194,163</u></b>	<b><u>\$ 25,687,764</u></b>	<b><u>\$24,904,598</u></b>	<b><u>\$24,231,073</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 \$26,513,942 and expenditures of \$26,293,914. The net change in fund balance for the year was in the General Fund, an increase of \$220,332. This growth shows that the School District is able to meet current operating costs with no urgent need for additional funds. The capital projects fund balance also decreased by \$1,029 and the debt service fund balance increased by \$725.

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, 2012, 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 2011</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$23,413,181	88.30%	\$(147,145)	(0.62%)
State Sources	2,634,865	9.94%	716,323	37.34%
Federal Sources	<u>465,890</u>	<u>1.76%</u>	<u>(105,625)</u>	<u>(18.48%)</u>
<b>Total Revenue</b>	<b><u>\$26,513,936</u></b>	<b><u>100.00%</u></b>	<b><u>\$463,553</u></b>	<b><u>1.78%</u></b>

The decrease in Local Sources of \$147,145 was attributed to no increases 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 \$716,323 was attributed to changes in state aid revenues.

The decrease in Federal Sources of \$105,625 was attributed to a decrease in grant awards.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2012.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$10,147,204	38.59%	\$ (15,549)	(0.15%)
Undistributed expenditures	14,899,711	56.66%	1,016,611	7.32%
Capital outlay	180,989	.69%	(23,160)	11.34%
Debt service:				
Principal	720,000	2.74%	10,000	(1.41%)
Interest	346,010	1.32%	(24,850)	(6.70%)
<b>Total Expenditures</b>	<b>\$26,293,914</b>	<b>100.00%</b>	<b>\$ 963,052</b>	<b>3.80%</b>

The decrease in Current - Instruction of \$15,549 was attributed to a decrease in supplies and textbooks.

The increase in Current-Undistributed Expenditures of \$1,016,611 was primarily attributed to an increase in outside placement expenditures, student and instruction related services, health benefits, the TPAF non-paid pension contribution and the PERS annual retirement contribution.

The decrease of \$23,160 in capital outlay was based on requested expenditures.

The decrease in debt service of \$14,850 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 2012, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.

The District's final budget for the general fund used \$ 0.00 from surplus.

- ◆ Actual revenues were \$220,332 higher than expenses. The original budget projected the use of \$35,366 from surplus but the extraordinary aid exceeded the amounts in the original budget projection.
- ◆ The actual general fund expenditures were \$24,721,505.

### **Capital Assets**

At the end of the fiscal year 2012, the School District had \$19,280,799 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2012 balances compared to 2011 and 2010.

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

	2010	2011	2012
Land	\$ 1,068,680	\$ 1,068,680	\$1,068,680
Construction in Progress	0	0	0
Site Improvements	354,433	318,176	281,920
Buildings	17,260,586	16,978,284	16,960,563
Machinery and Equipment	938,099	730,267	969,636
<b>Totals Capital Assets</b>	<b>\$19,621,798</b>	<b>\$19,095,407</b>	<b>\$19,280,799</b>

Overall capital assets increased \$185,392 from fiscal year 2011 to fiscal year 2012. This increase was due primarily equipment purchased as part of the High School wiring project.

#### **Debt Administration**

At June 30, 2012, the School district had \$8,869,910 outstanding debt. Of this amount \$460,793 is for compensated absences, \$8,392,000 for bonds payable and \$17,117 for capital leases.

#### **For the Future**

The Manasquan Public School District is in very good financial condition presently. A major concern is the continued 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 Margaret Moran Hom, School Business Administrator/Board Secretary at Manasquan Board of Education, 169 Broad Street, Manasquan, NJ 08736.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**MANASQUAN SCHOOL DISTRICT****STATEMENT OF NET ASSETS**

Exhibit A-1

**JUNE 30, 2012**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 336,997	61,644	398,641
Receivables, Net	298,755	5,793	304,548
Inventory		4,713	4,713
Restricted Assets:			
Cash and Cash Equivalents	1,720,657		1,720,657
Capital Reserve Account - Cash	4,628		4,628
Capital Assets Not Depreciated	1,068,680		
Capital Assets, Net	<u>18,212,119</u>	<u>169,902</u>	<u>18,382,021</u>
Total Assets	<u>\$ 21,641,836</u>	<u>242,052</u>	<u>20,815,208</u>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 295,990		295,990
Deferred Revenue	47,300		47,300
Noncurrent Liabilities:			
Due Within One Year	758,721		758,721
Due Beyond One Year	<u>8,111,189</u>		<u>8,111,189</u>
Total Liabilities	<u>\$ 9,213,200</u>	<u>-</u>	<u>9,213,200</u>
<b><u>Net Assets</u></b>			
Invested in Capital Assets, Net of Related Debt	10,871,682	169,502	11,041,184
Restricted For:			
Debt Service	1,387		1,387
Other Purposes	1,593,851		1,593,851
Unrestricted	<u>(38,284)</u>	<u>72,550</u>	<u>34,266</u>
Total Net Assets	<u>\$ 12,428,636</u>	<u>242,052</u>	<u>12,670,688</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, 2012

<u>Functions/Programs</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</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>
Governmental Activities:						
Instruction:						
Regular	\$7,477,970			(7,477,970)		(7,477,970)
Special Education	1,753,492		191,382	(1,562,110)		(1,562,110)
Other Special Instruction	139,112			(139,112)		(139,112)
Other Instruction	797,543			(797,543)		(797,543)
Support Services:						
Tuition	728,556			(728,556)		(728,556)
Student & Instruction Related Services	3,213,776		315,017	(2,898,759)		(2,898,759)
General Administrative Services	657,133			(657,133)		(657,133)
School and Business Administrative Services						
Plant Operations and Maintenance	1,630,154			(1,630,154)		(1,630,154)
Pupil Transportation	2,019,036			(2,019,036)		(2,019,036)
Unallocated Benefits	392,692			(392,692)		(392,692)
Interest on Long-Term Debt	6,223,773			(6,223,773)		(6,223,773)
Unallocated Depreciation	333,738			(333,738)		(333,738)
Total Government Activities	827,188			(827,188)		(827,188)
	26,194,163	-	506,399	(25,687,764)	-	(25,687,764)
Business-Type Activities:						
Food Service	629,346	531,265	98,439		358	358
Surf Team	9,749	11,000			1,251	1,251
Total Business-Type Activities	639,095	542,265	98,439	-	1,609	1,609
Total Primary Government	26,833,258	542,265	604,838	(25,687,764)	1,609	(25,686,155)

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, 2012

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				\$ 12,171,782		12,171,782
Taxes Levied for Debt Service				1,065,700		1,065,700
Federal and State Aid Not Restricted				2,607,265		2,607,265
Tuition Received				9,993,759		9,993,759
Investment Earnings				926	14	940
Miscellaneous Income				149,375		149,375
Total General Revenues, Special Items, Extraordinary Items and Transfers				25,988,807	14	25,988,821
Change in Net Assets				301,043	1,623	302,666
Net Assets - Beginning				12,127,593	240,429	12,368,022
Net Assets - Ending				\$ 12,428,636	242,052	\$ 12,670,688

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>				
Cash and Cash Equivalents-Restricted	\$ 1,640,696	130,047	1,387	1,772,130
Cash and Cash Equivalents-Unrestricted	290,152			290,152
Accounts Receivable	1,878	20,082		21,960
Receivables from Other Governments	276,795			276,795
Total Assets	<u>\$ 2,209,521</u>	<u>150,129</u>	<u>1,387</u>	<u>2,361,037</u>
<b><u>Liabilities and Fund Balance</u></b>				
Liabilities:				
Accounts Payable	\$ 46,845	102,829		149,674
Deferred Revenue		47,300		47,300
Total Liabilities	<u>46,845</u>	<u>150,129</u>	<u>-</u>	<u>196,974</u>
Fund Balance:				
Restricted For:				
Tuition Reserve	125,500			125,500
Emergency Reserve	50,000			50,000
Capital Reserve Account	4,628			4,628
Excess Surplus - Current Year	63,879			63,879
Assigned To:				
Designated for Subsequent Years Expenditures:				
Maintenance Reserve	850,000			850,000
Tuition Reserve	150,000			150,000
Excess Surplus	213,684			213,684
Designated by the Board of Education for Subsequent Year's Expenditures	136,160			136,160
Unassigned:				
General Fund	568,825			568,825
Debt Service Fund			1,387	1,387
Total Fund Balances	<u>2,162,676</u>	<u>-</u>	<u>1,387</u>	<u>2,164,063</u>
Total Liabilities and Fund Balance	<u>\$ 2,209,521</u>	<u>150,129</u>	<u>1,387</u>	

Amounts reported for governmental activities in the Statement of Net Assets (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 \$29,890,872 and the accumulated depreciation is \$10,610,073

19,280,799

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(8,869,910)

Accrued Interest

(146,316)

Net assets of governmental activities

\$ 12,428,636

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, 2012

<u>Revenues</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Local Sources:					
Local Tax Levy	\$ 12,171,782			1,065,700	13,237,482
Tuition Charges	9,993,759				9,993,759
Interest Earned	920		6		926
Miscellaneous	149,375	12,909			162,284
Total Local Sources	<u>22,315,836</u>	<u>12,909</u>	<u>6</u>	<u>1,065,700</u>	<u>23,394,451</u>
State Sources	2,572,674	62,191			2,634,865
Federal Sources	34,591	431,299			465,890
Total Revenues	<u>24,923,101</u>	<u>506,399</u>	<u>6</u>	<u>1,065,700</u>	<u>26,495,206</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	7,457,057				7,457,057
Special Education Instruction	1,571,554	181,938			1,753,492
Other Special Instruction	139,112				139,112
Other Instruction	797,543				797,543
Support Services and Undistributed Costs:					
Tuition	728,556				728,556
Student and Instruction Related Services	2,898,759	315,017			3,213,776
General Administrative Services	657,133				657,133
School and Other Administrative Services	1,630,154				1,630,154
Plant Operations and Maintenance	2,019,036				2,019,036
Pupil Transportation	392,692				392,692
Unallocated Benefits	6,223,773				6,223,773
Debt Service:					
Principal				720,000	720,000
Interest and Other Charges				346,010	346,010
Capital Outlay	171,545	9,444			180,989
Education Jobs	34,591				34,591
Total Expenditures	<u>24,721,505</u>	<u>506,399</u>	<u>-</u>	<u>1,066,010</u>	<u>26,293,914</u>

MANASQUAN SCHOOL DISTRICT

Exhibit B-2  
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<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 Expenditures	201,596	-	6	(310)	201,292
Other Financing Sources/(Uses):					
Capital Leases	18,736				18,736
Transfers In				1,035	1,035
Transfers Out			(1,035)		(1,035)
Total Other Financing Sources/(Uses)	18,736	-	(1,035)	1,035	18,736
Net Change in Fund Balances	220,332	-	(1,029)	725	220,028
Fund Balance - July 1	1,942,344		1,029	662	1,944,035
Fund Balance - June 30	<u>\$ 2,162,676</u>	<u>-</u>	<u>-</u>	<u>1,387</u>	<u>2,164,063</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, 2012

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 254,619
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	(827,188)	
Capital Outlays	<u>180,989</u>	
		(646,199)
Capital Leases		(18,736)
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.		720,000
Generally expenditures recognized in this fund's financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		(20,913)
Revenues that are not available to pay current obligations are not reported in this fund's financial statement, but they are presented in the statement of activities.		<u>12,272</u>
Change in Net Assets of Governmental Activities (A-2)		<u><u>\$ 301,043</u></u>

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

MANASQUAN SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF NET ASSETSPROPRIETARY FUNDSJUNE 30, 2012

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Totals</b>
	<b>Food Service</b>	<b>Surf Team</b>	
<b><u>Assets</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 60,251	1,393	61,644
Accounts Receivable:			
Federal	4,187		4,187
State	183		183
Other	1,423		1,423
Inventories	4,713		4,713
Total Current Assets	<u>70,757</u>	<u>1,393</u>	<u>72,150</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	423,465		423,465
Less: Accumulated Depreciation	(253,563)		(253,563)
Total Noncurrent Assets	<u>169,902</u>	<u>-</u>	<u>169,902</u>
Total Assets	<u>\$ 240,659</u>	<u>1,393</u>	<u>242,052</u>
<b><u>Net Assets</u></b>			
Invested in Capital Assets net of Related Debt	\$ 169,902		169,902
Unrestricted	<u>70,757</u>	<u>1,393</u>	<u>72,150</u>
Total Net Assets	<u>\$ 240,659</u>	<u>1,393</u>	<u>242,052</u>

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

Exhibit B-5

**PROPRIETARY FUNDS**

**JUNE 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Surf Team</b>	<b>Totals</b>
	<hr/>	<hr/>	<hr/>
Operating Revenues:			
Charge for Services:			
Daily Sales	\$ 524,193		524,193
Miscellaneous	211	11,000	11,211
Catering	6,861		6,861
Total Operating Revenues	<hr/> 531,265 <hr/>	<hr/> 11,000 <hr/>	<hr/> 542,265 <hr/>
Operating Expenses:			
Cost of Sales	279,443		279,443
Salaries	216,835	1,211	218,046
Employee Benefits	29,247		29,247
Worker's Compensation	6,670		6,670
Cost of Supplies	17,586		17,586
General Liability Insurance	37,518		37,518
Management Fees	18,000		18,000
Repairs	7,249		7,249
Miscellaneous	1,763	8,538	10,301
Depreciation	15,035		15,035
Total Operating Expenses	<hr/> 629,346 <hr/>	<hr/> 9,749 <hr/>	<hr/> 639,095 <hr/>
Operating Income (Loss)	(98,081)	1,251	(96,830)
Nonoperating Revenues (Expenses):			
Interest Revenue	14		14
State Sources:			
State School Lunch Program	3,714		3,714
Federal Sources:			
National School Lunch Program	87,211		87,211
Food Distribution Program	7,514		7,514
Total Nonoperating Revenues (Expenses)	<hr/> 98,453 <hr/>	<hr/> - <hr/>	<hr/> 98,453 <hr/>
Change in Net Assets	372	1,251	1,623
Total Net Assets - Beginning	<hr/> 240,287 <hr/>	<hr/> 142 <hr/>	<hr/> 240,429 <hr/>
Total Net Assets - Ending	<hr/> <u>\$ 240,659</u> <hr/>	<hr/> <u>1,393</u> <hr/>	<hr/> <u>242,052</u> <hr/>

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

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

Exhibit B-6

**JUNE 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Totals</b>
	<b>Food Service</b>	<b>Surf Team</b>	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 531,265	11,000	542,265
Payments to Employees	(216,835)	(1,211)	(218,046)
Payments to Suppliers	(403,668)	(8,538)	(412,206)
Net Cash Provided (Used by) Operating Activities	<u>(89,238)</u>	<u>1,251</u>	<u>(87,987)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	3,714		3,714
Federal Sources	87,211		87,211
Net Cash Provided (Used by) Noncapital Financing Activities	<u>90,925</u>		<u>90,925</u>
Cash Flows from Capital Financing Activities:			
Fixed Assets	(25,830)		(25,830)
Net Cash Provided (Used by) Capital Financing Activities	<u>(25,830)</u>		<u>(25,830)</u>
Cash Flows from Investing Activities:			
Interest Received	14		14
Net Increase (Decrease) in Cash & Cash Equivalents	(24,129)	1,251	(22,878)
Balances - Beginning of Year	84,380	142	84,522
Balances - End of Year	<u>\$ 60,251</u>	<u>1,393</u>	<u>61,644</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ (98,081)	1,251	(96,830)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	15,035		15,035
Federal Commodities	7,514		7,514
(Increase)/Decrease in Accounts Receivable	849		849
Increase/(Decrease) in Accounts Payable	(13,990)		(13,990)
(Increase)/Decrease in Inventories	(565)		(565)
Net Cash Provided (Used by) Operating Activities	<u>\$ (89,238)</u>	<u>1,251</u>	<u>(87,987)</u>

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

**MANASQUAN SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**

**Exhibit B-7**

**JUNE 30, 2012**

	<b><u>Unemployment Compensation Trust</u></b>	<b><u>Private Purpose Scholarship Fund</u></b>
Assets:		
Cash and Cash Equivalents	\$ 114,202	78,259
Total Assets	<u>\$ 114,202</u>	<u>78,259</u>
Net Assets:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 114,202	
Reserved for Scholarships		78,259
Total Net Assets	<u>\$ 114,202</u>	<u>78,259</u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b><u>Additions</u></b>		
Contributions:		
Plan Member	\$ 41,080	
Other		26,014
Total Contributions	<u>41,080</u>	<u>26,014</u>
Investment Earnings:		
Interest	19	17
Net Investments Earnings	<u>19</u>	<u>17</u>
Total Additions	<u>41,099</u>	<u>26,031</u>
<b><u>Deductions</u></b>		
Unemployment Claims	23,627	
Scholarships Awarded		27,000
Total Deductions	<u>23,627</u>	<u>27,000</u>
Change in Net Assets	17,472	(969)
Net Assets - Beginning of Year	<u>96,730</u>	<u>79,228</u>
Net Assets - End of the Year	<u>\$ 114,202</u>	<u>78,259</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, 2012**

**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. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. 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, 2012 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, 2012.

**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 2012 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2011-2012 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2012, fiscal year 2012 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, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:					
Land	\$ 1,068,680	_____	_____	_____	<u>1,068,680</u>
Depreciable Assets:					
Site Improvements	1,107,743		804		1,108,547
Buildings	24,213,232	506,133		(3,442)	24,715,923
Equipment	<u>2,344,574</u>	<u>454,461</u>	<u>198,687</u>		<u>2,997,722</u>
Total	<u>27,665,549</u>	<u>960,594</u>	<u>199,491</u>	<u>(3,442)</u>	<u>28,822,192</u>

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

**I. Capital Assets and Depreciation (Continued)**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>
Less: Accumulated Depreciation:					
Sites	789,567	36,257	803		826,627
Buildings	7,234,948	487,199	33,213		7,755,360
Equipment	<u>1,614,307</u>	<u>303,732</u>	<u>110,047</u>	—	<u>2,028,086</u>
Total Accumulated Depreciation	<u>9,638,822</u>	<u>827,188</u>	<u>144,063</u>	—	<u>10,610,073</u>
Net Depreciable Assets	<u>18,026,727</u>	<u>133,406</u>	<u>55,428</u>	(3,442)	<u>18,212,119</u>
Governmental Activities Capital Assets (Net)	<u>\$ 19,095,407</u>	<u>133,406</u>	<u>55,428</u>	(3,442)	<u>19,280,799</u>
Business-Type Activities:					
Equipment	\$ 397,635	28,905		(3,075)	423,465
Less: Accumulated Depreciation:					
Equipment	<u>238,528</u>	<u>15,035</u>	—	—	<u>253,563</u>
Business-Type Capital Assets (Net)	<u>\$ 159,107</u>	<u>13,870</u>	—	(3,075)	<u>169,902</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years' Accumulated Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Total Accumulated Depreciation</u>
Unallocated	<u>\$ 9,638,822</u>	<u>827,188</u>	<u>10,466,010</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 2012. 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 14).

**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, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<b><u>Cash and Cash Equivalents</u></b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 2,535,009</u>

During the period ended June 30, 2012, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2012 was \$2,535,009 and the bank balance was \$2,768,671. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,518,671 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 three categories described below:

FDIC	\$ 250,000
GUDPA	<u>2,518,671</u>
	<u>\$ 2,768,671</u>

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

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due</u> <u>in One</u> <u>Year</u>	<u>Long</u> <u>Term</u>
Compensated						
Absences Payable \$	439,880	20,913		460,793		460,793
Capital Leases	5,144	18,736	6,763	17,117	3,396	13,721
Bonds Payable	<u>9,112,000</u>	<u>      </u>	<u>720,000</u>	<u>8,392,000</u>	<u>7,647,000</u>	<u>745,000</u>
	<u>\$ 9,557,024</u>	<u>39,649</u>	<u>726,763</u>	<u>8,869,910</u>	<u>7,650,396</u>	<u>1,219,514</u>

**A.      Bonds Payable**

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

1. Addition to the high school refunding on 1-1-04 for \$3,180,000 at interest from 2.00% to 4.25% with a balance of \$1,280,000 maturing on January 15, 2016.
2. Addition to the elementary school on 2-23-05 for \$9,652,000 at interest from 3.375% to 4.00% with a balance of \$7,112,000 maturing 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>
2012-2013	\$ 745,000	319,235	1,064,235
2013-2014	760,000	291,535	1,051,535
2014-2015	785,000	263,335	1,048,335
2015-2016	790,000	234,235	1,024,235
2016-2017	500,000	204,260	704,260
2017-2018 to 2021-2022	2,830,000	733,022	3,563,022
2022-2023 to 2024-2025	<u>1,982,000</u>	<u>159,440</u>	<u>2,141,440</u>
	<u>\$ 8,392,000</u>	<u>2,205,062</u>	<u>10,597,062</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, 2012</u>
High School Addition	01-01-04	2% to 4.25%	\$ 1,280,000
Elementary School Addition	02-23-05	3.375% to 4%	<u>7,112,000</u>
			<u>\$ 8,392,000</u>

B. Bonds Authorized But Not Issued

As of June 30, 2012, the Board had no authorized but not issued bonds.

C. Capital Leases Payable:

The District has a lease from Konica Copiers 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, 2012.

<u>Year Ended June 30</u>	<u>Amount</u>
2013	\$ 4,380
2014	4,380
2015	4,380
2016	4,380
2017	<u>2,190</u>
	19,710
Less: Amount Representing Interest	<u>2,593</u>
Present Value of Net Minimum Lease Payments	<u>\$ 17,117</u>

Summary of Leases

Konica copier lease at 5.40% maturing 12-28-16 with a balance of \$19,710 at 6-30-12.

**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 District's 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 5% 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, 2012, the State of New Jersey contributed \$1,051,355 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 \$829,917 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$ 164,880	100%	0
6/30/11	206,934	100%	0
6/30/12	221,101	100%	0

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

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$ 710,771	100%	0
6/30/11	711,080	100%	0
6/30/12	1,051,355	100%	0

**NOTE 5: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. 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 premiums 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 free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

**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 Assets*, 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, 2012, no liability existed for compensated absences in the Food Service Fund.

**NOTE 7: Capital Reserve Account**

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

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 4,623
Interest Added	<u>5</u>
Balance June 30, 2012	<u>\$ 4,628</u>

**NOTE 8: Risk Management**

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2011-2012	\$ 41,081	23,627	114,202
2010-2011	111,746	86,296	96,730
2009-2010	77,926	83,370	71,280

**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, 2012 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, 2012.

**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**

2011-12 Total General Fund Expenditures Per the CAFR	\$ 24,721,505
Decreased by:	
Capital Leases	18,736
On-Behalf TPAF Pension & Social Security	<u>1,881,272</u>
Adjusted 2011-12 General Fund Expenditures	<u>\$ 22,821,497</u>
2% of Adjusted 2011-12 General Fund Expenditures	\$ 456,430
Increased by: Allowable Adjustment	<u>153,434</u>
Maximum Unassigned Fund Balance	<u>\$ 609,864</u>

**Section 2**

Total General Fund – Fund Balances @ 6-30-12	\$ 2,203,715
Decreased by:	
Other Reserves	(1,180,128)
Assigned Fund Balance – Excess Surplus– Designated for Subsequent Year’s Expenditures	(213,684)
Assigned Fund Balance – Unreserved – Designated for Subsequent Year’s Expenditures	<u>(136,160)</u>
Total Unassigned Fund Balance	<u>\$ 673,743</u>
Reserved Fund Balance – Excess Surplus	<u>\$ 63,879</u>

**Section 3**

Reserved Excess Surplus – Designated for Subsequent Years Expenditures	\$ 213,684
Reserved Fund Balance- Excess Surplus 2011-2012	<u>63,879</u>
	<u>\$ 277,563</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 151,517
Non-Public Transportation Aid	<u>1,917</u>
Total Adjustments	<u>\$ 153,434</u>

**Detail of Other Restricted Fund Balance**

Statutory Restrictions:	
Capital Reserve	\$ 4,628
Emergency Reserve	50,000
Tuition Reserve	275,500
Maintenance Reserve	<u>850,000</u>
Total Other Reserved Fund Balance	<u>\$ 1,180,128</u>

**NOTE 14: Long-Term Debt - Refunding**

During 2004, the government advance refunded a general obligation bond issue. The government issued \$3,180,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$125,207 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$117,011.

At June 30, 2012 outstanding general obligation bonds of \$3,020,000 are considered to be defeased. These are analyzed by fund type, as follows:

	<b>Defeased Debt <u>Outstanding</u></b>
General Long-Term Debt Account Group	<u>\$ 3,020,000</u>

**NOTE 15: Fund Balance Appropriated**

**General Fund** – Of the \$2,203,715 General Fund fund balance at June 30, 2012, \$125,500 has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23-3.1(f)(8)*; \$4,628 has been reserved in the Capital Reserve Account; \$50,000 has been reserved for emergencies; \$63,874 is excess surplus; \$850,000 of Maintenance Reserve has been designated for subsequent years expenditures, \$150,000 of Tuition Reserve has been designated for subsequent years expenditures, \$213,684 of Excess Surplus has been designated for subsequent years expenditures; assigned fund balance designated for subsequent year's expenditures is \$136,160; and \$609,864 is unassigned.

**NOTE 16: Calculation of Excess Surplus**

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is an excess fund balance at June 30, 2012 of \$63,879.

**NOTE 17: Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2012. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

**NOTE 17: Recent Accounting Pronouncements (Continued)**

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, 2012 through September 25, 2012.

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

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**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, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,171,782		12,171,782	12,171,782	-
Tuition	9,939,945		9,939,945	9,993,759	53,814
Child Study Team	39,350		39,350	31,200	(8,150)
Athletic Jointure/Business Office Shared Services	46,320		46,320	47,600	1,280
Interest Earned			-	920	920
Miscellaneous	2,540,005		2,540,005	70,575	(2,469,430)
Total Local Sources	<u>24,737,402</u>	<u>-</u>	<u>24,737,402</u>	<u>22,315,836</u>	<u>(2,421,566)</u>
State Sources:					
Extraordinary Aid	123,366		123,366	274,878	151,512
Special Education Categorical Aid	455,646		455,646	455,646	
Non-Public Transportation			-	1,917	1,917
TPAF Pension Contribution			-	1,051,355	1,051,355
TPAF Social Security Contribution			-	829,917	829,917
Total State Sources	<u>579,012</u>	<u>-</u>	<u>579,012</u>	<u>2,613,713</u>	<u>2,034,701</u>
Federal Sources:					
Education Jobs Fund	33,540		34,591	34,591	
Total Revenues	<u>25,349,954</u>	<u>1,051</u>	<u>25,351,005</u>	<u>24,964,140</u>	<u>(386,865)</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 2 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Expenditures:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten - Salaries of Teachers	294,190	32,417	326,607	326,607	-
Grades 1-5 - Salaries of Teachers	1,479,380	(24,982)	1,454,398	1,454,396	2
Grades 6-8 - Salaries of Teachers	1,041,875	(8,019)	1,033,856	1,025,767	8,089
Grades 9-12 - Salaries of Teachers	4,059,235	(121,695)	3,937,540	3,927,298	10,242
<b>Total Regular Programs - Instruction</b>	<b>6,874,680</b>	<b>(122,279)</b>	<b>6,752,401</b>	<b>6,734,068</b>	<b>18,333</b>
<b>Regular Programs - Home Instruction:</b>					
Salaries	58,000	(14,080)	43,920	43,920	-
Purchase of Professional/Educational Services	7,000	6,044	13,044	13,044	-
<b>Total Regular Programs - Home Instruction</b>	<b>65,000</b>	<b>(8,036)</b>	<b>56,964</b>	<b>56,964</b>	<b>-</b>
<b>Regular Programs - Undistributed Instruction:</b>					
Purchased Technical Services	107,830	(35,045)	72,785	72,784	1
Other Purchased Services	51,825	(5,143)	46,682	45,848	834
General Supplies	464,955	(47,482)	417,473	412,206	5,267
Textbooks	129,540	7,651	137,191	134,049	3,142
Other Objects	5,680	(3,651)	2,029	1,138	891
<b>Total Regular Programs - Undistributed Instruction</b>	<b>759,830</b>	<b>(83,670)</b>	<b>676,160</b>	<b>666,025</b>	<b>10,135</b>
<b>Total Regular Programs - Instruction</b>	<b>7,699,510</b>	<b>(213,985)</b>	<b>7,485,525</b>	<b>7,457,057</b>	<b>28,468</b>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 3 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<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	340,710	2,089	342,799	342,799	-
Other Salaries For Instruction	9,188	(2,758)	6,430	6,430	-
General Supplies	6,470	253	6,723	6,722	1
Textbooks	1,495	(1,040)	455	454	1
Total Learning and/or Language Disabilities	<u>357,863</u>	<u>(1,456)</u>	<u>356,407</u>	<u>356,405</u>	<u>2</u>
Resource Room/Center:					
Salaries of Teachers	1,002,390	68,354	1,070,744	1,070,511	233
Other Salaries Instruction	5,540	44,538	50,078	50,077	1
General Supplies	705	(236)	469	469	-
Textbooks	1,000	(883)	117	117	-
Total Resource Room/Center	<u>1,009,635</u>	<u>111,773</u>	<u>1,121,408</u>	<u>1,121,174</u>	<u>234</u>
Pre-School Disabilities-Full-Time:					
Salaries of Teachers	63,200	(6,535)	56,665	56,665	-
Other Salaries For Instruction	26,850	(13,535)	13,315	13,315	-
General Supplies	1,000	(786)	214	214	-
Total Pre-School Disabilities-Full-Time	<u>91,050</u>	<u>(20,856)</u>	<u>70,194</u>	<u>70,194</u>	<u>-</u>
Home Instruction					
Salaries of Teachers	20,000	11,580	11,580	10,650	930
Purchased Professional Educational Services	20,000	(6,868)	13,132	13,131	1
Total Home Instruction	<u>20,000</u>	<u>4,712</u>	<u>24,712</u>	<u>23,781</u>	<u>931</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 4 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Special Education - Instruction	1,478,548	94,173	1,572,721	1,571,554	1,167
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,000	(79)	921	920	1
General Supplies	1,000	(79)	921	920	1
Total Basic Skills/Remedial - Instruction					
Bilingual Education - Instruction:					
Salaries of Teachers	140,500	(2,657)	137,843	137,765	78
General Supplies	5,000	(4,570)	430	427	3
Textbooks					
Total Bilingual Education - Instruction	145,500	(7,227)	138,273	138,192	81
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	156,560	11,714	168,274	168,274	-
Purchased Services (300-500 Series)	9,390	4,679	14,069	14,068	1
Supplies and Materials	6,000	(625)	5,375	5,374	1
Other Objects	695	2,016	2,711	2,710	1
Total School Sponsored Co-Curricular	172,645	17,784	190,429	190,426	3
School Sponsored Co-Curricular Athletics - Instruction					
Salaries	398,585	(6,345)	392,240	392,240	-
Purchased Services (300-500 Series)	83,570	(6,801)	76,769	73,109	3,660
Supplies and Materials	101,135	(4,032)	97,103	97,018	85
Other Objects	9,080	(3,330)	5,750	5,750	-
Transfers to Cover Deficit (Agency Fund)	41,500	(1,147)	40,353	39,000	1,353
Total School Sponsored Co-Curr. Athletics - Instruction	633,870	(21,655)	612,215	607,117	5,098
Total Distributed Expenditures	10,131,073	(130,989)	10,000,084	9,965,266	34,818

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 5 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition in State - Special	20,000	87,410	107,410	107,401	9
Tuition to County Vocational School:					
Regular	236,000	(14,700)	221,300	210,295	11,005
Special	27,100	12,263	39,363	37,413	1,950
Tuition to Private School for Handicapped - In State	323,281	70,505	393,786	373,447	20,339
Total Instruction	606,381	155,478	761,859	728,556	33,303
Attendance & Social Work:					
Salaries	31,730		31,730	31,725	5
Health Services:					
Salaries	262,495	(26,242)	236,253	236,161	92
Purchased Professional/Technical Services	10,600	8,992	19,592	18,553	1,039
Other Purchased Services (400-500 Series)	975	(150)	825	154	671
Supplies and Materials	5,500	2,493	7,993	7,868	125
Miscellaneous Expenses	500	577	1,077	670	407
Total Health Services	280,070	(14,330)	265,740	263,406	2,334
Other Support Services Students Related Services:					
Salaries	116,510	54,263	170,773	170,707	66
Purchased Professional/Technical Services	86,900	71,368	158,268	137,174	21,094
Supplies and Materials	1,505	(189)	1,316	1,309	7
Total Other Support Services Students Related Services	204,915	125,442	330,357	309,190	21,167

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 6 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Other Support Services Students Extraordinary Services:</b>					
Salaries	177,390	(18,611)	158,779	158,778	1
Purchased Professional/Technical Services	164,450	8,319	172,769	172,768	1
Total Other Support Srvs. Students Extraordinary Srvs.	<u>341,840</u>	<u>(10,292)</u>	<u>331,548</u>	<u>331,546</u>	<u>2</u>
<b>Other Support Services Students - Regular Services:</b>					
Salaries	615,560	64,842	680,402	679,591	811
Salaries of Secretarial & Clerical Assistants	45,500	12,744	58,244	58,243	1
Purchased Professional/Educational Services	300	(145)	155	155	-
Other Professional/Technical Services	33,420	9,009	42,429	42,250	179
Other Purchased Services	3,225	(1,959)	1,266	1,265	1
Supplies and Materials	11,655	(938)	10,717	10,716	1
Other Objects	1,300	(68)	1,232	1,232	-
Total Other Support Srvs. Students - Regular Services	<u>710,960</u>	<u>83,485</u>	<u>794,445</u>	<u>793,452</u>	<u>993</u>
<b>Other Support Services Students - Special:</b>					
Salaries of Other Professional Staff	411,815	(5,701)	406,114	406,100	14
Salaries of Secretarial & Clerical Assistants	48,560	(801)	47,759	47,669	90
Purchased Professional/Educational Services	40,000	(38,600)	1,400	1,075	325
Other Purchased Professional/Technical Services	4,000	1,725	5,725	5,502	223
Other Purchased Services (400-500 Series)	5,605	17,512	23,117	22,935	182
Supplies and Materials	6,185	575	6,760	6,757	3
Other Objects	800	(800)	-	-	-
Total Other Support Services Students - Special	<u>516,965</u>	<u>(26,090)</u>	<u>490,875</u>	<u>490,038</u>	<u>837</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<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	196,060	12,117	208,177	207,547	630
Salaries of Other Professional Staff	4,000	36,000	40,000	35,490	4,510
Salaries of Secretarial & Clerical Assistants	40,285		40,285	40,284	1
Other Purchased Services (400-500 Series)	1,750	100	1,850	1,670	180
Supplies & Materials	2,500	(1,800)	700	629	71
Other Objects	3,665	(1,600)	2,065	2,047	18
Total Improvement of Instructional Services	<u>248,260</u>	<u>44,817</u>	<u>293,077</u>	<u>287,667</u>	<u>5,410</u>
Educational Media/School Library:					
Salaries	177,760	703	178,463	178,282	181
Salaries-Tech Coordinators	178,405	6,804	185,209	178,176	7,033
Purchased Professional/Technical Services	2,500	(1,195)	1,305		1,305
Other Purchased Services (400-500 Series)	10,985	(2,869)	8,116	7,819	297
Supplies & Materials	16,080	(1,401)	14,679	13,312	1,367
Other Objects	2,000	(1,000)	1,000	800	200
Total Educational Media/School Library	<u>387,730</u>	<u>1,042</u>	<u>388,772</u>	<u>378,389</u>	<u>10,383</u>
Staff Training:					
Salaries of Other Professional Staff	800	(800)	-		-
Salaries of Secretarial/Clerical Assistants	4,480		4,480	4,476	4
Other Purchased Services	8,900	3,600	12,500	8,870	3,630
Total Staff Training	<u>14,180</u>	<u>2,800</u>	<u>16,980</u>	<u>13,346</u>	<u>3,634</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 8 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	257,265	(500)	256,765	256,765	-
Legal Services	52,700	12,949	65,649	62,135	3,514
Other Purchased Professional Services	14,000		14,000	14,000	-
Purchased Technical Services	5,045	71,187	76,232	75,557	675
Communications/Telephone	6,500	115	6,615	6,615	-
Other Purchased Services (400-500 Series)	112,530	(12,228)	100,302	99,504	798
Miscellaneous Purchased Services	71,080	27,461	98,541	98,533	8
General Supplies	7,000	(2,839)	4,161	4,161	-
In-House Training/Meeting Supplies	1,000	(1,000)	-	-	-
Judgments	27,165	(7,165)	20,000	20,000	-
Miscellaneous Expenditures	15,500	(6,835)	8,665	8,437	228
Membership Dues and Fees	12,630	(1,204)	11,426	11,426	-
Total Support Services - General Administration	582,415	79,941	662,356	657,133	5,223
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	666,710	(13,510)	653,200	653,200	-
Salaries of Other Professional Staff	140,865	(2)	140,863	140,863	-
Salaries of Secretarial & Clerical Assistants	360,220	(608)	359,612	359,611	1
Purchased Professional & Technical Services	2,800	(711)	2,089	2,088	1
Other Purchased Services (400-500 Series)	27,405	(2,627)	24,778	24,774	4
Supplies & Materials	29,465	2,318	31,783	31,780	3
Other Objects	5,600	(1,204)	4,396	4,396	-
Total Support Services - School Administration	1,233,065	(16,344)	1,216,721	1,216,712	9

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 9 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<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	351,635	(617)	351,018	350,042	976
Purchased Technical Services	14,000	21,599	35,599	33,839	1,760
Other Purchased Services	6,960	(301)	6,659	6,642	17
Supplies	5,500	11,688	17,188	17,188	-
Other Objects	5,600	131	5,731	5,731	-
Total Support Services - Central Services	<u>383,695</u>	<u>32,500</u>	<u>416,195</u>	<u>413,442</u>	<u>2,753</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	569,500	24,903	594,403	214,310	380,093
Total Required Maintenance for School Facilities	<u>569,500</u>	<u>24,903</u>	<u>594,403</u>	<u>214,310</u>	<u>380,093</u>
Other Operations & Maintenance of Plant:					
Salaries	691,675	8,134	699,809	698,906	903
Other Salaries	2,000	15,723	17,723	17,723	-
Purchased Professional/Technical Services	12,105	(101)	12,004	9,635	2,369
Cleaning, Repair & Maintenance Services	204,840	1,319	206,159	202,849	3,310
Other Purchased Property Services	112,760	7,391	120,151	120,151	-
Insurance	86,410	(61,692)	24,718	(11,559)	36,277
General Supplies	100	4,490	4,590	4,589	1
Energy (Heat & Electricity)	447,000	(39,496)	407,504	395,678	11,826
Other Objects	45,450	(11,909)	33,541	33,541	-
Energy-Natural Gas	215,000	(32,232)	182,768	172,018	10,750
Total Other Operations and Maintenance of Plant	<u>1,817,340</u>	<u>(108,373)</u>	<u>1,708,967</u>	<u>1,643,531</u>	<u>65,436</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 10 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care and Upkeep of Grounds					
Salaries	120,280	(675)	119,605	117,784	1,821
Cleaning, Repair and Maintenance	24,600	(24,600)	-		-
General Supplies	33,890	15,421	49,311	43,411	5,900
Total Care and Upkeep of Grounds	<u>178,770</u>	<u>(9,854)</u>	<u>168,916</u>	<u>161,195</u>	<u>7,721</u>
Total Operations & Maintenance	<u>2,565,610</u>	<u>(93,324)</u>	<u>2,472,286</u>	<u>2,019,036</u>	<u>453,250</u>
Student Transportation:					
Contracted Services - Other Than Between Home/School - Vendors	212,165	(75,650)	136,515	125,693	10,822
Contracted Services Other - Vendors	1,100	(1,100)	-		-
Contracted Services Home/School - Regular ESC	156,808	(23,719)	133,089	133,089	-
Contracted Services Special ESC	110,265	20,449	130,714	130,374	340
Contracted Services Aid-In-Lieu	7,072	(3,536)	3,536	3,536	-
Total Student Transportation	<u>487,410</u>	<u>(83,556)</u>	<u>403,854</u>	<u>392,692</u>	<u>11,162</u>
Unallocated Benefits:					
Social Security Contributions	264,000	7,069	271,069	270,931	138
Other Retirement Contributions-PERS	230,052	(8,950)	221,102	221,101	1
Unemployment Compensation	29,948	(9,948)	20,000	20,000	-
Workmen's Compensation	152,000	(10,808)	141,192	141,192	-
Health Benefits	3,933,143	(260,187)	3,672,956	3,671,758	1,198
Tuition Reimbursement	10,120	(3,986)	6,134	6,134	-
Other Employee Benefits		11,385	11,385	11,385	-
Total Unallocated Benefits	<u>4,619,263</u>	<u>(275,425)</u>	<u>4,343,838</u>	<u>4,342,501</u>	<u>1,337</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 11 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	1,051,355	(1,051,355)
Reimbursed TPAF SS Contributions (Non-Budgeted)			-	829,917	(829,917)
Total On-Behalf Contributions	-	-	-	1,881,272	(1,881,272)
Total Personal Services - Employee Benefits	4,619,263	(275,425)	4,343,838	6,223,773	(1,879,935)
Total Undistributed Expenditures	13,214,489	6,144	13,220,633	14,550,103	(1,329,470)
Total General Current Expense	23,345,562	(124,845)	23,220,717	24,515,369	(1,294,652)
Capital Outlay:					
Interest To Capital Reserve	5		5		5
Capital Leases				18,736	(18,736)
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	8,000	(8,000)	-		-
Grades 9-12	12,000	29,058	41,058	41,057	1
Undistributed Expenditures - Support Services:					
Instruction		68,000	68,000	67,999	1
Total Regular Programs - Instruction	20,005	89,058	109,063	127,792	(18,729)
Facilities Acquisition & Construction Services:					
Architectural/Engineering	200,000	4,247	204,247	24,000	180,247
Land and Improvements	2,300,000		2,300,000		2,300,000
Other Objects		19,753	19,753	19,753	-
Total Facilities Acquisition & Construction Services	2,500,000	24,000	2,524,000	43,753	2,480,247

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Capital Outlay	2,520,005	113,058	2,633,063	171,545	2,461,518
Education Jobs:					
Resource Room/Resource Center					
Salaries of Teachers	30,308		30,308	30,308	-
Health Benefits	3,232	1,051	4,283	4,283	-
Total Education Jobs	33,540	1,051	34,591	34,591	-
Total Expenditures	25,899,107	(10,736)	25,888,371	24,721,505	1,166,866
Other Financing Sources (Uses):					
Capital Leases				18,736	18,736
Excess (Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Uses	(549,153)	11,787	(537,366)	261,371	798,737
Fund Balance July 1	1,942,344		1,942,344	1,942,344	
Fund Balance June 30	\$ 1,393,191	11,787	1,404,978	2,203,715	798,737

MANASQUAN SCHOOL DISTRICT

Exhibit C-1  
Sheet 13 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<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	\$ 4,628				
Emergency Reserve	50,000				
Tuition Reserve	125,500				
Excess Surplus - Current Year	63,879				
Assigned Fund Balance:					
Designated For Subsequent Year's Expenditures by the Board of Education	136,160				
Designated For Subsequent Year's Expenditures-Excess Surplus	213,684				
Designated For Subsequent Year's Expenditures - Maintenance Reserve	850,000				
Designated For Subsequent Year's Expenditures - Tuition Reserve	150,000				
Unassigned Fund Balance	609,864				
	<u>2,203,715</u>				
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis			<u>41,039</u>		
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,162,676</u>	

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1a

EDUCATION JOBS FUND

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Adjusted Budget</u>	<u>Expended</u>	<u>Funds Available</u>
Resource Room:			
Salaries of Teachers	\$ 30,308	30,308	
Health Benefits	4,283	4,283	
Total	<u>\$ 34,591</u>	<u>34,591</u>	<u>-</u>

MANASQUAN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources	\$ -	12,909	12,909		
State Sources	88,818	(26,627)	62,191		
Federal Sources	269,005	162,294	431,299		
Total Revenues	<u>\$ 357,823</u>	<u>148,576</u>	<u>506,399</u>	<u>-</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 70,000	17,143	87,143		
Other Salaries		3,550	3,550		
Other Instructional Salaries	15,000	10,184	25,184		
Purchased Professional Technical Services	5,000	10,840	15,840		
General Supplies	30,000	12,205	42,205		
Textbooks	6,012	2,004	8,016		
Total Instruction	<u>126,012</u>	<u>55,926</u>	<u>181,938</u>	<u>-</u>	<u>-</u>
Support Services:					
Salaries of Supervisors of Instruction	125,811	47,179	172,990		
Salaries of Other Professional Staff	5,000	731	5,731		
Personal Services - Employee Benefits	50,000	16,545	66,545		
Purchased Professional - Educational Services	20,000	4,926	24,926		
Other Purchased Services	1,000	3,120	4,120		
Travel		1,746	1,746		
Other Objects	30,000	8,959	38,959		
Total Support Services	<u>231,811</u>	<u>83,206</u>	<u>315,017</u>	<u>-</u>	<u>-</u>
Facilities Acquisition & Construction Services:					
Instructional Equipment		9,444	9,444		
Total Expenditures	<u>\$ 357,823</u>	<u>148,576</u>	<u>506,399</u>	<u>-</u>	<u>-</u>

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

MANASQUAN SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<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	\$ 24,964,140	506,399
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes		
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	(41,039)	
	<u>                    </u>	<u>                    </u>
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 24,923,101</u>	<u>506,399</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,721,505	506,399
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
	<u>                    </u>	<u>                    </u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,721,505</u>	<u>506,399</u>

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**OTHER SUPPLEMENTARY INFORMATION**

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**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

MANASQUAN SCHOOL DISTRICT

Exhibit E-1  
Sheet 1 of 3

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Textbooks	Comp. Education	Transportation	Nonpublic Initial Exam. & Classification	Corrective Speech	Supplementary Instruction	Nursing	2010-2011 Teacher Recognition
Revenues:								
State Sources	\$ 8,016	15,216	5,945	6,125	6,319	9,120	11,450	
Federal Sources								
Local Revenues								1,076
<b>Total Revenues</b>	<b>\$ 8,016</b>	<b>15,216</b>	<b>5,945</b>	<b>6,125</b>	<b>6,319</b>	<b>9,120</b>	<b>11,450</b>	<b>1,076</b>
Expenditures:								
Instruction:								
Salaries of Teachers								
Other Salaries								
Other Salaries for Instruction		15,216						
Purchased Professional Technical Services								
General Supplies								
Textbooks	8,016							1,076
<b>Total Instruction</b>	<b>8,016</b>	<b>15,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,076</b>
Support Services:								
Salaries of Supervisors of Instruction								
Salaries of Other Professional Staff								
Personal Services - Employee Benefits								
Purchased Professional Educational Services								
Other Purchased Services								
Travel								
Other Objects			5,945	6,125	6,319	9,120	11,450	
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>5,945</b>	<b>6,125</b>	<b>6,319</b>	<b>9,120</b>	<b>11,450</b>	<b>-</b>
Facilities Acquisition & Construction Services:								
Instructional Equipment								
Facilities Acquisition & Construction Services:								
<b>Total Expenditures</b>	<b>\$ 8,016</b>	<b>15,216</b>	<b>5,945</b>	<b>6,125</b>	<b>6,319</b>	<b>9,120</b>	<b>11,450</b>	<b>1,076</b>

MANASQUAN SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1  
Sheet 2 of 3

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Title I	Title IIA	Title IID	Title III	ARRA Title I	I.D.E.A. Flow-Thru Part B	I.D.E.A. Flow-Thru Preschool	Project Serve
Revenues:								
State Sources								
Federal Sources								
Local Revenues	84,160	27,637	145	20,074	1,131	232,969	6,883	39,180
Total Revenues	<u>84,160</u>	<u>27,637</u>	<u>145</u>	<u>20,074</u>	<u>1,131</u>	<u>232,969</u>	<u>6,883</u>	<u>39,180</u>
Expenditures:								
Instruction:								
Salaries of Teachers		21,922						
Other Salaries								
Other Salaries for Instruction								
Purchased Professional Technical Services			23	20,074		580		9,968
General Supplies								15,840
Textbooks								
Total Instruction	<u>65,221</u>	<u>21,922</u>	<u>23</u>	<u>20,074</u>	<u>-</u>	<u>580</u>	<u>-</u>	<u>25,808</u>
Support Services:								
Salaries of Supervisors of Instruction						172,990		
Salaries of Other Professional Staff								5,731
Personal Services - Employee Benefits	13,044	4,385				34,598		1,146
Purchased Professional Educational Services	1,775	1,330	122		1,131	19,256		6
Other Purchased Services	4,120							
Travel								
Other Objects								
Total Support Services	<u>18,939</u>	<u>5,715</u>	<u>122</u>	<u>-</u>	<u>1,131</u>	<u>226,844</u>	<u>6,883</u>	<u>13,372</u>
Facilities Acquisition & Construction Services:								
Instructional Equipment								
Facilities Acquisition & Construction Services:								
Total Expenditures	<u>84,160</u>	<u>27,637</u>	<u>145</u>	<u>20,074</u>	<u>1,131</u>	<u>232,969</u>	<u>6,883</u>	<u>39,180</u>

MANASQUAN SCHOOL DISTRICT

Exhibit E-1  
Sheet 3 of 3

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ARRA I.D.E.A Flow-Thru Part B	ARRA I.D.E.A Flow-Thru Preschool	Perkins	SNJ Post School Data	NJSBAIG Grant	American Lung	ACS Grant	Community Alliance Grant	7-Eleven Grant	Totals
Revenues:										
State Sources										
Federal Sources	1,306	1,746	16,068	3,550	6,273	503	500	507	500	62,191
Local Revenues	1,306	1,746	16,068	3,550	6,273	503	500	507	500	431,299
Total Revenues										12,909
Expenditures:										
Instruction:										
Salaries of Teachers										87,143
Other Salaries				3,550						3,550
Other Salaries for Instruction										25,184
Purchased Professional Technical Services			12,169		6,273	503	500	507	500	15,840
General Supplies										42,205
Textbooks										8,016
Total Instruction			12,169	3,550	6,273	503	500	507	500	181,938
Support Services:										
Salaries of Supervisors of Instruction										172,990
Salaries of Other Professional Staff										5,731
Personal Services - Employee Benefits										66,545
Purchased Professional Educational Services	1,306									24,926
Other Purchased Services										4,120
Travel		1,746								1,746
Other Objects		1,746								38,959
Total Support Services	1,306	1,746								315,017
Facilities Acquisition & Construction Services:										
Instructional Equipment			3,899							9,444
Facilities Acquisition & Construction Services:			3,899							9,444
Total Expenditures	1,306	1,746	16,068	3,550	6,273	503	500	507	500	506,399

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**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, 2012Revenues and Other Financing Sources

Interest Earned	\$ 6
Total Revenues	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6
Other Financing Sources Sources/(Uses):	
Operating Transfer to Debt Service	<u>(1,035)</u>
Total Other Financing Sources/(Uses)	<u>(1,035)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,029)
Fund Balance - Beginning	<u>1,029</u>
Fund Balance - Ending	<u>\$ -</u>

**PROPRIETARY FUNDS – G**

MANASQUAN SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Surf Team</u>	
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 60,251	1,393	61,644
Accounts Receivable:			
Federal	4,187		4,187
State	183		183
Other	1,423		1,423
Inventories	4,713		4,713
Total Current Assets	<u>70,757</u>	<u>1,393</u>	<u>72,150</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	423,465		423,465
Less: Accumulated Depreciation	(253,563)		(253,563)
Total Noncurrent Assets	<u>169,902</u>	<u>-</u>	<u>169,902</u>
Total Assets	<u>\$ 240,659</u>	<u>1,393</u>	<u>242,052</u>
<u>Net Assets</u>			
Invested in Capital Assets net of Related			
Debt	\$ 169,902		169,902
Unrestricted	<u>70,757</u>	<u>1,393</u>	<u>72,150</u>
Total Net Assets	<u>\$ 240,659</u>	<u>1,393</u>	<u>242,052</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES ANDCHANGES IN FUND NET ASSETSENTERPRISE FUNDSJUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Surf Team</u>	
Operating Revenues:			
Charge for Services:			
Daily Sales	\$ 524,193		524,193
Miscellaneous	211	11,000	11,211
Catering	6,861		6,861
Total Operating Revenues	<u>531,265</u>	<u>11,000</u>	<u>542,265</u>
Operating Expenses:			
Cost of Sales	279,443		279,443
Salaries	216,835	1,211	218,046
Employee Benefits	29,247		29,247
Worker's Compensation	6,670		6,670
Cost of Supplies	17,586		17,586
General Liability Insurance	37,518		37,518
Management Fees	18,000		18,000
Repairs	7,249		7,249
Miscellaneous	1,763	8,538	10,301
Depreciation	15,035		15,035
Total Operating Expenses	<u>629,346</u>	<u>9,749</u>	<u>639,095</u>
Operating Income (Loss)	(98,081)	1,251	(96,830)
Nonoperating Revenues (Expenses):			
Interest Revenue	14		14
State Sources:			
State School Lunch Program	3,714		3,714
Federal Sources:			
National School Lunch Program	87,211		87,211
Food Distribution Program	7,514		7,514
Total Nonoperating Revenues (Expenses)	<u>98,453</u>	<u>-</u>	<u>98,453</u>
Change in Net Assets	372	1,251	1,623
Total Net Assets - Beginning	<u>240,287</u>	<u>142</u>	<u>240,429</u>
Total Net Assets - Ending	<u>\$ 240,659</u>	<u>1,393</u>	<u>242,052</u>

MANASQUAN SCHOOL DISTRICT

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2012

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Surf Team</b>	<b>Totals</b>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 531,265	11,000	542,265
Payments to Employees	(216,835)	(1,211)	(218,046)
Payments to Suppliers	(403,668)	(8,538)	(412,206)
Net Cash Provided (Used by) Operating Activities	<u>(89,238)</u>	<u>1,251</u>	<u>(87,987)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	3,714		3,714
Federal Sources	87,211		87,211
Net Cash Provided (Used by) Noncapital Financing Activities	<u>90,925</u>		<u>90,925</u>
Cash Flows from Capital Financing Activities:			
Fixed Assets	(25,830)		(25,830)
Net Cash Provided (Used by) Capital Financing Activities	<u>(25,830)</u>		<u>(25,830)</u>
Cash Flows from Investing Activities:			
Interest Received	14		14
Net Increase (Decrease) in Cash & Cash Equivalents	(24,129)	1,251	(22,878)
Balances - Beginning of Year	84,380	142	84,522
Balances - End of Year	<u>\$ 60,251</u>	<u>1,393</u>	<u>61,644</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ (98,081)	1,251	(96,830)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	15,035		15,035
Federal Commodities	7,514		7,514
(Increase)/Decrease in Accounts Receivable	849		849
Increase/(Decrease) in Accounts Payable	(13,990)		(13,990)
(Increase)/Decrease in Inventories	(565)		(565)
Net Cash Provided (Used by) Operating Activities	<u>\$ (89,238)</u>	<u>1,251</u>	<u>(87,987)</u>

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**FIDUCIARY FUND – H**

MANASQUAN SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2012

	<u>Student Activities</u>	<u>Agency Account</u>	<u>Non-Expendable Trust Scholarship</u>	<u>Unemployment</u>	<u>Totals June 30, 2012</u>
Assets:					
Cash and Cash Equivalents	\$ 217,859	759	78,259	114,202	411,079
Total Assets	\$ 217,859	759	78,259	114,202	411,079
Liabilities:					
Due to Student Groups	\$ 217,859				217,859
Payroll Withholdings		759			759
Total Liabilities	\$ 217,859	759			218,618
Net Assets:					
Reserved - Unemployment Benefits				114,202	114,202
Reserved - Scholarships			78,259		78,259
Total Net Assets		\$	78,259	114,202	192,461

MANASQUAN SCHOOL DISTRICT  
SCHOLARSHIP NONEXPENDABLE TRUST FUND

Exhibit H-2

STATEMENT OF CHANGES

IN FIDUCIARY NET ASSETS

JUNE 30, 2012

	<b>2012</b>
Additions:	
Deposits	\$ 26,014
Interest on Investments	17
Total Additions	26,031
Deductions:	
Scholarship Payments	27,000
Total Deductions	27,000
Change in Net Assets	(969)
Net Assets June 30, 2011	79,228
Net Assets June 30, 2012	\$ 78,259

MANASQUAN SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Elementary School:				
Manasquan Elementary	\$ 22,100	67,807	61,393	28,514
High School:				
Recording Studio	4,778	1,210	2,439	3,549
Manasquan High School	<u>179,364</u>	<u>369,177</u>	<u>362,745</u>	<u>185,796</u>
Total - All Schools	<u>\$ 206,242</u>	<u>438,194</u>	<u>426,577</u>	<u>217,859</u>

**MANASQUAN SCHOOL DISTRICT**

**PAYROLL AGENCY FUND**

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2012**

	<b><u>Balance</u></b> <b><u>July 1, 2011</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2012</u></b>
Assets:				
Cash and Cash Equivalents	<u>\$ 599</u>	<u>9,188,067</u>	<u>9,187,907</u>	<u>759</u>
Total Assets	<u><u>\$ 599</u></u>	<u><u>9,188,067</u></u>	<u><u>9,187,907</u></u>	<u><u>759</u></u>
Liabilities:				
Salaries, Payroll Deductions and Withholdings	<u>\$ 599</u>	<u>9,188,067</u>	<u>9,187,907</u>	<u>759</u>
Total Liabilities	<u><u>\$ 599</u></u>	<u><u>9,188,067</u></u>	<u><u>9,187,907</u></u>	<u><u>759</u></u>

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**LONG-TERM DEBT – I**

MANASQUAN SCHOOL DISTRICT

Exhibit I-1

GENERAL LONG-TERM DEBT ACCOUNT GROUP

SCHEDULE OF LONG-TERM DEBT GROUP

JUNE 30, 2012

<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, 2011</u>	<u>Paid</u>	<u>Ending Balance June 30, 2012</u>
Addition to High School	12-1-95	\$5,000,000	1-15-13	\$ 325,000	3.860%	\$ 1,595,000	315,000	1,280,000
			1-15-14	320,000				
			1-15-15	325,000				
			1-15-16	310,000				
Addition to Elementary School	2-23-05	9,652,000	1-15-13	420,000	3.764%	7,517,000	405,000	7,112,000
			1-15-14	440,000				
			1-15-15	460,000				
			1-15-16	480,000				
			1-15-17	500,000				
			1-15-18	520,000				
			1-15-19	540,000				
			1-15-20	565,000				
			1-15-21	590,000				
			1-15-22	615,000				
			1-15-23	645,000				
			1-15-24	670,000				
			1-15-25	667,000				
						\$ 9,112,000	720,000	8,392,000

MANASQUAN SCHOOL DISTRICT

Exhibit I-2

GENERAL LONG-TERM DEBT ACCOUNT GROUP

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2012

<u>Series</u>	<u>Interest Payable</u>	<u>Amount of Original Issue</u>	<u>Beginning Balance July 1, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
Savin Copiers - Old National Bank	6.90%	\$ 65,899	\$ 5,144		5,144	-
Konica Copiers	5.40%	18,736		18,736	1,619	17,117
			\$ 5,144	18,736	6,763	17,117

MANASQUAN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 1,065,700		1,065,700	1,065,700	
Total Revenues	<u>1,065,700</u>	<u>-</u>	<u>1,065,700</u>	<u>1,065,700</u>	<u>-</u>
Expenditures:					
Regular Debt Service Interest	346,010		346,010	346,010	
Redemption of Principal	720,000		720,000	720,000	
Total Expenditures	<u>1,066,010</u>	<u>-</u>	<u>1,066,010</u>	<u>1,066,010</u>	<u>-</u>
Excess Revenues Over Expenditures	(310)	-	(310)	(310)	-
Other Financing Sources (Uses):					
Transfer from Capital Projects - Interest				1,035	
Total Excess Revenues Over Expenditures and Other Financing Sources (Uses)	(310)	-	(310)	725	-
Fund Balance July 1	662		662	662	-
Fund Balance June 30	\$ <u>352</u>	<u>-</u>	<u>352</u>	<u>1,387</u>	<u>-</u>

**STATISTICAL  
SECTION**

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

J-1

Fiscal Year Ending June 30,

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	3,291,876	3,885,026	(5,215,064)	(3,935,990)	4,661,563	7,990,282	9,127,231	9,779,920	9,978,263	10,871,682
Restricted	354,874	316,895	13,025,783	3,527,956	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238
Unrestricted	112,445	(118,196)	(378,198)	251,629	82,881	(406,971)	(315,336)	(389,542)	96,800	(38,284)
<b>Total governmental activities net assets</b>	<u>3,759,195</u>	<u>4,083,725</u>	<u>7,432,521</u>	<u>(156,405)</u>	<u>8,231,842</u>	<u>9,877,750</u>	<u>9,986,499</u>	<u>10,813,707</u>	<u>11,482,418</u>	<u>12,428,636</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	68,445	57,857	48,523	52,641	45,482	44,255	174,596	178,410	159,107	169,502
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	101,497	92,218	102,224	105,610	127,280	112,055	88,842	89,060	81,322	72,550
<b>Total business-type net assets</b>	<u>169,942</u>	<u>150,075</u>	<u>150,747</u>	<u>158,251</u>	<u>172,762</u>	<u>156,310</u>	<u>263,438</u>	<u>267,470</u>	<u>240,429</u>	<u>242,052</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	3,360,321	3,942,883	(5,166,541)	(3,883,349)	4,707,045	8,034,537	9,301,827	9,958,330	10,137,370	11,041,184
Restricted	354,874	316,895	13,025,783	3,527,956	3,487,398	2,294,439	1,174,604	1,423,329	1,407,355	1,595,238
Unrestricted	213,942	(25,978)	(275,974)	357,239	210,161	(294,916)	(226,494)	(300,482)	178,122	34,266
<b>Total District Net Assets</b>	<u>3,929,137</u>	<u>4,233,800</u>	<u>7,583,268</u>	<u>1,846</u>	<u>8,404,604</u>	<u>10,034,060</u>	<u>10,249,937</u>	<u>11,081,177</u>	<u>11,722,847</u>	<u>12,670,688</u>

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

J-2

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction										
Regular	6,311,556	6,523,707	6,918,629	6,937,680	6,792,360	7,274,382	7,063,043	7,551,074	7,305,273	7,477,970
Special education	799,047	895,018	1,000,039	995,707	1,323,633	1,300,694	1,397,261	1,725,734	1,763,423	1,753,492
Other special education	238,867	261,291	299,630	313,255	327,044	368,333	264,954	279,203	134,068	139,112
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	644,006	589,264	621,533	658,604	684,287	717,953	759,997	772,300	760,384	797,543
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	393,411	467,849	585,609	566,782	597,070	653,166	744,955	648,534	574,831	728,556
Student & instruction related services	1,629,223	1,833,225	2,459,923	2,185,494	2,300,633	2,314,895	2,712,004	2,855,921	2,826,388	3,213,776
General administrative services	439,447	433,011	500,067	460,074	461,989	540,949	531,885	555,444	526,375	657,133
School & Business Administrative Svcs	891,485	918,882	977,857	1,445,916	1,499,213	1,603,060	1,663,493	1,597,796	1,611,840	1,630,154
Unallocated Benefits	3,788,204	4,265,408	4,514,087	4,886,185	5,863,013	5,984,652	5,233,086	5,551,626	5,589,146	6,223,773
Plant operations and maintenance	1,776,937	1,494,428	1,678,412	1,883,385	1,786,425	2,468,433	2,460,063	2,228,963	2,402,744	2,019,036
Pupil transportation	321,605	404,440	445,514	464,503	541,179	532,769	567,314	488,417	351,776	392,692
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	346,308	242,879	240,821	456,297	463,862	434,891	406,224	383,508	359,470	333,738
Unallocated depreciation	200,118	170,673	107,632	339,679	350,092	396,725	717,221	516,764	698,880	827,188
<b>Total Governmental Activities Expenses</b>	<b>17,780,214</b>	<b>18,500,075</b>	<b>20,349,753</b>	<b>21,593,561</b>	<b>22,990,800</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>
Business-Type Activities:										
Food service	526,618	596,766	612,216	601,081	626,349	661,200	664,102	637,527	659,787	629,346
Surf Team	-	8,642	14,580	19,206	10,196	16,111	10,641	-	3,870	9,749
Computer Classes	9,672	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities Expense</b>	<b>536,290</b>	<b>605,408</b>	<b>626,796</b>	<b>620,287</b>	<b>636,545</b>	<b>677,311</b>	<b>674,743</b>	<b>637,527</b>	<b>663,657</b>	<b>639,095</b>
<b>Total District Expenses:</b>	<b>18,316,504</b>	<b>19,105,483</b>	<b>20,976,549</b>	<b>22,213,848</b>	<b>23,627,345</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>

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

Program Revenues	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	350,918	418,678	461,075	481,962	528,833	421,228	424,097	811,247	673,525	506,399
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Rev.</b>	<b>350,918</b>	<b>418,678</b>	<b>461,075</b>	<b>481,962</b>	<b>528,833</b>	<b>421,228</b>	<b>424,097</b>	<b>811,247</b>	<b>673,525</b>	<b>506,399</b>
<b>Business-Type Activities:</b>										
Charges for services										
Food service	488,226	519,782	556,344	551,879	575,066	567,742	565,989	534,310	537,854	531,265
Surf Team	-	11,320	13,700	17,595	11,450	17,460	11,260	-	-	11,000
Computer Classes	8,600	-	-	-	-	-	-	-	-	-
Operating grants and contributions	47,781	52,167	55,830	53,700	58,301	72,086	73,012	89,158	98,686	98,439
Capital grants and contributions										
<b>Total Business Type Activities Program Rev.</b>	<b>544,607</b>	<b>583,269</b>	<b>625,874</b>	<b>623,174</b>	<b>644,817</b>	<b>657,288</b>	<b>650,261</b>	<b>623,468</b>	<b>636,540</b>	<b>640,704</b>
<b>Total district program revenues</b>	<b>895,525</b>	<b>1,001,947</b>	<b>1,086,949</b>	<b>1,105,136</b>	<b>1,173,650</b>	<b>1,078,516</b>	<b>1,074,358</b>	<b>1,434,715</b>	<b>1,310,065</b>	<b>1,147,103</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(17,429,296)	(18,081,397)	(19,888,678)	(21,111,599)	(22,461,967)	(24,169,674)	(24,097,403)	(24,344,037)	(24,231,073)	(25,687,764)
Business-type activities	8,317	(22,139)	(922)	2,887	8,272	(20,023)	(24,482)	(14,059)	(27,117)	1,609
<b>Total District-Wide Net Expense</b>	<b>(17,420,979)</b>	<b>(18,103,536)</b>	<b>(19,889,600)</b>	<b>(21,108,712)</b>	<b>(22,453,695)</b>	<b>(24,189,697)</b>	<b>(24,121,885)</b>	<b>(24,358,096)</b>	<b>(24,258,190)</b>	<b>(25,686,155)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
Property taxes levied for general purposes, net	8,522,727	8,868,714	9,377,354	9,719,400	10,737,772	11,000,595	11,440,619	11,922,137	12,171,782	12,171,782
Taxes levied for debt service	557,085	555,937	512,268	1,203,012	1,155,296	821,788	880,839	1,061,323	1,079,710	1,065,700
Tuition	6,817,433	6,937,247	7,551,681	8,433,935	8,272,855	8,903,086	9,224,371	9,373,240	10,126,111	9,993,759
Unrestricted grants and contributions	1,921,992	2,249,533	5,536,318	2,515,985	3,272,073	3,351,361	2,413,944	2,559,540	1,826,029	2,607,265
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	73,566	65	74	31,000	435,322	192,281	28,399	5,047	4,924	926
Miscellaneous income	191,992	114,203	262,216	690,403	93,103	81,705	164,365	113,522	168,657	149,375
Transfers	-	-	(2,437)	9,295	65,899	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>18,084,795</b>	<b>18,725,699</b>	<b>23,237,474</b>	<b>22,603,030</b>	<b>24,032,320</b>	<b>24,350,816</b>	<b>24,152,537</b>	<b>25,034,809</b>	<b>25,377,213</b>	<b>25,988,807</b>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Business-Type Activities:</b>										
Investment earnings	20,901	2,272	1,594	4,617	6,239	3,571	649	94	76	14
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>20,901</b>	<b>2,272</b>	<b>1,594</b>	<b>4,617</b>	<b>6,239</b>	<b>3,571</b>	<b>649</b>	<b>94</b>	<b>76</b>	<b>14</b>
<b>Total District-Wide</b>	<b>18,105,696</b>	<b>18,727,971</b>	<b>23,239,068</b>	<b>22,607,647</b>	<b>24,038,559</b>	<b>24,354,387</b>	<b>24,153,186</b>	<b>25,034,903</b>	<b>25,377,289</b>	<b>25,988,821</b>
<b>Change in Net Assets</b>										
Governmental activities	655,499	644,302	3,348,796	1,491,431	1,570,353	181,142	55,134	690,772	1,146,140	301,043
Business-type activities	29,218	(19,867)	672	7,504	14,511	(16,452)	(23,833)	-13,965	-27,041	1,623
<b>Total District</b>	<b>684,717</b>	<b>624,435</b>	<b>3,349,468</b>	<b>1,498,935</b>	<b>1,584,864</b>	<b>164,690</b>	<b>31,301</b>	<b>676,807</b>	<b>1,119,099</b>	<b>302,666</b>

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

J-3

	Fiscal Year Ending June 30,									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Fund</b>										
Reserved	354,873	301,213	168,225	384,327	315,048	360,590	240,278	732,302	1,405,664	1,593,851
Unreserved	662,816	497,578	676,381	841,674	862,251	680,832	690,981	489,371	536,680	568,825
<b>Total General Fund</b>	<b>1,017,689</b>	<b>798,791</b>	<b>844,606</b>	<b>1,226,001</b>	<b>1,177,299</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>All Other Governmental Funds</b>										
Reserved	-	-	-	-	-	-	22,887	-	-	-
Unreserved, reported in										
Special revenue fund	(2,248)	15,680	8,365	-	-	-	-	-	-	-
Capital projects fund	-	-	12,457,081	2,696,545	2,258,395	1,303,654	597,982	450,142	1,029	-
Debt service fund	1	2	77,318	479,670	680,577	353,995	796	1,457	662	1,387
Permanent fund	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>-2,247</b>	<b>15,682</b>	<b>12,542,764</b>	<b>3,176,215</b>	<b>2,938,972</b>	<b>1,657,649</b>	<b>621,665</b>	<b>451,599</b>	<b>1,691</b>	<b>1,387</b>



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

Transfers in	-	-	(77,316)	403,343	278,224	75,770	8,896	661	355	1,035
Transfers out	-	-	77,316	(394,048)	(278,224)	(75,770)	(8,896)	(661)	(355)	(1,035)
<b>Total Other Financing Sources (Uses)</b>	<b>158,695</b>	<b>0</b>	<b>9,652,000</b>	<b>9,295</b>	<b>65,899</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,736</b>
<b>Net Change in Fund Balances</b>	<b>195,840</b>	<b>(216,649)</b>	<b>12,579,222</b>	<b>(8,975,799)</b>	<b>(285,944)</b>	<b>(1,417,399)</b>	<b>(1,146,147)</b>	<b>120,348</b>	<b>270,763</b>	<b>254,619</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>3.028%</b>	<b>2.871%</b>	<b>2.466%</b>	<b>3.752%</b>	<b>4.961%</b>	<b>4.674%</b>	<b>4.743%</b>	<b>4.215%</b>	<b>4.193%</b>	<b>4.060%</b>

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenues</u>	<u>Rentals</u>	<u>Bus. Svcs/</u> <u>CST/ Ath.</u>	<u>Misc.</u>	<u>Total</u>
2003	32,480	6,817,433	-	27,000	41,185	6,918,098
2004	23,313	6,937,247	-	29,000	61,955	7,051,515
2005	52,670	7,551,681	-	30,000	63,151	7,697,502
2006	133,714	8,433,935	-	31,000	82,969	8,681,618
2007	157,098	8,272,855	-	33,000	60,997	8,523,950
2008	116,511	8,903,086	-	34,320	47,385	9,101,302
2009	19,503	9,224,371	-	35,690	92,584	9,372,148
2010	4,386	9,373,240	-	53,115	60,407	9,491,148
2011	4,569	10,126,111	-	84,580	84,077	10,299,337
2012	926	9,993,759	-	78,800	83,484	10,156,969

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

Fiscal Year Ended	Vacant	Farm						Total Assessed Value	Less: Tax-Exempt Property	Public Utilities #	Net Valuation Taxable	Total Direct Sch. Tax Rate	Est. (Cty. Equal. Val.)
June 30,	Land	Resid.	Reg.	Qfarm	Com.	Ind.	Apt.						
2003	166	2752	0	0	189	11	8	678,777,936	70,795,700	413,236	607,982,236	1.550	58.02
2004	92	2830	0	0	188	11	9	1,650,490,660	123,549,900	749,860	1,526,940,760	0.648	120.6
2005	133	2811	0	0	186	12	9	1,651,385,179	123,077,000	607,779	1,528,308,179	0.715	96.38
2006	128	2829	0	0	186	13	9	1,670,112,518	127,159,400	512,218	1,542,953,118	0.771	87.95
2007	130	2840	0	0	186	13	8	1,690,480,460	127,689,200	463,160	1,562,791,260	0.757	77.71
2008	121	2847	0	0	186	13	8	1,708,021,000	130,937,600	451,000	1,577,534,400	0.781	72.58
2009	106	2867	0	0	185	13	8	1,722,788,139	127,892,700	467,239	1,594,895,437	0.814	70.55
2010	94	2879	0	0	186	13	8	1,734,600,014	130,651,600	472,614	1,601,395,414	0.828	73.88
2011	108	2870	0	0	184	12	8	1,739,469,940	131,496,600	1,053,040	1,605,420,340	0.825	73.78
2012	95	2883	0	0	184	12	8	1,741,294,154	131,989,400	1,063,154	1,606,751,754	0.854	78.28

**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>Basic Rate</u>	<u>General Obligation Debt Svc.</u>	<u>Total Direct</u>	<u>Borough of Manasquan</u>	<u>Fire Districts</u>	<u>Monmouth County</u>	<u>Total Direct &amp; Overlapping Tax Rate</u>
2003	1.459	0.091	1.550	0.657	0.077	0.729	3.013
2004	0.612	0.036	0.648	0.272	0.032	0.314	1.266
2005	0.681	0.034	0.715	0.300	0.036	0.353	1.404
2006	0.696	0.075	0.771	0.315	0.038	0.343	1.467
2007	0.704	0.053	0.757	0.321	0.041	0.353	1.472
2008	0.725	0.056	0.781	0.331	0.040	0.357	1.509
2009	0.747	0.067	0.814	0.331	0.042	0.372	1.559
2010	0.760	0.068	0.828	0.345	0.044	0.373	1.590
2011	0.758	0.067	0.825	0.352	0.044	0.388	1.609
2012	0.788	0.066	0.854	0.368	0.045	0.377	1.644

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

<u>Taxpayer</u>	<u>Taxable Assessed Value 2012</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value 2003</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
American Timber Co & Dorothy T. Yard, LLC				6,742,200	1	1.12%
Dana, Ronald	7,994,400	1	0.49%	1,823,900	5	0.30%
Sprint	7,532,200	2	0.46%	4,912,800	2	0.82%
Paglia, John Etals Seabreeze, LLC Leg-It, LLC Gee-Gee's Glimmer Glass, LLC				4,233,800	3	0.70%
Leg-It, LLC	4,592,900	3	0.28%			
The Flanders, LLC				2,400,000	4	0.40%
Giunco Realty	7,289,200	4	0.26%	1,798,500	6	0.30%
208 Properties, LLC	3,751,800	5	0.23%			
Acme	3,141,400	6	0.19%	1,277,500	10	0.21%
Sea Breeze, LLC	3,000,000	7	0.18%			
The Parziale Family				1,477,500	8	0.24%
Osprey Realty	2,822,000	8	0.17%	1,753,200	7	0.29%
Sea Watch Realty				1,410,200	9	0.23%
S&B Associates	2,798,200	9	0.17%			
Sabdy, Thomas & Sheila	2,229,100	10	0.13%			

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>
2003	9,636,899.00	9,636,899.00	100.00%	-
2004	9,980,587.00	9,980,587.00	100.00%	-
2005	9,889,622.00	9,889,622.00	100.00%	-
2006	10,922,412.00	10,922,412.00	100.00%	-
2007	11,893,068.00	11,893,068.00	100.00%	-
2008	11,822,383.00	11,822,383.00	100.00%	-
2009	12,321,458.00	12,321,458.00	100.00%	-
2010	12,983,460.00	12,983,460.00	100.00%	-
2011	13,251,492.00	13,251,492.00	100.00%	-
2012	13,237,482.00	13,237,482.00	100.00%	-

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

J-10

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>				
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2003	4,461,465	0	253,677	0	0	4,715,142	1.68%	740
2004	4,270,527	0	178,705	0	0	4,449,232	1.48%	699
2005	13,570,395	0	99,958	0	0	13,670,353	4.41%	2169
2006	12,844,684	0	55,151	0	0	12,899,835	3.83%	2058
2007	12,088,979	0	80,722	0	0	12,169,701	3.38%	1952
2008	11,313,154	0	46,438	0	0	11,359,592	3.06%	1818
2009	10,512,000	0	33,621	0	0	10,545,621	3.01%	1681
2010	9,822,000	0	19,878	0	0	9,841,878	2.93%	1667
2011	9,112,000	0	5,144	0	0	9,117,144	2.71%	1544
2012	8,392,000	0	17,117	0	0	8,409,117	2.50%	1345

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

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2003	4,461,465	-	4,461,465	0.7338%	700.28
2004	4,270,529	-	4,270,529	0.2797%	671.15
2005	13,570,396	-	13,570,396	0.8879%	2,153.35
2006	12,844,684	-	12,844,684	0.8325%	2,048.92
2007	12,088,979	-	12,088,979	0.7736%	1,938.58
2008	11,313,154	-	11,313,154	0.7171%	1,810.68
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%	1,421.65

Manasquan Board of Education  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2012

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
Debt repaid with property taxes Manasquan Borough	8,564,986	100.00%	<b>8,564,986</b>
<b>Other debt</b>			
County of Monmouth Borough's Share	478,007,923	1.759%	8,408,169
Utility Authority- Borough's Share	26,634,294	19.89%	5,297,561
Utility Authority- Sanitary Sewer Rehabilitation	_____	_____	<u>563,476</u>
<b>Subtotal, overlapping debt</b>			<b>14,269,206</b>
<b>Manasquan School District Direct Debt</b>			<b><u>8,392,000</u></b>
<b>Total direct and overlapping debt</b>			<b>31,226,192</b>

Legal Debt Margin Calculation for Fiscal Year 2012

<b>Equalized valuation basis</b>	
2012	1,606,751,754
2011	1,601,395,414
2010	1,601,395,414
	<b><u>4,809,542,582</u></b>

**Average equalized valuation of taxable property**

1,603,180,861

Debt limit (3% of average)	48,095,426
Net bonded school debt	<u>8,392,000</u>
<b>Legal debt margin</b>	<b><u>39,703,426</u></b>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	23,233,933	26,948,536	34,719,727	45,982,021	46,340,526	46,832,788	47,352,211	48,095,426	47,976,863	48,095,426
Total net debt appl. to limit	<u>4,461,465</u>	<u>4,461,096</u>	<u>13,570,396</u>	<u>12,844,684</u>	<u>12,088,979</u>	<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>
<b>Legal debt margin</b>	<b><u>18,772,468</u></b>	<b><u>22,487,440</u></b>	<b><u>21,149,331</u></b>	<b><u>33,137,337</u></b>	<b><u>34,251,547</u></b>	<b><u>35,519,634</u></b>	<b><u>36,840,211</u></b>	<b><u>38,273,426</u></b>	<b><u>38,864,863</u></b>	<b><u>39,703,426</u></b>

Total net debt applicable to the limit as a % of debt limit	19.20%	16.55%	39.09%	27.93%	26.09%	24.16%	22.20%	20.42%	18.99%	17.45%
---	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2003	6371	281,770,217	44,227	2.8
2004	6363	301,440,762	47,374	2.3
2005	6302	309,863,038	49,169	2.4
2006	6269	336,745,604	53,716	2.4
2007	6236	359,754,840	57,690	3.2
2008	6247	370,659,498	59,334	2.9
2009	6273	349,807,572	55,764	4.8
2010	5903	336,205,365	56,955	4.8
2011	5903	336,205,365	56,955	4.9
2012	5903	336,205,365	56,955	4.9

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

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

\*No Information Available

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

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Instruction</b>										
Regular	104.5	104.5	109.5	105.5	105.5	106	113	116	110	110
Special education	15	16	16	16	16	15	18	19	20	18
Other special education	1	1	1	1	1	1	1	2	2	2
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	10	9	10	10	10	10	12	9	9	11
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Student & instruction related services	36.4	36.4	37.4	37.4	37.4	37.4	33.4	32.3	31.3	31.3
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	10.6	10.6	10.6	10.6	10.6	10.6	11.6	11.6	11.6	11.6
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	4	4	4	4	4	5	5	5	5	5
Administrative Information Technology	1.5	1.5	1.5	1.5	1.5	2	2	2	2	2
Plant operations and maintenance	15	16	16	16	16	16	18	19.1	19.1	19.1
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>201.0</b>	<b>202.0</b>	<b>209.0</b>	<b>205.0</b>	<b>205.0</b>	<b>206.0</b>	<b>217.0</b>	<b>219.0</b>	<b>213.0</b>	<b>213.0</b>

Fiscal Year	Pupil/Teacher Ratio										Student Attendance %
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Elementary	High School	ADE	ADA	% Change in ADE	
2003	1788	16,800,949	9,397		119	11.8	13.2	1726.3	1640.8		95.05%
2004	1803	17,599,117	9,761	3.88%	123	11.6	13.4	1726.5	1642.2	0.01%	95.12%
2005	1784	19,221,333	10,774	10.38%	133	11.4	12.2	1723.1	1632.6	-0.20%	94.75%
2006	1794	20,373,094	11,356	5.40%	127	11.6	12.7	1720.6	1633.4	-0.15%	94.93%
2007	1716	21,716,693	12,655	11.44%	120	11.1	12.8	1712.3	1634.8	-0.48%	95.47%
2008	1702	23,252,749	13,662	7.95%	121	11.0	12.6	1702.0	1614.5	-0.60%	94.86%
2009	1711	23,043,147	13,472	-1.39%	131	11.0	12.1	1712.3	1632.0	0.61%	95.31%
2010	1699	23,328,052	13,734	1.95%	132	10.8	11.9	1698.6	1610.2	-0.80%	94.80%
2011	1697	23,372,328	13,773	0.28%	132	10.8	11.9	1696.8	1604.3	-0.11%	94.55%
2012	1666	24,515,369	14,715	6.80%	130	10.8	11.9	1666.1	1576.9	-1.81%	94.65%

Manasquan School District  
 School Building Information  
 Last Ten Fiscal Years

Exhibit J-18

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Manasquan Elementary School										
Square Feet	89,500	89,500	89,500	89,500	89,500	111,800	111,800	111,800	111,800	111,800
Capacity (students)	537	537	537	537	537	738	738	738	738	738
Enrollment	698	699	686	711	686	690	698	711	688	682
<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	1,090	1,104	1,098	1,083	1,030	1,012	1,014	988	1,009	984

Manasquan School District  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years

Undistributed Expenditures - Required  
 Maintenance for School Facilities

<u>Year</u>	School Facilities Project # (s)	<u>Manasquan High School</u>	<u>Manasquan Elementary School</u>
2003		453,017	35,103
2004		109,058	12,348
2005		102,415	13,655
2006		222,764	6,083
2007		105,647	14,164
2008		359,326	54,936
2009		279,560	84,797
2010		71,550	32,000
2011		305,438	4,291
2012		189,954	24,356
<b>Total School Facilities</b>		<b>2,198,729</b>	<b>281,733</b>

**Manasquan School District  
Insurance Schedule  
June 30, 2012**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy (1)</b>		
Multi-Peril Policy (Incl. Boiler & Machinery)	43,412,184	2,500
General Automobile Liability	1,000,000	1,000
School Board Legal Liability	2,000,000	5,000
Catastrophic Excess Liability	10,000,000	-
Workers' Compensation	14,322,825	-
 <b>Student Accident Insurance (2)</b>		
Maximum Benefit Blanket Coverage Including Interscholastic Athletics & Football	5,000,000	0
Full Excess Plan - Lifetime Benefit Period Disability Plan for All Students	550,000	0
 <b>Surety Bonds (3)</b>		
Treasurer	250,000	-
Board Secretary/Business Administrator	250,000	-

(1) Boynton & Boynton (Zurich, Zurich, NJSBAIG, NJSBAIG, NJSBAIG)  
 (2) T.L. Groseclose (Life Insurance Company of North America)  
 (3) Boynton & Boynton (Selective)

**SINGLE AUDIT**

**SECTION**

*Robert A. Hulsart and Company*  
 CERTIFIED PUBLIC ACCOUNTANTS

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**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 (NO MATERIAL**  
**WEAKNESSES IDENTIFIED, NO SIGNIFICANT DEFICIENCIES IDENTIFIED,**  
**NO REPORTABLE INSTANCES OF NONCOMPLIANCE OR**  
**OTHER MATTERS IDENTIFIED**

K-1

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

We have audited the general-purpose financial statements of the Board of Education of the Manasquan School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 25, 2012. We conducted our audit 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

Management of Example Entity is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered the Manasquan Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Manasquan Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Manasquan Board of Education's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Manasquan Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its 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 general-purpose 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Manasquan Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

---

Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

September 25, 2012

*Robert A. Hulsart and Company*  
 CERTIFIED PUBLIC ACCOUNTANTS

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

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
 DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AN ON  
 INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
 OMB CIRCULAR A-133 (UNQUALIFIED OPINION ON COMPLIANCE;  
 NO MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN  
 INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED)**

K-2

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

**Compliance**

We have audited the Board of Education of the Manasquan School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Manasquan Board of Educations major federal and state programs for the year ended June 30, 2012. Manasquan Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Manasquan Board of Education's management. Our responsibility is to express an opinion on the Manasquan Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Manasquan Board of Education'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. Our audit does not provide a legal determination on the Manasquan Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Manasquan School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

### **Internal Control Over Compliance**

The management of the Board of Education of the Manasquan School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Manasquan Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Manasquan Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Manasquan Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Manasquan Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Manasquan Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

---

Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

September 25, 2012

MANASQUAN SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2012	
			From	To							(Accounts Receivable)	Deferred Revenue
U.S. Department of Education:												
General Fund:												
Education Jobs Fund	84.410A	N/A	8/10/2010	9/30/2012	\$ 34,591	\$ -	34,591	(34,591)				
U.S. Department of Education:												
Passed Through State Department of Education:												
Special Revenue Fund:												
NCLB:												
Title I Cluster:												
Title I	84.010	NCLB11	9/1/2010	8/31/2011	77,490	(33,161)	34,936	(1,775)				
Title I	84.010	NCLB12	9/1/2011	8/31/2012	82,385		80,610	(82,385)				
ARRA Title I	84.389	ARRA10	9/1/2009	8/31/2010	22,622		1,131	(1,131)				
Title II A	84.367A	NCLB10	9/1/2009	8/31/2010	30,156	(75)	128	(53)				
Title II A	84.367A	NCLB11	9/1/2010	8/31/2011	29,872	(12,134)	12,972	(838)				
Title II A	84.367A	NCLB12	9/1/2011	8/31/2012	26,827		25,936	(26,746)			(810)	
Title III	84.318	NCLB09	9/1/2008	8/31/2009	417	(370)	417	(47)			(37)	
Title III	84.318	NCLB10	9/1/2009	8/31/2010	694		129	(61)			(23)	
Title III	84.318	NCLB11	9/1/2010	8/31/2011	152	(91)	757	(336)				
Title III	84.365A	NCLB10	9/1/2009	8/31/2010	16,440	(421)	16,267	(10,319)			(2,404)	
Title III	84.365A	NCLB11	9/1/2010	8/31/2011	18,671	(8,352)	400	(9,419)			(9,419)	29
Title III	84.365A	NCLB12	9/1/2011	8/31/2012	16,916		401					
Title IV	84.184	NCLB09	9/1/2008	8/31/2009	3,384	(371)	14,663	(16,068)				
Title IV	84.184	NCLB10	9/1/2009	8/31/2010	3,454	(401)	16,068	(39,180)				
Perkins	84.084A	N/A	9/1/2010	8/31/2011	14,663	(14,663)	39,911					
Perkins	84.084A	N/A	9/1/2011	8/31/2012	16,068		2,417	(1,306)				
Project Serve	84.184S	N/A	1/20/2010	7/19/2011	249,834	(731)	3,867	(1,746)				
Special Education Cluster:												
ARRA IDEA Part B - Basic	84.391	ARRA10	9/1/2009	8/31/2011	248,089	(1,111)	2,778	(3,357)				
ARRA IDEA Preschool	84.392	ARRA10	9/1/2009	8/31/2010	8,996	(2,121)	98,932	(3,942)				
IDEA:												
Part B - Basic	84.027	FT10	9/1/2009	8/31/2010	217,567	(95,010)	223,274	(225,670)	579		(2,396)	
Part B - Basic	84.027	FT11	9/1/2010	8/31/2011	222,564		6	(6)				
Part B - Basic	84.027	FT12	9/1/2011	8/31/2012	225,670		6,877	(6,877)				
Preschool	84.173	FT11	9/1/2010	8/31/2011	6,913		582,897	(431,299)				
Preschool	84.173	FT12	9/1/2011	8/31/2012	6,877	(169,012)	579	(16,864)				29
Total Special Revenue												
U.S. Department of Agriculture - Passed Through State Department of Education:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/2011	6/30/2012	87,211		83,024	(87,211)			(4,187)	
National School Lunch Program	10.555	N/A	7/1/2010	6/30/2011	79,355	(5,455)	5,455					
Food Distribution Program	10.550	N/A	7/1/2011	6/30/2012	7,514		7,514	(7,514)				
Total U.S. Dept. of Agriculture						(5,455)	95,993	(94,725)			(4,187)	
Total Federal Financial Assistance						(174,467)	713,481	(560,615)	579		(21,051)	29

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



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**MANASQUAN SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2012****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Manasquan School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$41,039 for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented on the following page:

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,562,358	62,191	3,714	1,628,263
Difference – Budget to “GAAP”				
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	1,051,355			1,051,355
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>(41,039)</u>	_____	_____	<u>(41,039)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,572,674</u>	<u>62,191</u>	<u>3,714</u>	<u>2,638,579</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	\$ 34,591	431,299	94,725	560,615
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 34,591</u>	<u>431,299</u>	<u>94,725</u>	<u>560,615</u>

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

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

**NOTE 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. 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, 2012.

**NOTE 6: Adjustment**

IDEA Basic for 2009-2010 was adjusted to recognize a prior year deferred revenue balance utilized to fully expend the grant funding for that period.

**BOROUGH OF MANASQUAN SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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*Part I - Summary of Auditor's Results*

**Financial Statement Section**

Unqualified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes   x   No

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

\_\_\_\_\_ Yes   x   None Reported

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

\_\_\_\_\_ Yes   x   No

**Federal Awards**

Internal control over compliance:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes   x   No

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

\_\_\_\_\_ Yes   x   None Reported

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

\_\_\_\_\_ Yes   x   No

Identification of major programs:

**CFDA Number(s)**

84.027  
84.173  
84.391  
84.392  
\_\_\_\_\_

**Name of Federal Program or Cluster**

IDEA Part B (Special Education Cluster)  
IDEA Preschool (Special Education Cluster)  
ARRA IDEA Part B (Special Education Cluster)  
ARRA IDEA Preschool (Special Education Cluster)  
\_\_\_\_\_

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

\$300,000

Auditee qualified as low-risk auditee?

  x   Yes \_\_\_\_\_ No



**BOROUGH OF MANASQUAN SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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*Part II - Schedule of Financial Statement Findings*

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

Finding: No matters were reported.

Criteria or specific requirement: N/A

Condition: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Views of Responsible Officials and Planned Corrective Actions:

**BOROUGH OF MANASQUAN SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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*Part III - State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

**STATE AWARDS**

Finding: No matters were reported.

Information on the State Program: N/A

Criteria or specific requirement:

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause:

Recommendation: N/A

Management's response: N/A

BOROUGH OF MANASQUAN SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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Prior Audit Findings:

None