

MANSFIELD TOWNSHIP BOARD OF EDUCATION

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2015

MANSFIELD TOWNSHIP BOARD OF EDUCATION

***Mansfield Township Board of Education
Columbus, New Jersey***

***Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2015***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by
Mansfield Township Board of Education
Finance Department**

**And
Barre & Company, CPAs**

STATE BOARD OF EDUCATION

ARCELIO APONTE..... Middlesex
President

JOSEPH FISICARO Burlington
Vice President

MARK W. BIEDRON Hunterdon

RONALD K.BUTCHER..... Gloucester

CLAIRE CHAMBERLAIN Somerset

JOSEPH FISICARO Burlington

JACK FORNARO Warren

EDITHE FULTON..... Ocean

ROBERT P. HANEY Monmouth

ERNEST P. LEPORE..... Hudson

ANDREW J. MULVIHILL..... Sussex

J. PETER SIMON..... Morris

DOROTHY S. STRICKLAND Essex

**David C. Hespe, Acting Commissioner of Education
Secretary, State Board of Education**

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

INTRODUCTORY SECTION	1
Letter of Transmittal	2
Organizational Chart.....	7
Roster of Officials.....	8
Consultants and Advisors.....	9
FINANCIAL SECTION	10
Independent Auditor's Report.....	11
REQUIRED SUPPLEMENTARY INFORMATION – PART I.....	15
Management's Discussion and Analysis	16
BASIC FINANCIAL STATEMENTS	29
SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS	30
A-1 Statement of Net Position.....	31
A-2 Statement of Activities	32
SECTION B - FUND FINANCIAL STATEMENTS	33
GOVERNMENTAL FUNDS.....	34
B-1 Balance Sheet	35
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	36
B-3 Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	37
PROPRIETARY FUNDS	38
B-4 Statement of Net Position.....	39
B-5 Statement of Revenues, Expenses, and Changes in Net Position	40
B-6 Statement of Cash Flows.....	41
FIDUCIARY FUNDS.....	42
B-7 Statement of Fiduciary Net Position	43
B-8 Statement of Changes in Fiduciary Net Position	44
NOTES TO THE FINANCIAL STATEMENTS.....	45
REQUIRED SUPPLEMENTARY INFORMATION – PART II.....	87

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

FINANCIAL SECTION (CONTINUED)

SECTION C - BUDGETARY COMPARISON SCHEDULES	88
C-1 Budgetary Comparison Schedule – General Fund	89
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	93
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....	94
C-3 Budget-To-GAAP Reconciliation	95
REQUIRED SUPPLEMENTARY INFORMATION - III	96
SECTION L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)	97
L-1 Schedule of the Charter School's Proportionate Share fo the Net Pension Liability - PERS.....	98
L-2 Schedule of Charter School Contributions - PERS.....	99
L-3 Schedule of the Charter School's Proportionate Share of the Net Pension Liability - TPAF	100
L-4 Schedule of Charter School Contributions - TPAF	101
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III	102
OTHER SUPPLEMENTARY INFORMATION.....	105
SECTION D - SCHOL BASED BUDGET SCHEDULES	N/A
D-1 Combining Balance Sheet.....	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual.....	N/A
SECTION E - SPECIAL REVENUE FUND	106
E-1 Combining Schedule of Revenues and Expenditures – Budgetary Basis	107
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis.....	N/A
SECTION F – CAPITAL PROJECTS FUND.....	N/A
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	N/A

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

FINANCIAL SECTION (CONTINUED)

SECTION G – PROPRIETARY FUNDS 108

ENTERPRISE FUND N/A

- G-1 Combining Schedule of Net Position N/A
- G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net
Position N/A
- G-3 Combining Schedule of Cash Flows N/A

INTERNAL SERVICE FUND..... N/A

- G-4 Combining Schedule of Net Position N/A
- G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net
Position N/A
- G-6 Combining Schedule of Cash Flows N/A

SECTION H - FIDUCIARY FUNDS 109

- H-1 Combining Statement of Fiduciary Net Position 110
- H-2 Combining Statement of Changes in Fiduciary Net Position 111
- H-3 Student Activity Fund – Schedule of Receipts and Disbursements 112
- H-4 Payroll Agency and Payroll Account Funds – Schedule of Receipts and
Disbursements 113

SECTION I – LONG-TERM DEBT SCHEDULES 114

- I-1 Schedule of Serial Bonds 115
- I-2 Scheudle of Obligations under Capital Leases N/A
- I-3 Schedule of Intergovernmental Loans Payable 116
- I-4 Debt Service Fund Budgetary Comparison Schedule N/A

STATISTICAL SECTION (UNAUDITED) 117

INTRODUCTION TO THE STATISTICAL SECTION 118

FINANCIAL TRENDS 119

- J-1 Net Assets by Component 120
- J-2 Changes in Net Assets 121
- J-3 Fund Balances – Governmental Funds 123
- J-4 Changes in Fund Balances – Governmental Funds 124
- J-5 General Fund Other Local Revenue by Source 125

REVENUE CAPACITY 126

- J-6 Assessed Value and Estimated Actual Value of Taxable Property 127
- J-7 Direct and Overlapping Property Tax Rates 128
- J-8 Principal Property Taxpayers* 129
- J-9 Property Tax Levies and Collections 130

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

DEBT CAPACITY	131
J-10 Ratios of Outstanding Debt by Type.....	132
J-11 Ratios of General Bonded Debt Outstanding	133
J-12 Direct and Overlapping Governmental Activities Debt.....	134
J-13 Legal Debt Margin Information	135
DEMOGRAPHIC AND ECONOMIC INFORMATION.....	136
J-14 Demographic and Economic Statistics	137
J-15 Principal Employers.....	138
OPERATING INFORMATION.....	139
J-16 Full-Time Equivalent District Employees by Function/Program	140
J-17 Operating Statistics.....	141
J-18 School Building Information.....	142
J-19 Schedule of Required Maintenance Expenditures by School Facility.....	143
J-20 Insurance Schedule.....	144
* Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.	
SINGLE AUDIT SECTION	145
K-1 Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance <i>With Government Auditing Standards</i>	146
K-2 Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control over Compliance In Accordance With OMB Circular A-133 and New Jersey OMB Circular <i>04-04</i>	148
K-3 Schedule of Expenditures of Federal Awards – Schedule A	152
K-4 Schedule of Expenditures of State Financial Assistance – Schedule B	153
K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance	154
K-6 Schedule of Findings and Questioned Costs.....	157
K-7 Summary Schedule of Prior Audit Findings	160

INTRODUCTORY SECTION

***MANSFIELD TOWNSHIP BOARD OF EDUCATION
200 MANSFIELD ROAD EAST
COLUMBUS, NEW JERSEY 08022
609-298-2037***

December 18, 2015

Honorable President and
Members of the School District
Mansfield Township Board of Education
County of Burlington
Columbus, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Mansfield Township School District (District) for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management. 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 various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, the Auditor's Report, and Management's Discussion and Analysis thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Acts of 1996, as amended, and 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 auditor's report on the internal control over financial reporting and compliance with applicable laws, regulations, contracts, and grants, and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The Mansfield Township School District is an independent reporting entity within the criteria established by GASB Statement No.14. All funds and account groups of the district are included in this report. The Mansfield Township School District and all its schools constitute the district's reporting entity. The district has maintained a high quality of education as a Pre-K through grade 6 district in Burlington County.

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 6, including services for special needs students. As of June 30, 2015 the District's average daily enrollment was 721 students, which is six more students than the previous year's enrollment. The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	741.00	3.78%
2013-2014	714.00	-4.67%
2012-2013	749.00	4.17%
2011-2012	719.00	3.16%
2010-2011	697.00	1.75%
2009-2010	685.00	-0.29%
2008-2009	687.00	1.78%
2007-2008	675.00	2.74%
2006-2007	657.00	3.46%
2005-2006	635.00	-0.88%

2. ECONOMIC CONDITION AND OUTLOOK

Residential development has slowed in Mansfield Township. One development has received preliminary approval for seven single-family homes and two additional residential developments are nearing completion. With little revenue being raised though commercial property and state aid for schools being unpredictable, unfortunately the tax payers continue to bear the burden of high taxes.

3. MAJOR INITIATIVES

The Mansfield Township School District undertook several important activities during the 2014-2015 school year. These included the following:

- Write Steps Writing Program K-5
- Schellenger Educational Consultants (Professional Development)
- Hired a Part-Time Curriculum and Instruction Supervisor
- Purchased New Computers and Increased Broadband
- New Smartboards & Projectors

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 costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control is in place to ensure compliance with applicable laws and regulations related to major 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 the adequacy of the internal control, including that portion related to major federal awards and state financial assistance programs, as well as to determine that the district has complied with applicable laws, regulations contracts, and grants.

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these 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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital projects fund. The final budget amount is 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of fund and account groups. These funds and account groups are explained in Notes to the Basic Financial Statement. The 2014-2015 CAFR presents financial reports utilizing the overall format of GASB 34.

7. FINANCIAL INFORMATION AT YEAR-END

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 schedule presents a summary of the general fund, special revenue fund, capital project fund, and debt service fund revenues for the fiscal year ended June 30, 2015.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 10,722,032	85.87%	1.33%
State Sources	1,588,442	12.72%	10.15%
Federal Sources	176,063	1.41%	8.57%
Total	<u>\$ 12,486,537</u>	<u>100.00%</u>	

The following schedule presents a summary of general fund, special revenue, and debt service fund expenditures for the fiscal year ended June 30, 2015.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:			
Instruction	\$ 4,172,106	33.93%	1.54%
Undistributed	6,944,892	56.48%	6.63%
Capital Outlay	109,327	0.89%	42.25%
Debt Service	1,069,857	8.70%	3.76%
Total	<u>\$ 12,296,182</u>	<u>100.00%</u>	

8. DEBT ADMINISTRATION

At June 30, 2013, the district's outstanding debt issues include \$8,490,000 of general obligation bonds and \$136,313 in compensated absences payable.

9. CASH MANAGEMENT

The investment policy of the district is guided in large part by the State statute as detailed in Notes to the Basic Financial Statements, Note 2. The District has adopted a cash management plan, which required it to deposit funds in public depositories protected from loss under the provision of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Unit 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.

10. 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 and fidelity bond.

11. OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, has been selected by the Board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1996, as amended, and the related OMB Circular A-133 and State Treasury Circular letter 04-04 OMB. The Auditor's Report on the basic financial statements and combining and individual fund statements and schedules 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.

12. ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Mansfield Township School District for their professionalism 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,



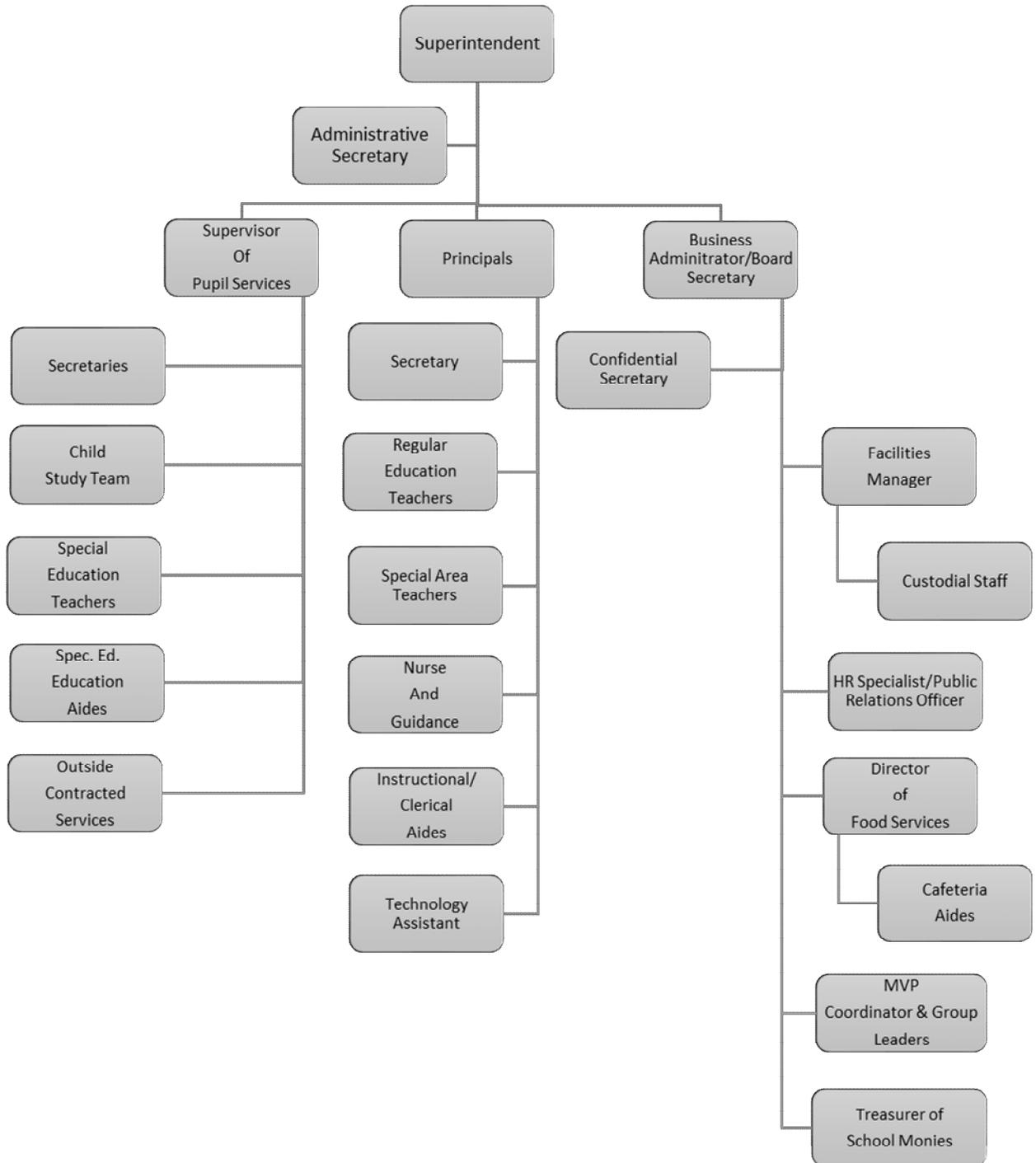
Diane Bacher
Superintendent



Joyce A. Goode
Business Administrator/Board Secretary

MANSFIELD TOWNSHIP BOARD OF EDUCATION

ORGANIZATIONAL CHART



**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Marcial Mojena, Board President	2018
Joseph Broski, Vice President	2018
Ramy Reddy	2014
Beverly Pencak	2015
Alison Perrone	2019
Stacey Nicosia	2018
Scott Shumway	2015
Jared Fantasia	2016
Deborah Regi	2016

OTHER OFFICIALS

Diane Bacher, Superintendent

Joyce Goode, Business Administrator/Board Secretary

Maria Parry, CPA, Treasurer of School Monies

Frank Cavallo, Esq, Solicitor

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

CONSULTANTS AND ADVISORS

ARCHITECT

Faridy, Veisz & Fraytak, P.C.
1515 Lower Ferry Road
P.O. Box 7371
Trenton, New Jersey 08628

Audit Firm

Barre & Company
Certified Public Accountants
2204 Morris Avenue
Union, New Jersey 07083

Attorney and Board Counsel

Park McCay
9000 Midlantic Drive, Suite 300
Mount Laurel, New Jersey 08054

Official Depositories

1st Constitution Bank
3659 Nottingham Way
Hamilton, New Jersey 08690

FINANCIAL SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

Independent Auditor's Report

Honorable President
Members of the Board of Education
Mansfield Township Board of Education
County of Burlington
Columbus, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the basic financial statements, the Charter School implemented Governmental Accounting Standard Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions-An Amendment to the GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment if GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balance on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 20 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the

methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget (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," respectively; and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

ther Reporting Required by Government Auditing Standards and the Division of Finance, Department of Education, State of New Jersey

In accordance with *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey, we have also issued our report dated December 18, 2015 on our consideration of the Mansfield Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards and the Division of Finance, Department of Education, State of New Jersey*

in considering the Charter School's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'R. Barre', with a stylized flourish at the end.

Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's
Union New Jersey

December 18, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

As management of the Mansfield Township Board of Education, we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ Net position for all Governmental Activities increased by \$398,382.
- ❖ General revenues for all funds accounted for \$11,799,689 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,240,504 or 10% of total revenues of \$13,040,193.
- ❖ The School District had for all funds \$12,601,878 in expenses; only \$1,240,504 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$11,799,689 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$11,240,357 in revenues and \$11,050,262 in expenditures. The General Fund's fund balance increased \$190,095 over 2014. This increase was anticipated by the Board of Education.
- ❖ For Governmental Activities, total assets decreased by \$675,009 and total liabilities decreased by -\$2,739,451.
- ❖ Net position increased in the Business-Type Activities by \$39,933.
- ❖ For Business-Type Activities, total assets increased by \$163,289 and total liabilities increased by \$123,356.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Highlights (Continued)

- ❖ Amount of repayment in bond principal was \$595,000.
- ❖ During 2015, the Charter School adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities.

Overview of the Financial Statements

This annual report consists of five parts: introduction, management's discussion and analysis, the basic financial statements, supplementary information and statistical section. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the District operates like businesses, such as nutritional services.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Overview of the Financial Statements (Continued)

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*.

- Over-time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one must consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. Property taxes and state aid, finances most of these activities.
- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's nutritional services program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Overview of the Financial Statements (Continued)

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Proprietary funds*: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flows. The District uses *internal service funds* (the other kind of proprietary funds) to report activities that provide supplies and services for its other programs and activities.
- *Fiduciary funds*: The District is the agent, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2015 with comparative amounts for 2014.

	2015	2014
Assets		
Current and Other Assets	\$ 2,391,503	\$ 1,377,995
Capital Assets	<u>10,897,423</u>	<u>11,315,442</u>
Total Assets	<u>13,288,926</u>	<u>12,693,437</u>
Deferred Outflows of Resources	<u>353,953</u>	<u>-</u>
Liabilities		
Account and Other Payables	336,805	32,344
Other Current Liabilities	118,758	777,415
Long-Term Liabilities	<u>12,350,380</u>	<u>9,417,965</u>
Total Liabilities	<u>12,805,943</u>	<u>10,227,724</u>
Deferred Inflows of Resources	<u>174,536</u>	
Net Position		
Net Investment in Capital Assets	1,532,423	1,355,442
Restricted	1,306,192	(79,330)
Unrestricted	<u>(2,176,215)</u>	<u>1,189,601</u>
Total Net Position	<u>\$ 662,400</u>	<u>\$ 2,465,713</u>

The District's combined net position were \$662,400 on June 30, 2015, and \$2,465,713 for 2014.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

Table 2 shows changes in net position for fiscal year 2015 with comparative amounts for 2014.

Changes in Net Position

	2015	2014
Revenues		
Program Revenues:		
Charges for Services	\$ 715,990	\$ 464,543
Operating Grants and Contributions	524,514	240,534
General Revenues:		
Property Taxes	9,416,511	8,809,680
Debt Service	1,037,971	825,461
Grants and Entitlements	1,282,223	1,524,196
Other	<u>62,984</u>	<u>196,308</u>
Total Revenues	<u>13,040,193</u>	<u>12,060,722</u>
Program Expenses		
Instruction	5,886,037	4,157,691
Support Services:		
Tuition	538,932	138,866
Student and Instruction Related	1,816,154	1,395,704
General and Business Administrative	660,316	2,870,732
School Administrative	651,012	261,746
Plant Operations and Maintenance	1,164,624	880,446
Pupil Transportation	614,763	560,285
Capital Asset Appraisal Adjustment		1,620,882
Capital Outlay	67,009	63,136
Interest on Long-Term Debt	356,007	467,920
Unallocated Depreciation	333,301	339,393
Food Service/EDCP	<u>513,723</u>	<u>477,803</u>
Total Program Expenses	<u>12,601,878</u>	<u>13,234,604</u>
Changes in Net Position	<u>\$ 438,315</u>	<u>\$ (1,173,882)</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 84% for 2015 and 76% for 2014 of revenues for governmental activities for the Columbus School District. The District's total revenues were \$12,486,537 for the year ended June 30, 2015, and \$11,539,684 for 2014. Federal, state, and local grants and state aid accounted for another 14% for 2015 and 13% for 2014 of revenues which includes \$874,316 for 2015 and \$1,668,560 for 2014 of state reimbursed TPAF pension, social security and post-retirement medical contributions.

The total cost of all programs and services was \$12,088,155 for 2015 and \$12,693,665 for 2014. Instruction comprises 49% for 2015 and 69% for 2014 of District's expenses.

Business-Type Activities

Business-type activities are made up of the nutritional services fund and after school program. Revenues for the District's business-type activities (food service and Extended Day Care Program (EDCP)) were comprised of charges for services and federal and state reimbursements.

FOOD SERVICE

Expenses exceeded revenues by \$-\$120,807 for 2015 and by -\$125,057 for 2014.

Charges for services represent \$149,147 for 2015 and \$157,401 for 2014 of revenue. This represents amounts paid by patrons for daily food service.

Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, were \$-\$46,807 for 2015 and -\$49,429 for 2014.

EXTENDED DAY CARE PROGRAM

Revenues exceeded expenses by \$48,491 for 2015 and for 2014.

Charges for services represent \$107,769 for 2015 and 93,358 for 2014 of revenue. This represents tuition paid by parents for before and after school hours care program.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

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.

	Total Cost of Services	
	2015	2014
Instruction	\$ 5,886,037	\$ 4,157,691
Support Services:		
Tuition	538,932	138,866
Student and Instruction Related	1,816,154	1,395,704
General and Business Administrative	660,316	2,870,732
School Administrative	651,012	261,746
Plant Operations and Maintenance	1,164,624	880,446
Pupil Transportation	614,763	560,285
Capital Outlay	67,009	63,136
Capital Asset Appraisal Adjustment		1,620,882
Interest on Long-Term Debt	356,007	467,920
Unallocated Depreciation	333,301	339,393
Total Expenses	\$ 12,088,155	\$ 12,756,801

	Net Cost of Services	
	2015	2014
Instruction	\$ 5,295,009	\$ 4,016,558
Support Services:		
Tuition	538,932	138,866
Student and Instruction Related	1,816,154	1,381,928
General and Business Administrative	660,316	2,870,732
School Administrative	651,012	261,746
Plant Operations and Maintenance	1,164,624	880,446
Pupil Transportation	518,204	560,285
Capital Outlay	67,009	63,136
Capital Asset Appraisal Adjustment		1,620,882
Interest on Long-Term Debt	356,007	438,745
Unallocated Depreciation	333,301	339,393
Total Expenses	\$ 11,400,568	\$ 12,572,717

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

Governmental Activities (Continued)

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.

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

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.

“Other” includes special schools and unallocated depreciation.

Financial Analysis of the School District's Funds

Information about the District's major funds starts on page 33. All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$12,486,537 for 2015 and \$12,168,025 for 2014 and expenditures were \$12,296,182 for 2015 and \$11,684,856 for 2014. The net change in fund balance for the year was an increase of \$190,355 for 2015 and an \$483,169 increase of for 2014. The positive change is most significant in the General Fund, an increase of \$190,095 for 2015 and an increase of \$211,985 for 2014.

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 schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District's Funds (Continued)

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 10,722,032	85.87%	1.33%
State Sources	1,588,442	12.72%	10.15%
Federal Sources	176,063	1.41%	8.57%
Total	<u><u>\$ 12,486,537</u></u>	<u><u>100.00%</u></u>	

Local Sources increased by \$142,272. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

State Sources decreased due to a reduction in State aid.

Federal Sources increased due to increased Federal grants funding.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:			
Instruction	\$ 4,172,106	33.93%	1.54%
Undistributed	6,944,892	56.48%	6.63%
Capital Outlay	109,327	0.89%	42.25%
Debt Service	1,069,857	8.70%	3.76%
Total	<u><u>\$ 12,296,182</u></u>	<u><u>100.00%</u></u>	

Changes in expenditures were the results of varying factors. Current expense increased primarily due to increased salaries and staff.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District's Funds (Continued)

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 cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ♣ Interest income was significantly over estimated during budget preparation.
- ♣ Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- ♣ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- ♣ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.

Capital Assets

At the end of the fiscal year 2015, the School District had \$10,859,307 invested in land, buildings, equipment, and transportation vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2015 and 2014.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Capital Assets (Continued)

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

	2015	2014
Land	\$ 561,110	\$ 561,110
Land Improvements	359,741	359,741
Buildings and Buildings Improvements	9,571,755	9,886,382
Machinery and Equipment	363,333	239,807
Infrastructure	3,368	9,624
Total	\$ 10,859,307	\$ 11,056,664

For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2015, the School District had \$9,445,262 of outstanding debt. Of this amount, \$80,262 is for compensated absences.

Outstanding Debt at June 30,

	2015	2014
Serial Bonds	\$ 8,535,000	\$ 9,960,000
Total	\$ 8,535,000	\$ 9,960,000

For more detailed information, please refer to the Notes to the Financial Statements.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of two existing circumstances that could significantly affect its financial health in the future:

- State law and policies regarding taxation and educational funding
- Local property tax pressures

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Economic Factors and Next Year's Budget

The District anticipates that the approved 2015-2015 budget will be adequate to satisfy all 2015-2015 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Contracting the District's Financial Management

This financial report is designed to provide the District's citizen, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board offices at 200 Mansfield Road East, Columbus, New Jersey 08022.

BASIC FINANCIAL STATEMENTS

SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 947,809	\$ 469,542	\$ 1,417,351
Restricted Cash	93,119		93,119
Interfund Receivables	328,356		328,356
Receivables	392,736	2,035	394,771
Inventories		1,420	1,420
Deferred Bond Issuance Costs, Net	156,486		156,486
Capital Assets, Net	10,859,307	38,116	10,897,423
Total Assets	12,777,813	511,113	13,288,926
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	353,953		353,953
Total Deferred Outflows of Resources	353,953	-	353,953
LIABILITIES:			
Interfund Payable	153,774	166,577	320,351
Accounts Payable	14,627	1,827	16,454
Accrued Interest	118,758		118,758
Noncurrent Liabilities:			
Due Within One Year	750,000		750,000
Due Beyond One Year:			
Other Long-Term Liabilities	8,695,262		8,695,262
Net Pension Liability	2,905,118		2,905,118
Total Liabilities	12,637,539	168,404	12,805,943
DEFERRED INFLOWS OF RESOURCES:			
Pensions	174,536		174,536
Total Deferred Inflows of Resources	174,536	-	174,536
NET POSITION (DEFICIT):			
Net Investment in Capital Assets	1,494,307	38,116	1,532,423
Restricted for:			
General Fund	1,212,731		1,212,731
Capital Projects Fund	259		259
Debt Service Fund	83		83
Other Purposes	93,119		93,119
Unrestricted (Deficit)	(2,480,808)	304,593	(2,176,215)
Total Net Position (Deficit)	\$ 319,691	\$ 342,709	\$ 662,400

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular	\$ 3,161,074	\$ 1,227,586	\$ 205,305	\$ -	\$ -	\$ (4,183,355)	\$ (4,183,355)
Special Education	931,247	425,410		385,723		(970,934)	(970,934)
Other Special Education	96,845	43,875				(140,720)	(140,720)
Support Services:							
Tuition	538,932					(538,932)	(538,932)
Student and Instruction Related Services	1,436,481	379,673				(1,816,154)	(1,816,154)
General and Business Administrative Services	690,121	169,167				(859,288)	(859,288)
School Administrative Services	313,023	139,017				(452,040)	(452,040)
Plant Operations and Maintenance	947,734	216,890				(1,164,624)	(1,164,624)
Pupil Transportation	612,630	2,133	96,559			(518,204)	(518,204)
Capital Outlay	67,009					(67,009)	(67,009)
Interest on Long-Term Debt	356,007					(356,007)	(356,007)
Unallocated Depreciation and Amortization	333,301					(333,301)	(333,301)
Total Governmental Activities	9,484,404	\$ 2,603,751	205,305	482,282	-	(11,400,568)	(11,400,568)
BUSINESS-TYPE ACTIVITIES:							
Food Service/KC/MVP	513,723		510,685	42,232		39,194	39,194
Total Business-Type Activities	513,723		510,685	42,232		39,194	39,194
Total Primary Government	<u>\$ 9,998,127</u>		<u>\$ 715,990</u>	<u>\$ 524,514</u>	<u>\$ -</u>	<u>\$ (11,400,568)</u>	<u>\$ (11,361,374)</u>
GENERAL REVENUES:							
Property Taxes Levied For:							
General Purposes						\$ 9,416,511	\$ 9,416,511
Debt Service						1,037,971	1,037,971
Federal and State Aid Not Restricted						1,282,223	1,282,223
Investment Earnings						3,021	3,760
Miscellaneous Income						59,224	59,224
Total General Revenues						<u>11,798,950</u>	<u>11,799,689</u>
Change in Net Position						398,382	438,315
Net Position (Deficit) - Beginning of Year - Restated						(78,691)	224,085
Net Position - Ending						<u>\$ 319,691</u>	<u>\$ 662,400</u>

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

SECTION B - FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GOVERNMENTAL FUNDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS:					
Cash and Cash Equivalents	\$ 947,467	\$ -	\$ 259	\$ 83	\$ 947,809
Capital and Maintenance Reserve	93,119				93,119
Interfund Receivables	328,356				328,356
Receivables From Other Governments	89,921	153,774			243,695
Other Receivables	149,041				149,041
Total Assets	\$ 1,607,904	\$ 153,774	\$ 259	\$ 83	\$ 1,762,020
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfund Payables	\$ -	\$ 153,774	\$ -	\$ -	\$ 153,774
Accounts Payable	14,627				14,627
Total Liabilities	14,627	153,774	-	-	168,401
Fund Balances:					
Reserved For:					
Capital Reserve Account	76,972				76,972
Maintenance Reserve Account	16,147				16,147
Excess Surplus	670,271				670,271
Designated for Subsequent Year's Expenditures	542,460				542,460
Unreserved:					
General Fund	287,427				287,427
Capital Projects Fund			259		259
Debt Service Fund				83	83
Total Fund Balances	1,593,277	-	259	83	1,593,619
Total Liabilities and Fund Balances	\$ 1,607,904	\$ 153,774	\$ 259	\$ 83	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance costs are \$313,776 and the accumulated amortization is \$157,290.

156,486

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$17,010,130 and the accumulated depreciation is \$6,150,823.

10,859,307

Some liabilities are not due and payable in the current year and therefore are not reported as a liability in the funds. Those liabilities consist of accrued interest on bond.

(118,758)

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.

(9,445,262)

Net pension liability of \$2,905,118, deferred inflows of resources of \$174,536 less deferred outflows of resources of \$353,953 related to pensions are not reported in the governmental funds

(2,725,701)

Net Position of Governmental Activities

\$ 319,691

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,416,511	\$ -	\$ -	\$ 1,037,971	\$ 10,454,482
Tuition	205,305				205,305
Interest on Investments	2,762		259		3,021
Miscellaneous	59,224				59,224
Total Local Sources	9,683,802	-	259	1,037,971	10,722,032
State Sources	1,556,555			31,887	1,588,442
Federal Sources		176,063			176,063
Total Revenues	11,240,357	176,063	259	1,069,858	12,486,537
EXPENDITURES:					
Current:					
Instruction:					
Regular	2,986,301	157,713			3,144,014
Special Education	931,247				931,247
Other Special Education	96,845				96,845
Support Services and Undistributed Costs:					
Tuition	538,932				538,932
Student and Instruction Related Services	1,394,000	18,350			1,412,350
General and Business Administrative Services	526,797				526,797
School Administrative Services	313,023				313,023
Plant Operations and Maintenance	939,208				939,208
Pupil Transportation	610,831				610,831
Employee Benefits	2,603,751				2,603,751
Capital Outlay	109,327				109,327
Debt Service:					
Interest				364,857	364,857
Principal				705,000	705,000
Total Expenditures	11,050,262	176,063	-	1,069,857	12,296,182
NET CHANGE IN FUND BALANCES	190,095	-	259	1	190,355
FUND BALANCES, JULY 1	1,403,182	-	-	82	1,403,264
FUND BALANCES, JUNE 30	\$ 1,593,277	\$ -	\$ 259	\$ 83	\$ 1,593,619

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (B-2)		\$ 190,355
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.</p>		
Depreciation Expense	\$ (384,353)	
Capital Outlay	42,318	(342,035)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		705,000
<p>Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
		(20,857)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations & sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		56,041
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest net is an addition in the reconciliation.</p>		
		8,850
<p>Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.</p>		
		(198,972)
Change in net position of governmental activities		\$ 398,382

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

PROPRIETARY FUNDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2015

	Business- Type Activities - Enterprise Funds			
	Food Service	Kindergarten Connection	MVP Program	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 14,424	\$ 210,811	\$ 244,307	\$ 469,542
Receivables:				
State	106			106
Federal	1,929			1,929
Inventories	1,420			1,420
Total Current Assets	<u>17,879</u>	<u>210,811</u>	<u>244,307</u>	<u>472,997</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	192,240		23,581	215,821
Less: Accumulated Depreciation	<u>(172,792)</u>		<u>(4,913)</u>	<u>(177,705)</u>
Total Noncurrent Assets	<u>19,448</u>	<u>-</u>	<u>18,668</u>	<u>38,116</u>
Total Assets	<u>\$ 37,327</u>	<u>\$ 210,811</u>	<u>\$ 262,975</u>	<u>\$ 511,113</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Interfund Accounts Payable	\$ 390	\$ 48,438	\$ 117,749	\$ 166,577
Accounts Payable	1,827			1,827
Total Liabilities	<u>2,217</u>	<u>48,438</u>	<u>117,749</u>	<u>168,404</u>
Net Position:				
Unassigned	<u>35,110</u>	<u>162,373</u>	<u>145,226</u>	<u>342,709</u>
Total Net Position	<u>35,110</u>	<u>162,373</u>	<u>145,226</u>	<u>342,709</u>
Total Liabilities and Net Position	<u>\$ 37,327</u>	<u>\$ 210,811</u>	<u>\$ 262,975</u>	<u>\$ 511,113</u>

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	Kindergarten Connection	MVP Program	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales Reimbursable Program	\$ 118,602	\$ -	\$ -	\$ 118,602
Daily Sales Non-reimbursable Program	30,545			30,545
Miscellaneous		107,769	253,769	361,538
Total Operating Revenues	<u>149,147</u>	<u>107,769</u>	<u>253,769</u>	<u>510,685</u>
OPERATING EXPENSES:				
Salaries	95,915	56,346	204,871	357,132
Other Purchased Services		2,801	813	3,614
Supplies and Materials	1,722	2,678	43,871	48,271
Depreciation Expense	5,226		2,358	7,584
Cost of Sales	95,780			95,780
Miscellaneous Expenditures	1,327		15	1,342
Total Operating Expenses	<u>199,970</u>	<u>61,825</u>	<u>251,928</u>	<u>513,723</u>
OPERATING INCOME (LOSS)	<u>(50,823)</u>	<u>45,944</u>	<u>1,841</u>	<u>(3,038)</u>
NONOPERATING REVENUES:				
Interest Earned	33	342	364	739
State Sources:				
State Lunch Program	1,778			1,778
Federal Sources:				
Federal Lunch Program	31,462			31,462
Food Distribution Program	8,992			8,992
Total Nonoperating Revenues	<u>42,265</u>	<u>342</u>	<u>364</u>	<u>42,971</u>
CHANGE IN NET POSITION	(8,558)	46,286	2,205	39,933
TOTAL NET POSITION - JULY 1	<u>43,668</u>	<u>116,087</u>	<u>143,021</u>	<u>302,776</u>
TOTAL NET POSITION - JUNE 30	<u>\$ 35,110</u>	<u>\$ 162,373</u>	<u>\$ 145,226</u>	<u>\$ 342,709</u>

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			
	Food Service	Kindergarten Connection	MVP Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 149,674	\$ 107,769	\$ 253,769	\$ 511,212
Cash Payments to Suppliers and Employees	(197,116)	(38,843)	(147,243)	(383,202)
Net Cash Provided By (Used In) Operating Activities	<u>(47,442)</u>	<u>68,926</u>	<u>106,526</u>	<u>128,010</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Received From State And Federal Reimbursements	33,240			33,240
Food Distribution Program	8,992			8,992
Net Cash Provided By Noncapital Financing Activities	<u>42,232</u>	<u>-</u>	<u>-</u>	<u>42,232</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Deposits and Investments	33	342	365	740
Net Cash Provided By Investing Activities	<u>33</u>	<u>342</u>	<u>365</u>	<u>740</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,177)	69,268	106,891	170,982
CASH AND CASH EQUIVALENTS, JULY 1	19,601	141,543	137,416	298,560
CASH AND CASH EQUIVALENTS , JUNE 30	<u>\$ 14,424</u>	<u>\$ 210,811</u>	<u>\$ 244,307</u>	<u>\$ 469,542</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided By (Used In) Operating Activities:				
Operating Income (Loss)	\$ (50,823)	\$ 45,944	\$ 1,841	\$ (3,038)
Depreciation & Net Amortization	5,226		2,358	7,584
Change In Assets And Liabilities:				
Decrease In Receivables From Other Governments	527			527
Decrease In Inventories	(419)			(419)
Increase In Interfund Payable	390	22,982	102,327	125,699
Decrease In Accounts Payable	(2,343)			(2,343)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (47,442)</u>	<u>\$ 68,926</u>	<u>\$ 106,526</u>	<u>\$ 128,010</u>

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

FIDUCIARY FUNDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

	Unemployment Compensation Insurance	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and Cash Equivalents	\$ 6,716	\$ 21,879
Interfund Accounts Receivable	<u> 3,736</u>	<u> 520</u>
Total Assets	<u> 10,452</u>	<u> \$ 22,399</u>
LIABILITIES:		
Cash Overdraft		\$ 520
Interfund Accounts Payable		12,651
Payable to Student Groups		9,228
Accounts Payable	<u> 1,897</u>	<u> </u>
Total Liabilities	<u> 1,897</u>	<u> \$ 22,399</u>
NET POSITION:		
Reserved For Unemployment Claims	<u> 8,555</u>	
Total Net Position	<u> \$ 8,555</u>	

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY NET ASSETS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Interest	\$ 9
Contributions:	
Employees	10,825
Board Contributions	<u>34,238</u>
Total Additions	<u>45,072</u>
DEDUCTIONS:	
Unemployment Claims	<u>42,633</u>
Total Deductions	<u>42,633</u>
CHANGE IN NET POSITION	2,439
NET POSITION - BEGINNING OF YEAR	<u>6,116</u>
NET POSITION - END OF YEAR	<u><u>\$ 8,555</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Mansfield Township Board of Education (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.

Starting on fiscal year ended June 30, 2013, the School District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the School District's June 30, 2013 fiscal year financial statements; however, there was no effect on beginning net position/fund balance.

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 Mansfield Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As Type II district, the School District functions independent through a board of Education. The operations of the District include two elementary schools located in Mansfield Township. Mansfield Township Board of Education had an approximate enrollment at June 30, 2015 of 721 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, includes whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

B. Basis of Presentation, Basis of Accounting

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-Wide Statements: The statement of net assets and the statement of activities display information about the District as a whole.

These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — *governmental, proprietary, and fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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.

Permanent Fund: Resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting governments, programs, that is for the benefit of the government or its citizenry.

The District reports the following proprietary funds:

Enterprise Fund (Food Service): The enterprise fund accounts for all revenues and expenses pertaining to the Board's operations. The funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Scholarship Funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Basis of Accounting (Continued)

matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. 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 except for the special revenue fund as described later. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 (GAAP) with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and 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.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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.

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types:

Total Revenues & Expenditures (Budgetary Basis)	\$ 176,063
Adjustments:	
Less Encumbrances at June 30, 2015	-
Plus Encumbrances at June 30, 2014	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 176,063</u>

General Fund:	
Total Revenues & Expenditures (Budgetary Basis)	\$ 11,239,499
Adjustments:	
Last State Aid Payment	
Less at June 30, 2015	(37,185)
Plus at June 30, 2014	<u>38,043</u>
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 11,240,357</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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 Mansfield Township Board of Education 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.

E. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with failed banking institution in New Jersey.

N.J.S.A17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions banks (both state and national banks) and savings banks the deposits of which are federally insured. All

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the non-current portion of interfund-loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectable.

Tuition Revenues – Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Expenditures – Tuition charges for the fiscal year 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the state.

Property taxes are levied pursuant to law, are collected by the municipality, and are transferred to the Board of Education. The tax bills are mailed by the municipal tax collector and are due in four quarterly installments on February 1, May 1, August 1, and November 1.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories and Prepaid Items

The costs of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Enterprise Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred revenue.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Mansfield Township board of Education and that are due within one year.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost of estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives.

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	40
Building Improvements	15
Vehicles	10
Office equipment	5 – 10
Computer Equipment	5

Compensated Absences

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Accumulated sick leave and vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probably that the School District will compensate the employee for the benefits. Sick leave, vacation benefits and salary related payments are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability by the governmental fund that will pay it. Accumulated sick leave, vacation benefits and salary related payments are accrued when incurred in the government-wide and proprietary fund financial statements.

Deferred Revenues

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned.

Long Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Fund Equity

In accordance with Government Accounting Standards Board 54, fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

- ❖ Non-spendable – includes fund balance amounts that cannot be spend either because it is not in spendable form or because legal or contractual constraints.
- ❖ Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- ❖ Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- ❖ Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Business Administrator.
- ❖ Unassigned- includes balance within the General fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Mansfield Township Board of Education uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally the Mansfield Township Board of Education would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Reservations/Designations of fund balances of governmental funds are created to either 1) satisfy legal covenants that require a portion of the fund balance to be segregated or 2) identify the portion of the fund balance that is appropriated for future expenditures. Specific reservations/designations of the fund balance accounts are summarized below:

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Reserved for Encumbrances – This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Reserved for Capital Reserve Account – This reserve was created by budget appropriation to fund future capital expenditures (See Note 2C).

Reserved for Obligations under Capital Leases – Proceeds of the lease purchase certificates of participation held by the Trustee to offset final principal payments due on the certificates.

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance utilized in the adopted subsequent year's budget.

Insurance

Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

Subsequent Events

The Mansfield Township Board of Education has evaluated subsequent events occurring up to December 18, 2015, which is the date the financial statements were available to be issued.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net pension of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board 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.

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (DEPOSIT)

A. Deposits and 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 five percent of the average daily balance of collected public funds on deposit.

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

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

Investments

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligations that a federal agency or a federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits and Investments (Continued)

Investments (Continued)

- d. Bonds or other obligations of the school district or bonds or other obligations of the local unit or units which the school district is located.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 18A:20-37.

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Operating Account	<u>\$ 1,040,586</u>	<u>\$ 259</u>	<u>\$ 83</u>	<u>\$ 469,542</u>	<u>\$ 28,075</u>	<u>\$ 1,538,545</u>

The investments recorded in the District-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the District-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2015 was \$1,538,545 and the bank balance was \$1,944,196. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits and Investments (Continued)

Risk Category (Continued)

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2015, the Board had funds invested and on deposit in checking accounts and New Jersey ARM. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

NOTE 3: GOVERNMENT UNIT DEPOSIT PROTECTION ACT (GUDPA)

The District has deposited cash in 2015 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In Addition to savings and checking accounts the District invests monies in certificates of deposits.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

**NOTE 3: GOVERNMENT UNIT DEPOSIT PROTECTION ACT (GUDPA)
(CONTINUED)**

The Government Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rate among the governmental units to satisfy the net deposit liabilities to such units

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

**NOTE 3: GOVERNMENT UNIT DEPOSIT PROTECTION ACT (GUDPA)
(CONTINUED)**

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semi-annually to assure that all depositories are complying with requirements.

NOTE 4: RESERVE ACCOUNTS

A. Capital Reserve Account

A capital reserve account was established by the Mansfield Township Board of Education in a prior year's annual capital outlay budget, which was certified for taxes for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. 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 questions 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-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 4: RESERVE ACCOUNTS (CONTINUED)

Capital Reserve Account (Continued)

The activity of the capital reserve for the July 01, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 76,877
Interest Earnings	95
Ending Balance, June 30, 2015	<u>\$ 76,972</u>

B. Maintenance Reserve Account

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C.6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 20 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for them maintenance of that facility. Auditors and District staff should refer to the regulations, N.J.A.C.6A:26A, for further guidance. A separate line is provided in the AUDSUM for this reserve account.

GASBS No. 54 requires the further categorization of the maintenance reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1) as restricted, committed, and/or assigned. The Department recommends reporting the maintenance reserve under "Restricted" fund balance due to the statutory and regulatory restrictions on withdrawal from maintenance reserve. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1).

The activity of the maintenance reserve for the July 01, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 15,870
Addition	262
Withdrawal	-
Interest Earnings	15
Ending Balance, June 30, 2015	<u>\$ 16,147</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivables at June 30, 2015, consisted of accounts, intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 89,921	\$ 90,133
Federal Aid	153,774	155,703
Other	149,041	149,041
Gross Receivables	<u>392,736</u>	<u>394,877</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 392,736</u>	<u>\$ 394,877</u>

NOTE 6: CAPITAL ASSETS

Capital asset activity based on an independent appraisal for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 561,110	\$ -	\$ -	\$ 561,110
Total Capital Assets Not Being Depreciated	<u>561,110</u>	<u>-</u>	<u>-</u>	<u>561,110</u>
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	359,741	-	-	359,741
Building and Building Improvements	14,842,724	-	-	14,842,724
Machinery and Equipment	1,194,613	42,318	-	1,236,931
Infrastructure	9,624	-	-	9,624
Totals at Historical Cost	<u>16,406,702</u>	<u>42,318</u>	<u>-</u>	<u>16,449,020</u>
Less Accumulated Depreciation For:				
Site Improvements	329,084	17,772	-	346,856
Building and Building Improvements	4,627,258	296,855	-	4,924,113
Machinery and Equipment	804,193	69,405	-	873,598
Infrastructure	5,935	321	-	6,256
Total Accumulated Depreciation	<u>5,766,470</u>	<u>384,353</u>	<u>-</u>	<u>6,150,823</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>10,640,232</u>	<u>(342,035)</u>	<u>-</u>	<u>10,298,197</u>
Government Activity Capital Assets, Net	<u>\$ 11,201,342</u>	<u>\$ (342,035)</u>	<u>\$ -</u>	<u>\$ 10,859,307</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	215,821	\$ -	\$ -	\$ 215,821
Less Accumulated Depreciation	(170,121)	(12,810)	-	(182,931)
Enterprise Fund Capital Assets, Net	<u>\$ 45,700</u>	<u>\$ (12,810)</u>	<u>\$ -</u>	<u>\$ 32,890</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 6: CAPITAL ASSETS (CONTINUED)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Depreciation Expense:	
Instructional	\$ 17,060
Support/Administration	24,131
Maintenance/Custodial	8,062
Pupil Transportation	1,799
Unallocated	333,301
Total	<u>\$ 384,353</u>

NOTE 7: INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 328,356	\$ -
Special Revenue Fund		153,774
Proprietary Fund		166,187
Fiduciary Fund	4,256	12,651
Total	<u>\$ 332,612</u>	<u>\$ 332,612</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

Changes in long-term obligations for year ended June 30, 2015 are as follows:

	Balance			Amounts	
	July 1, 2014	Increase	Decrease	Balance June 30, 2015	Due Within One Year
Bonds Payable	\$ 9,320,000	\$ -	\$ 705,000	\$ 8,615,000	\$ 750,000
Compensated Absences Payable	136,303	-	56,041	80,262	-
Total	<u>\$ 9,456,303</u>	<u>\$ -</u>	<u>\$ 761,041</u>	<u>\$ 8,695,262</u>	<u>\$ 750,000</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

On December 6, 2006, the School District advance refunded a portion of the 2001 school bonds. The District issued \$9,985,000 of refunding school 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 of the District. This advance refunding was undertaken to reduce the debt service payments over the next 16 years by \$396,481 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$328,164.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable (Continued)

On August 10, 2010, the board of Education issued \$1,100,000 of Non Callable bonds, with varying interest rates from 2.000% to 3.000%, to refund \$300,000 in Temporary Notes dated February 25, 2010 and maturing August 25, 2010, to finance remaining costs of the roof replacement of John Hydock Elementary School and to install solar panels on the new roof.

Principal and Interest due on the outstanding bonds is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 750,000	\$ 339,238	\$ 1,089,238
2017	855,000	304,975	1,159,975
2018	955,000	258,936	1,213,936
2019-2023	6,055,000	650,484	6,705,484
	<u>\$ 8,615,000</u>	<u>\$ 1,553,633</u>	<u>\$ 10,168,633</u>

Bonds Authorized But Not Issued

As of June 30, 2015, the District had no authorized but not issued bonds.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; 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 report.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 9: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

The district has elected to fund their 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 to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the district’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 34,238	\$ 10,825	\$ 9	\$ 42,633	\$ 8,555
2013-2014	100	9,490	13	22,048	6,116

NOTE 10: CONTINGENT LIABILITIES

Grant Programs

The school district participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the district has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the district, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies

NOTE 11: PENSION PLANS

Substantially all the Board’s employees participate in one of the two contributory, defined benefit public employee systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and required contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$ 127,918 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$ 2,905,118 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.01551653%, which was an increase of 0.00162657% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2014, the District recognized pension expense of \$ 116,537 . At June 30, 2014, the District reported deferred outflows of resources and deferred related to pensions from the following sources.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 91,353	\$ -
Changes in Proportion	262,600	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	174,536
	<u>\$ 353,953</u>	<u>\$ 174,536</u>

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2015	\$ (37,525)
2016	(37,525)
2017	(37,525)
2018	(37,525)
2019	29,453
Thereafter	12,959
	<u>\$ (107,687)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuations as of July 1, 2013. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40% based on age
Thereafter	3.15-5.40% based on age
Investment Rate of Return	7.90%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgage	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and June 30, 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and June 30, 2013, respectively based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Fiscal Year Ended June 30, 2014			
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 3,654,738	\$ 2,905,118	\$ 2,275,629
Fiscal Year Ended June 30, 2013			
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
District's proportionate share of the Net Pension Liability	\$ 3,304,686	\$ 2,654,647	\$ 2,110,001

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

B. Teacher’s Pension Annuity Fund (TPAF)

Pension Description

The State of New Jersey, Teacher’s Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefit Provided

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Contributions

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2014 and 2013, the State's pension contribution was less than the actuarially determined amount.

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

This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal years ended 2015, the State of New Jersey contributed \$ 125,866 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$ 175,824 .

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$ 22,122,108 . The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,498)
2020	304,620,646
Thereafter	<u>761,551,612</u>
	<u>\$ 543,418,266</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2013. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 200 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2014 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and June 30, 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and June 30, 2013, respectively based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Fiscal Year Ended June 30, 2014			
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
District's proportionate share of the Net Pension Liability	\$ 26,789,449	\$ 22,273,732	\$ 18,517,837

Fiscal Year Ended June 30, 2013			
	1% Decrease (3.95%)	Current Discount Rate (4.95%)	1% Increase (5.95%)
District's proportionate share of the Net Pension Liability	\$ 25,690,023	\$ 21,384,156	\$ 17,831,177

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11: PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position – TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

For DCRP, the District recognized pension expense of \$1,307 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$713 for the fiscal year ended June 30, 2015.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13: 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, 2013 there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c.126, which provides 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 \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 14: FUND BALANCE APPROPRIATED

General Fund

Of the \$1,593,277 General Fund fund balance at June 30, 2015, \$0 is reserved for encumbrances; \$76,972 is reserved for capital reserve account; \$16,147 is reserved for maintenance reserve account; \$670,271 is reserved for excess surplus; \$542,460 is designated for subsequent year's expenditures and \$287,427 is an unassigned and undesignated.

Debt Service Fund

Of the \$83 Debt Service Fund fund balance at June 30, 2015, this amount is unassigned and designated.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15: 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, could have an effect on the district's programs and activities

NOTE 16: DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portions of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

The Legends Group	Advanced Asset Planning
Lincoln Investment	Thomas Seeley
Equivest	

NOTE 17: 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 rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the district's personnel policies. Payment for accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 10 years of service with the School District. Accumulated sick days are paid at a reimbursement rate of \$60.00 per day up to a total of \$7,300. Maximum per employee for teachers. Accumulated sick days are paid at a reimbursement rate of \$45.00 per day up to a total of \$5,300 maximum per employee for all other employees.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 17: COMPENSATED ABSENCES (CONTINUED)

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$80,262.

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, 2015 no liability existed for compensated absences in the proprietary fund types.

NOTE 18: JOINT INSURANCE FUND

The district is a member of the School Alliance Insurance Fund.

The fund provides the School District with the following coverage:

- Property (Including Crime & Auto Physical Damage)
- Automobile Liability
- Environmental Impairment Liability
- School Board Legal Liability
- Supplemental Indemnity
- General Liability
- Crime & Fidelity
- Worker's Compensation
- Student Accident
- Aggregate Excess Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 19: CALCULATION OF EXCESS SURPLUS

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, the Reserved Fund Balance – Excess Surplus is 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. At June 30, 2015, there is \$670,271 excess fund balance.

NOTE 20: CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014.

Net Position at June 30, 2014	\$ 2,030,755
Adjustments:	
Net Pension Liability	(2,654,647)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>127,918</u>
Total Adjustments	<u>(2,526,729)</u>
Restated Net Position June 30, 2014	<u><u>\$ (495,974)</u></u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C - BUDGETARY COMPARISON SCHEDULES

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,416,511	\$ -	\$ 9,416,511	\$ 9,416,511	\$ -
Tuition from Other LEA's Within the State	187,522		187,522	205,305	17,783
Earnings on Investments				2,762	2,762
Other Revenues from Local Sources	68,075		68,075	59,224	(8,851)
Total Local Sources	9,672,108	-	9,672,108	9,683,802	11,694
State Sources:					
Transportation Aid	96,284		96,284	96,284	-
Special Education Aid	384,623		384,623	384,623	-
Extraordinary Aid				67,130	67,130
Equalization Aid	61,810		61,810	61,810	-
Security Aid	50,390		50,390	50,390	-
Other State Aid	13,660		13,660	21,142	7,482
Additional Adjustment Aid	2		2	2	-
On-Behalf TPAF Pension Contributions				220,411	220,411
On-Behalf TPAF Post Retirement Medical Contributions				349,901	349,901
Reimbursed TPAF Social Security Contributions				304,004	304,004
Total State Sources	606,769	-	606,769	1,555,697	948,928
Total Revenues	10,278,877	-	10,278,877	11,239,499	960,622
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	205,515	(35,068)	170,447	158,522	11,925
Grades 1-5	2,085,200	(36,383)	2,048,817	2,016,200	32,617
Grades 6-8	378,544	3,370	381,914	378,274	3,640
Home Instruction	5,000		5,000		5,000
Total Regular Programs - Instruction	2,674,259	(68,081)	2,606,178	2,552,996	53,182
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	70,173	31,736	101,909	99,449	2,460
Purchased Prof/Ed Services	12,000	(10,219)	1,781	1,781	-
Other Purchased Services	700	(113)	587	587	-
General Supplies	238,391	105,370	343,761	300,878	42,883
Textbooks	13,400	(13,400)	-	-	-
Miscellaneous Expenditures	18,210	12,763	30,973	30,610	363
Total Regular Programs - Undistributed Instruction	352,874	126,137	479,011	433,305	45,706
Total Regular Programs	3,027,133	58,056	3,085,189	2,986,301	98,888
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	8,750	16,690	25,440	25,440	-
Other Salaries for Instruction	18,000	(4,176)	13,824	6,901	6,923
General Supplies	3,000	(2,064)	936	936	-
Total Multiple Disabilities	29,750	10,450	40,200	33,277	6,923
Resource Room/Resouce Center:					
Salaries of Teachers	615,738	3,255	618,993	597,496	21,497
Other Salaries for Instruction	231,920	(64,398)	167,522	138,393	29,129
General Supplies	10,200	(1,470)	8,730	8,730	-
Total Resource Room/Resouce Center	857,858	(62,613)	795,245	744,619	50,626
Autism:					
Salaries of Teachers	60,105	(13,618)	46,487	46,487	-
Other Salaries for Instruction	11,056	(10,770)	286		286
General Supplies	300		300		300
Total Autism	71,461	(24,388)	47,073	46,487	586

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 58,081	\$ -	\$ 58,081	\$ 58,081	\$ -
Other Salaries for Instruction	47,846		47,846	46,386	1,460
General Supplies	5,000	(2,603)	2,397	2,397	-
Total Preschool Disabilities - Full-Time	110,927	(2,603)	108,324	106,864	1,460
Basic Skills/Remedial:					
Salaries of Teachers	191,217	(71,592)	119,625	94,800	24,825
General Supplies	3,000	(941)	2,059	2,045	14
Total Basic Skills/Remedial	194,217	(72,533)	121,684	96,845	24,839
Total Special Education	1,264,213	(151,687)	1,112,526	1,028,092	84,434
Total Instruction	4,291,346	(93,631)	4,197,715	4,014,393	183,322
Undistributed Expenditures:					
Instruction:					
Tuition to County Vocational School Districts - Special Education				168,375	(168,375)
Tuition to County Special Services and Regional Day School Within the State	131,391	(800)	130,591	108,163	22,428
Tuition to Private Schools for the Disabled Within the State	169,321	29,940	199,261	170,540	28,721
Transfer of Funds to Charter Schools	100,515		100,515	91,854	8,661
Total Instruction	401,227	29,140	430,367	538,932	(108,565)
Health Services:					
Salaries	156,890		156,890	128,991	27,899
Purchased Prof/Tech Services	5,000		5,000	3,093	1,907
Other Purchased Services	1,000		1,000	483	517
Supplies and Materials	6,500		6,500	4,145	2,355
Total Health Services	169,390	-	169,390	136,712	32,678
Other Support Services Students - Related Services:					
Salaries	277,636	(12,588)	265,048	265,048	-
Purchased Prof/Ed Services	39,800		39,800		39,800
Supplies and Materials	3,000	(2,271)	729	726	3
Total Other Support Services Students - Related Services	320,436	(14,859)	305,577	265,774	39,803
Other Support Services Students - Extraordinary Services:					
Salaries	140,243	(4,140)	136,103	109,359	26,744
Total Other Support Services Students - Extraordinary Services	140,243	(4,140)	136,103	109,359	26,744
Other Support Services Students - Regular Services:					
Other Salaries		2,242	2,242	2,242	-
Other Purchased Prof/Tech Services	175,048		175,048	118,666	56,382
Supplies and Materials	1,710		1,710		1,710
Total Other Support Services Students - Regular Services	176,758	2,242	179,000	120,908	58,092
Other Support Services Students - Special Services:					
Salaries of Other Professional Staff	137,796		137,796	114,956	22,840
Salaries of Secretarial and Clerical Assistants	78,567		78,567	78,562	5
Purchased Prof/Ed Services	341,000	48,524	389,524	386,378	3,146
Other Purchased Prof/Tech Services	1,935	(1,935)	-		-
Travel	600	(256)	344	162	182
Miscellaneous Purchased Services	7,940	(4,638)	3,302	3,106	196
Supplies and Materials	22,795	(14,856)	7,939	7,929	10
Other Objects	14,845	1,068	15,913	15,841	72
Total Other Support Services Students - Special Services	605,478	27,907	633,385	606,934	26,451
Improvement of Instruction Services:					
Purchased Prof/Ed Services	2,211	132	2,343	2,343	-
Total Improvement of Instruction Services	2,211	132	2,343	2,343	-

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Educational Media/Library:					
Salaries	\$ 27,130	\$ 26,407	\$ 53,537	\$ 44,596	\$ 8,941
Purchased Prof/Tech Services	2,200		2,200		2,200
Supplies and Materials	27,000	5,107	32,107	15,907	16,200
Total Educational Media/Library	56,330	31,514	87,844	60,503	27,341
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	65,856	7,477	73,333	58,845	14,488
Salaries of Secretarial and Clerical Assistants	17,767		17,767	17,760	7
Purchased Prof/Ed Services	7,000	(275)	6,725	6,719	6
Other Purchased Services		404	404	404	-
Supplies and Materials		7,667	7,667	7,535	132
Other Objects		204	204	204	-
Total Instructional Staff Training Services	90,623	15,477	106,100	91,467	14,633
Support Services General Administration:					
Salaries	160,000	2,495	162,495	162,495	-
Legal Fees	35,000	(3,500)	31,500	23,641	7,859
Audit Fees	17,200		17,200	17,200	-
Travel	2,000	(200)	1,800	359	1,441
Communications/Telephone	45,150	128	45,278	35,840	9,438
Other Purchased Services	30,206	2,404	32,610	31,478	1,132
General Supplies	2,000	910	2,910	2,910	-
Miscellaneous Expenditures	1,150	1,308	2,458	2,458	-
BOE Membership Dues and Fees	8,300	(891)	7,409	7,409	-
Total Support Services General Administration	301,006	2,654	303,660	283,790	19,870
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	203,312	9,286	212,598	212,597	1
Salaries of Secretarial and Clerical Assistants	86,944	831	87,775	87,776	(1)
Other Purchased Services	3,100	3,827	6,927	3,535	3,392
Supplies and Materials	5,500	2,049	7,549	7,520	29
Other Objects	2,000	411	2,411	1,595	816
Total Support Services School Administration	300,856	16,404	317,260	313,023	4,237
Central Services:					
Salaries	202,576	447	203,023	203,023	-
Purchased Technical Services	21,067	3,164	24,231	23,923	308
Miscellaneous Purchased Services	7,100	(4,575)	2,525	1,786	739
Supplies and Materials	6,845	814	7,659	7,659	-
Miscellaneous Expenditures	2,000	4,616	6,616	6,616	-
Total Central Services	239,588	4,466	244,054	243,007	1,047
Required Maintenance for School Facilities:					
Salaries	88,296	15	88,311	88,311	-
Cleaning, Repair and Maintenance Services	45,300	8,866	54,166	54,167	(1)
General Supplies	32,700	24,302	57,002	50,472	6,530
Other Objects		10,676	10,676	10,676	-
Total Required Maintenance for School Facilities	166,296	43,859	210,155	203,626	6,529
Other Operation and Maintenance of Plant Services:					
Salaries	358,845	23,091	381,936	380,324	1,612
Purchased Prof/Tech Services	9,200	(3,319)	5,881	5,881	-
Cleaning, Repair and Maintenance Services	11,400	2,374	13,774	13,774	-
Other Purchased Property Services	48,800	(5,701)	43,099	43,099	-
Insurance	25,217	(525)	24,692	24,692	-
Miscellaneous Purchased Services	2,800	514	3,314	3,313	1
General Supplies	38,710	33,006	71,716	58,826	12,890
Energy (Heat and Electricity)	221,540	(500)	221,040	205,590	15,450
Other Objects	332	(249)	83	83	-
Total Other Operation and Maintenance of Plant Services	716,844	48,691	765,535	735,582	29,953

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Student Transportation Services:					
Salaries for Pupil Transportation (Other Than B/T Home & School)	\$ 4,608	\$ -	\$ 4,608	\$ 4,608	\$ -
Contracted Services - Aid In Lieu of Payment for Non-public School Students	75,000	(31,242)	43,758	41,990	1,768
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	5,000	(5,000)	-	-	-
Contracted Services (B/T Home & School) - Joint Agreements	475,129	(5,681)	469,448	469,448	-
Contracted Services (Special Ed Students) - Vendors	22,000	23,820	45,820	45,820	-
Contracted Services (Special Ed Students) - Joint Agreements	20,000	24,620	44,620	44,620	-
Miscellaneous Purchased Services - Transportation	2,050	2,295	4,345	4,345	-
Total Student Transportation Services	603,787	8,812	612,599	610,831	1,768
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	141,500	20,982	162,482	136,333	26,149
Other Retirement Contributions - Regular	134,648	(6,732)	127,916	127,916	-
Unemployment Compensation	38,000	(13,043)	24,957	351	24,606
Workmen's Compensation	37,510	(835)	36,675	35,730	945
Health Benefits	1,721,247	(82,178)	1,639,069	1,419,205	219,864
Other	12,000		12,000	9,900	2,100
Total Unallocated Benefits - Employee Benefits	2,084,905	(81,806)	2,003,099	1,729,435	273,664
Non-Budgeted Contributions:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				220,411	(220,411)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				349,901	(349,901)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				304,004	(304,004)
Total Non-Budgeted Contributions	-	-	-	874,316	(874,316)
Total Undistributed Expenditures	6,375,978	130,493	6,506,471	6,926,542	(420,071)
Total Expenditures - Current Expenses	10,667,324	36,862	10,704,186	10,940,935	(236,749)
Capital Outlay:					
Instructional Expenditures (Equipment):					
School-Sponsored Co-Curricular/Extra-Curricular Activities	44,839		44,839		44,839
Total Instructional Expenditures (Equipment)	44,839	-	44,839	-	44,839
Undistributed Expenditures (Equipment):					
Operation and Maintenance of Plant Services	79,768		79,768	64,488	15,280
Total Undistributed Expenditures (Equipment)	79,768	-	79,768	64,488	15,280
Undistributed Expenditures - Special Schools (Equipment):					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding				44,839	(44,839)
Total Facilities Acquisition and Construction Services	-	-	-	44,839	(44,839)
Total Capital Outlay	124,607	-	124,607	109,327	15,280
Total Expenditures	10,791,931	36,862	10,828,793	11,050,262	(221,469)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(513,054)	(36,862)	(549,916)	189,237	739,153
FUND BALANCES, JULY 1	1,441,225	-	1,441,225	1,441,225	-
FUND BALANCES, JUNE 30	\$ 928,171	\$ (36,862)	\$ 891,309	\$ 1,630,462	\$ 739,153
RECAPITULATION:					
Restricted Fund Balance					
Capital Reserve				\$ 76,972	
Maintenance Reserve				16,147	
Excess Surplus				670,271	
Unassigned Fund Balance				324,612	
Designated Fund Balance				542,460	
				1,630,462	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(37,185)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,593,277	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 134,505	\$ 41,558	\$ 176,063	\$ 176,063	\$ -
Total Revenues	<u>134,505</u>	<u>41,558</u>	<u>176,063</u>	<u>176,063</u>	<u>-</u>
EXPENDITURES:					
Instruction:					
Purchased Prof/Tech Services	4,500	21,197	25,697	25,158	539
Other Purchased Services	105,184	27,371	132,555	132,555	-
General Supplies	13,415	(13,415)	-	-	-
Total Instruction	<u>123,099</u>	<u>35,153</u>	<u>158,252</u>	<u>157,713</u>	<u>539</u>
Support Services:					
Purchased Prof/Ed Services	7,659		7,659	7,659	-
Other Purchased Prof/Tech Services	3,000	(3,000)	-	-	-
Supplies and Materials	9,070	1,622	10,692	10,691	1
Total Support Services	<u>19,729</u>	<u>(1,378)</u>	<u>18,351</u>	<u>18,350</u>	<u>1</u>
Total Expenditures	<u>142,828</u>	<u>33,775</u>	<u>176,603</u>	<u>176,063</u>	<u>540</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (8,323)</u>	<u>\$ 7,783</u>	<u>\$ (540)</u>	<u>\$ -</u>	<u>\$ 540</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION – PART III

***SCHEDULE I – SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
PENSIONS (GASB 68)***

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST 2 FISCAL YEARS
 UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
District's proportion of the net pension liability	0.01388996%	0.015516527%
District's proportionate share of the net pension liability	\$ 2,654,647	\$ 2,905,118
District's covered employees payroll	\$ 2,151,753	\$ 1,944,934
District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	123%	149%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST 2 FISCAL YEARS
 UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
Contractually required contribution	\$ 104,658	\$ 127,916
Contributions in relation to the contractually required contribution	<u>(116,537)</u>	<u>(127,918)</u>
Contribution deficiency/(excess)	<u>\$ (11,879)</u>	<u>\$ (2)</u>
District's covered employee payroll	\$ 2,151,753	\$ 1,944,934
Contributions as a percentage of covered employee payroll	4.86%	6.58%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER'S PENSION AND ANNUITY FUND
LAST 2 FISCAL YEARS
UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable of the District	0.0421027%	0.04139094%
State's proportionate share of the net pension liability attributable to the District	\$ 21,278,352	\$ 22,122,108
CS / District's covered employees payroll	\$ 3,528,985	\$ 3,571,929
District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	602.96%	619.33%
Plan fiduciary net position as a p ercentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 TEACHER'S PENSION AND ANNUITY FUND
 LAST FISCAL YEAR
 UNAUDITED**

	<i>Fiscal year</i> Ending June 30, <u>2015</u>
Contractually required contribution	\$ 175,824
Contributions in relation to the contractually required contribution	<u>(125,866)</u>
Contribution deficiency/(excess)	<u>\$ 49,958</u>
District's covered employee payroll	\$ 3,528,985
Contributions as a percentage of covered employee payroll	4.98%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2014

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2014

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

**SECTION E - SPECIAL REVENUE FUND
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

MANSFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

E-1

	NCLB Title I	I.D.E.A. Part B	I.D.E.A. Preschool	NCLB Title II Part A	Grand Total
REVENUE SOURCES:					
Federal	\$ 25,158	\$ 132,555	\$ 10,691	\$ 7,659	\$ 176,063
Total Revenues	<u>25,158</u>	<u>132,555</u>	<u>10,691</u>	<u>7,659</u>	<u>176,063</u>
EXPENDITURES:					
Instruction:					
Purchased Prof/Tech Services	25,158				25,158
Other Purchased Services		132,555			132,555
Total Instruction	<u>25,158</u>	<u>132,555</u>	<u>-</u>	<u>-</u>	<u>157,713</u>
Support Services:					
Purchased Prof/Ed Services				7,659	7,659
Supplies and Materials			10,691		10,691
Total Support Services	<u>-</u>	<u>-</u>	<u>10,691</u>	<u>7,659</u>	<u>18,350</u>
Total Expenditures	<u>25,158</u>	<u>132,555</u>	<u>10,691</u>	<u>7,659</u>	<u>176,063</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

Extended Day Care Program Fund – This fund provides for the operation of before and after school hours care program in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND
B-6.**

MANSFIELD TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,037,971	\$ -	\$ 1,037,971	\$ 1,037,971	\$ -
Total Local Sources	1,037,971	-	1,037,971	1,037,971	-
State Sources	31,887		31,887	31,887	-
Total Revenues	1,069,858	-	1,069,858	1,069,858	-
EXPENDITURES:					
Debt Service - Regular:					
Bonds:					
Interest	364,857		364,857	364,857	-
Redemption of Principal	705,000		705,000	705,000	-
Total Expenditures	1,069,857	-	1,069,857	1,069,857	-
Excess of Revenues Over Expenditures	1	-	1	1	-
FUND BALANCE, JULY 1	82	-	82	82	-
FUND BALANCE, JUNE 30	\$ 83	\$ -	\$ 83	\$ 83	\$ -

**SECTION H - FIDUCIARY FUNDS
DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employees’ salaries which are utilize to pay unemployment compensation claims as they arise.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 COMBINING STATEMENTS OF FIDUCIARY NET POSITION
 TRUST AND AGENCY FUNDS
 JUNE 30, 2015

	Trust	Agency			Total Agency Fund
	Unemployment Compensation Insurance	Student Activity	Payroll Agency	Payroll Account	
ASSETS:					
Cash and Cash Equivalents	\$ 6,716	\$ 9,228	\$ 12,651	\$ -	\$ 21,879
Interfund Accounts Receivable	3,736			520	520
Total Assets	<u>10,452</u>	<u>\$ 9,228</u>	<u>\$ 12,651</u>	<u>\$ 520</u>	<u>\$ 22,399</u>
LIABILITIES:					
Cash Overdraft		\$ -	\$ -	\$ 520	\$ 520
Interfund Accounts Payable			12,651		12,651
Payable to Student Groups		9,228			9,228
Accounts Payable	1,897				
Total Liabilities	<u>1,897</u>	<u>\$ 9,228</u>	<u>\$ 12,651</u>	<u>\$ 520</u>	<u>\$ 22,399</u>
NET POSITION:					
Reserved Net Position	<u>8,555</u>				
Total Net Position	<u>\$ 8,555</u>				

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 TRUST FUNDS
 JUNE 30, 2015

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Interest	\$ 9
Contributions:	
Employees	10,825
Board Contributions	<u>34,238</u>
Total Additions	<u>45,072</u>
DEDUCTIONS:	
Expenditures	<u>42,633</u>
Total Deductions	<u>42,633</u>
CHANGE IN NET POSITION	2,439
NET POSITION - BEGINNING OF YEAR	<u>6,116</u>
NET POSITION - END OF YEAR	<u><u>\$ 8,555</u></u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 JUNE 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
John Hydock Elementary	\$ 7,454	\$ 3,603	\$ 4,108	\$ 6,949
Mansfield Township Elementary	<u>3,484</u>	<u>8,201</u>	<u>9,406</u>	<u>2,279</u>
Total	<u>\$ 10,938</u>	<u>\$ 11,804</u>	<u>\$ 13,514</u>	<u>\$ 9,228</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 PAYROLL AGENCY AND PAYROLL ACCOUNT FUNDS
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 JUNE 30, 2015

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 6,059	\$ 6,923,776	\$ 6,917,704	\$ 12,131
Interfund Accounts Receivable	460	60	-	520
Total Assets	\$ 6,519	\$ 6,923,836	\$ 6,917,704	\$ 12,651
LIABILITIES:				
Interfund Accounts Payable	\$ 3,766	\$ 8,885	\$ -	\$ 12,651
Accrued Salaries and Benefits	-	4,076,739	4,076,739	-
Payroll Deductions and Withholding Payable	2,753	2,838,212	2,840,965	-
Total Liabilities	\$ 6,519	\$ 6,923,836	\$ 6,917,704	\$ 12,651

SECTION I – LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 YEAR ENDED JUNE 30, 2015

Purpose	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
Refunding Bonds	12/6/2006	\$ 9,985,000	9/1/2015	640,000	3.60%	\$ 8,490,000	\$ -	\$ 595,000	\$ 7,895,000
			9/1/2016	740,000	5.50%				
			9/1/2017	840,000	5.50%				
			9/1/2018	915,000	3.70%				
			9/1/2019	1,035,000	4.00%				
			9/1/2020	1,155,000	4.00%				
			9/1/2021	1,235,000	4.00%				
			9/1/2022	1,335,000	4.00%				
Roof replacement and installation of solar panels at JHES, including all necessary electric systems and related work.	8/19/2010	\$ 1,100,000	8/1/2015	110,000	2.000%	\$ 830,000	\$ -	\$ 110,000	\$ 720,000
			8/1/2016	115,000	2.250%				
			8/1/2017	115,000	2.250%				
			8/1/2018	125,000	2.500%				
			8/1/2019	130,000	2.625%				
			8/1/2020	125,000	3.000%				
Total						\$ 9,320,000	\$ -	\$ 705,000	\$ 8,615,000

MANSFIELD TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,037,971	\$ -	\$ 1,037,971	\$ 1,037,971	\$ -
Total Local Sources	1,037,971	-	1,037,971	1,037,971	-
State Sources	31,887		31,887	31,887	-
Total Revenues	1,069,858	-	1,069,858	1,069,858	-
EXPENDITURES:					
Debt Service - Regular:					
Bonds:					
Interest	364,857		364,857	364,857	-
Redemption of Principal	705,000		705,000	705,000	-
Total Expenditures	1,069,857	-	1,069,857	1,069,857	-
Excess of Revenues Over Expenditures	1	-	1	1	-
FUND BALANCE, JULY 1	82	-	82	82	-
FUND BALANCE, JUNE 30	\$ 83	\$ -	\$ 83	\$ 83	\$ -

STATISTICAL SECTION (UNAUDITED)

GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the school district's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the school district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the school district's current levels of outstanding debt and the school district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the school district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the school district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The school district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

FINANCIAL TRENDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
NET ASSETS/POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 1,494,307	\$ 1,881,342	\$ 1,311,934	\$ 2,493,969	\$ 2,371,849	\$ 2,787,489	\$ 2,398,377	\$ 2,497,657	\$ 2,892,875	\$ 3,144,764
Restricted	1,306,192	(34,779)	(79,330)	64,726	112,136	(425,259)	140,558	290,885	1,028,185	1,345,142
Unrestricted	(2,480,808)	1,351,475	964,019	791,909	707,793	640,618	450,578	477,574	(67,205)	(136,696)
Total Governmental Activities Net Assets/Position	\$ 319,691	\$ 3,198,038	\$ 2,196,623	\$ 3,350,604	\$ 3,191,778	\$ 3,002,848	\$ 2,989,513	\$ 3,266,116	\$ 3,853,855	\$ 4,353,210
Business-Type Activities										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 38,116	\$ 45,701	\$ 43,508	\$ 24,417	\$ 36,530	\$ 48,644	\$ 60,757	\$ 72,870	\$ 84,984	\$ 97,097
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	304,593	257,075	225,582	201,412	118,528	77,845	50,383	24,817	2,556	6,089
Total Business-Type Activities Net Assets/Position	\$ 342,709	\$ 302,776	\$ 269,090	\$ 225,829	\$ 155,058	\$ 126,489	\$ 111,140	\$ 97,687	\$ 87,540	\$ 103,186
District-wide										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 1,532,423	\$ 1,927,043	\$ 1,355,442	\$ 2,518,386	\$ 2,408,379	\$ 2,836,133	\$ 2,459,134	\$ 2,570,527	\$ 2,977,859	\$ 3,241,861
Restricted	1,306,192	(34,779)	(79,330)	64,726	112,136	(425,259)	140,558	290,885	1,028,185	1,345,142
Unrestricted	(2,176,215)	1,608,550	1,189,601	993,321	826,321	718,463	500,961	502,391	(64,649)	(130,607)
Total District-wide Net Position	\$ 662,400	\$ 3,500,814	\$ 2,465,713	\$ 3,576,433	\$ 3,346,836	\$ 3,129,337	\$ 3,100,653	\$ 3,363,803	\$ 3,941,395	\$ 4,456,396

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 4,388,660	\$ 3,154,332	\$ 2,630,389	\$ 2,624,174	\$ 2,270,066	\$ 2,469,365	\$ 2,338,860	\$ 2,411,057	\$ 2,425,841	\$ 2,425,841
Special Education	1,356,657	1,191,863	1,266,875	1,399,316	1,244,630	1,540,150	906,902	840,790	757,500	662,672
Other Special Education	140,720	297,735	260,427	172,498	85,729	167,232	161,103	200,745	163,547	198,072
Support Services:										
Tuition	538,932	353,698	138,866	96,554	391,487	143,260	435,504	450,527	584,663	409,978
Student and Instruction Related Services	1,816,154	1,598,286	1,395,704	1,372,567	1,275,131	1,351,695	1,373,938	1,658,701	1,634,960	1,152,889
General and Business Administration Services	716,357	2,321,157	3,019,456	2,722,114	2,682,356	2,806,636	2,587,587	2,620,884	2,680,701	2,225,686
School Administrative Services	651,012	326,090	261,746	245,008	249,642	303,563	296,224	287,968	281,920	267,398
Plant Operations and Maintenance	1,164,624	895,389	657,790	725,536	792,901	833,199	751,251	657,816	594,930	668,631
Pupil Transportation	614,763	564,508	560,285	624,054	628,295	571,886	564,390	603,264	584,778	500,488
Capital Outlay	67,009	63,136	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	356,007	381,624	541,852	495,635	503,280	404,135	495,108	484,902	345,439	496,148
Unallocated Depreciation	333,301	333,705	1,960,275	431,818	427,066	387,916	384,006	811,595	397,576	381,486
Total Governmental Activities Expenses	12,144,196	11,481,523	12,693,665	10,909,274	10,550,583	10,979,037	10,563,873	10,955,759	10,437,071	9,389,289
Business-Type Activities:										
Food Service/MVP Program/Kindergarten Connection	513,723	503,155	477,803	469,418	451,728	298,065	198,864	273,776	201,491	198,044
Total Business-Type Activities Expenses	513,723	503,155	477,803	469,418	451,728	298,065	198,864	273,776	201,491	198,044
Total District Expenses	\$ 12,657,919	\$ 11,984,678	\$ 13,171,468	\$ 11,378,692	\$ 11,002,311	\$ 11,277,102	\$ 10,859,211	\$ 11,229,535	\$ 10,638,562	\$ 9,587,333
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 205,305	\$ 112,623	\$ -	\$ -	\$ -	\$ 249,189	\$ 139,446	\$ 169,409	\$ 206,924	\$ 145,330
Operating Grants and Contributions	482,282	488,867	184,084	182,281	152,684	306,613	157,745	489,730	215,798	156,412
Total Governmental Activities Expenses	687,587	601,490	184,084	182,281	152,684	555,802	297,191	659,139	422,722	301,742
Business-Type Activities:										
Charges for Services	510,685	486,551	464,543	487,579	436,917	269,089	266,434	239,184	145,888	138,164
Operating Grants and Contributions	42,232	50,064	56,450	52,604	43,316	44,293	42,287	43,590	39,642	39,307
Total Business-Type Activities Expenses	552,917	536,615	520,993	540,183	480,233	313,382	308,721	282,774	185,530	177,471
Total District Program Revenues	\$ 1,240,504	\$ 1,138,105	\$ 705,077	\$ 722,464	\$ 632,917	\$ 869,184	\$ 605,912	\$ 941,913	\$ 608,252	\$ 479,213

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue										
Governmental Activities	\$ (11,456,609)	\$ (10,880,033)	\$ (12,509,581)	\$ (10,726,993)	\$ (10,397,899)	\$ (10,423,235)	\$ (10,266,682)	\$ (10,296,620)	\$ (10,014,349)	\$ (9,087,547)
Business-Type Activities	39,194	33,460	43,190	70,765	28,505	15,317	13,383	8,998	(15,961)	(20,573)
Total District-wide Net Expense	\$ (11,417,415)	\$ (10,846,573)	\$ (12,466,391)	\$ (10,656,228)	\$ (10,369,394)	\$ (10,407,918)	\$ (10,253,299)	\$ (10,287,622)	\$ (10,030,310)	\$ (9,108,120)
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 9,416,511	\$ 9,231,874	\$ 8,809,680	\$ 8,394,731	\$ 8,269,344	\$ 7,964,795	\$ 7,557,909	\$ 7,320,239	\$ 7,217,195	\$ 7,000,783
Debt Service	1,037,971	1,036,203	825,461	896,905	790,103	736,025	696,402	548,283	648,036	609,263
Federal and State Aid Not Restricted	1,282,223	1,099,398	1,524,196	1,347,072	1,313,731	1,453,375	1,454,153	1,627,071	1,525,497	1,300,496
Investment Earnings	3,021	2,919	-	-	-	-	-	-	-	-
Miscellaneous Income	59,224	196,141	196,263	247,111	213,651	282,375	281,615	214,196	124,266	211,948
Transfer	-	-	-	-	-	-	-	(908)	-	(4,723)
Total Governmental Activities	11,798,950	11,566,535	11,355,600	10,885,819	10,586,829	10,436,570	9,990,079	9,708,881	9,514,994	9,117,767
Business-Type Activities:										
Investment Earnings	739	226	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	45	6	64	32	70	241	315	293
Transfer	-	-	-	-	-	-	-	908	-	4,723
Total Business-Type Activities	739	226	45	6	64	32	70	1,149	315	5,016
Total District-wide	\$ 11,799,689	\$ 11,566,761	\$ 11,355,645	\$ 10,885,825	\$ 10,586,893	\$ 10,436,602	\$ 9,990,149	\$ 9,710,030	\$ 9,515,309	\$ 9,122,783
Change in Net Assets/Position										
Governmental Activities	\$ 342,341	\$ 686,502	\$ (1,153,981)	\$ 158,826	\$ 188,930	\$ 13,335	\$ (276,603)	\$ (587,739)	\$ (499,355)	\$ 30,220
Business-Type Activities	39,933	33,686	43,235	70,771	28,569	15,349	13,463	10,147	(15,646)	(15,557)
Total District	\$ 382,274	\$ 720,188	\$ (1,110,746)	\$ 229,597	\$ 217,499	\$ 28,684	\$ (263,150)	\$ (577,592)	\$ (515,001)	\$ 14,663

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Assigned/Reserved	\$ 1,305,850	\$ 1,175,778	\$ 576,051	\$ 162,945	\$ 244,924	\$ 165,338	\$ 277,172	\$ 418,571	\$ 702,446	\$ 997,826
Unassigned/Unreserved	287,427	227,404	380,438	581,559	402,469	414,408	254,096	236,912	(18,618)	278,415
Total General Fund	\$ 1,593,277	\$ 1,403,182	\$ 956,489	\$ 744,504	\$ 647,393	\$ 579,746	\$ 531,268	\$ 655,483	\$ 683,828	\$ 1,276,241
All Other Governmental Funds										
Assigned/Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned/Unreserved, Reported In:										
Capital Projects Fund	259	-	-	-	118,078	(447,478)	833	193,507	168,503	229,932
Debt Service Fund	83	82	(36,394)	80,597	960	1,280	10,348	23,189	10,099	20,213
Total All Other Governmental Funds	\$ 342	\$ 82	\$ (36,394)	\$ 80,597	\$ 119,038	\$ (446,198)	\$ 11,181	\$ 216,696	\$ 178,602	\$ 250,145

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local Sources:										
Local Tax Levy	\$ 10,454,482	\$ 10,268,077	\$ 9,635,141	\$ 9,291,636	\$ 9,059,447	\$ 8,700,820	\$ 8,254,311	\$ 7,868,522	\$ 7,865,231	\$ 7,610,046
Tuition	205,305	112,623	55,088	118,446	28,444	189,270	199,165	66,526	39,581	49,480
Interest In Investments	3,021	2,919	46	288			10,431	38,319	71,219	64,529
Miscellaneous	59,224	196,141	141,129	128,377	185,207	93,105	72,019	109,380	14,437	98,009
State Sources	1,588,442	1,427,291	1,583,446	1,347,865	1,313,731	1,445,186	1,454,153	1,965,693	1,573,626	1,303,307
Federal Sources	176,063	160,974	124,834	181,488	152,684	314,802	157,745	151,079	166,698	153,531
Total Revenues	12,486,537	12,168,025	11,539,684	11,068,100	10,739,513	10,743,183	10,147,824	10,199,519	9,730,792	9,278,902
Expenditures:										
Instruction:										
Regular	3,144,014	2,796,962	2,630,389	2,624,174	2,270,066	2,469,365	2,605,860	2,338,567	2,411,057	2,425,841
Special Education	931,247	1,048,901	1,286,875	1,399,316	1,244,630	1,540,150	906,902	840,790	757,500	662,672
Other Special Education	96,845	262,058	260,427	172,498	85,729	167,232	161,103	200,745	163,547	198,072
Support Services:										
Tuition	538,932	353,698	212,672	239,662	541,239	239,868	435,504	450,527	584,663	409,978
Student and Instructional Related Services	1,412,350	1,458,963	1,321,898	1,229,458	1,125,360	1,026,342	1,240,078	1,482,812	1,424,287	1,011,090
General and Business Administration Services	526,797	515,554	561,621	502,156	508,383	575,683	489,973	426,144	437,273	459,040
School Administrative Services	313,023	287,970	261,746	245,008	249,642	303,563	298,224	287,968	281,920	267,398
Plant Operations and Maintenance	939,208	824,284	762,799	725,536	792,901	833,199	751,251	657,816	594,930	668,631
Pupil Transportation	610,831	563,617	560,285	624,054	628,295	571,886	564,390	603,264	584,778	500,488
Employee Benefits	2,603,751	2,480,056	2,457,835	2,219,968	2,173,973	2,230,953	2,097,614	2,194,740	2,243,428	1,766,646
Capital Outlay	109,327	63,136	176,435	101,359	795,447	447,478	24,726	349,880	243,116	136,569
Debt Service:										
Interest and Other Charges	364,857	389,657	560,000	485,000	370,000	310,000	260,000	235,000	160,000	100,000
Principal	705,000	640,000	411,708	441,251	420,945	436,365	449,255	460,420	361,112	510,324
Total Expenditures	12,296,182	11,684,856	11,444,690	11,009,430	11,206,630	11,152,084	10,284,880	10,528,673	10,247,611	9,116,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	190,355	483,169	94,994	58,670	(467,117)	(408,901)	(137,056)	(329,154)	(516,819)	162,153
Other Financing Sources (Uses):										
Bond Principal	-	-	-	-	1,100,000	-	-	-	-	-
Transfers In	-	-	81	81,525	522	1,272	12	3,140	10,099	11,905
Transfers Out	-	-	(81)	(81,525)	(522)	(1,272)	(12)	(4,048)	(10,099)	(16,628)
Total Other Financing Sources (Uses)	-	-	-	-	1,100,000	-	-	(908)	-	(4,723)
Net Change in Fund Balance	\$ 190,355	\$ 483,169	\$ 94,994	\$ 58,670	\$ 632,883	\$ (408,901)	\$ (137,056)	\$ (330,062)	\$ (516,819)	\$ 157,430
Debt service as a percentage of noncapital expenditures	8.78%	8.86%	8.62%	8.49%	7.60%	6.97%	6.91%	6.83%	5.21%	6.80%
Source: District records										

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Rentals	Sale of Capital Assets	Prior Year Refunds	Miscellaneous	Annual Total
2015	\$ 168,889	\$ -	\$ 5,689	\$ (115,354)	\$ 59,224
2014	150,925	-	-	31,297	182,222
2013	66,739	-	-	41,639	108,378
2012	66,739	-	-	61,596	128,335
2011	-	-	-	184,685	184,685
2010	81,896	-	-	10,770	92,666
2009	63,749	-	-	8,258	72,007
2008	56,572	-	-	39,689	96,261
2007	-	-	-	3,367	3,367
2006	-	15,000	-	71,034	86,034

Source: District records

REVENUE CAPACITY

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED

Year Ended June 30	Vacant Land	Residential	Farm Prop.	Qlam	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	2,063
2013	-	-	-	-	-	-	-	-	-	-	-	-	2,025
2012	26,630,600	1,145,919,600	48,395,700	4,555,700	95,256,100	5,301,200	1,549,700	1,327,608,600	120,591,300	2,218,786	1,209,236,086	1,261,563,098	1,360
2011	31,041,800	1,131,661,700	48,095,900	4,583,000	93,223,200	5,301,200	1,549,700	1,315,456,500	118,890,500	2,453,660	1,199,019,660	1,346,272,138	1,317
2010	37,953,900	1,118,913,700	49,117,800	4,416,400	90,481,100	5,301,200	1,549,700	1,307,733,800	118,890,500	2,323,604	1,191,166,904	1,364,791,953	1,324
2009	40,718,500	1,105,446,900	48,025,500	4,040,600	89,713,300	5,301,200	1,898,100	1,295,144,100	112,895,400	2,235,993	1,184,394,093	1,297,379,493	1,306
2008	45,735,400	1,094,648,400	47,024,100	4,218,900	89,409,800	5,301,200	2,165,400	1,288,503,200	111,669,100	1,257,603	1,178,891,703	1,290,671,921	1,281
2007	17,365,103	554,560,315	25,660,900	2,244,700	47,667,900	2,331,200	918,900	630,772,018	109,046,600	1,513,781	543,239,199	1,272,162,007	1,247
2006	13,961,600	541,902,415	24,745,000	2,316,600	44,453,400	2,331,200	918,900	630,629,115	64,411,300	1,513,781	567,731,596	940,809,581	2,469

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Rate per \$100 of assessed value)

Year Ended June 30	School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Local School	Regional School	(From J-6) Total Direct School Tax Rate	Township of Mansfield	Burlington County	County Library	County Open Space	
2015	-	-	-	-	-	-	-	-
2014	1.098	0.965	2.063	0.441	0.399	0.037	0.018	2.958
2013	1.080	0.945	2.025	0.430	0.415	0.038	0.019	2.927
2012	0.725	0.635	1.360	0.287	0.293	0.029	0.038	2.007
2011	0.702	0.615	1.317	0.238	0.302	0.029	0.039	1.925
2010	0.688	0.636	1.324	0.226	0.317	0.031	0.041	1.939
2009	0.664	0.642	1.306	0.219	0.324	0.031	0.042	1.922
2008	0.637	0.644	1.281	0.182	0.323	0.030	0.041	1.857
2007	0.610	0.637	1.247	0.168	0.334	0.032	0.039	1.820
2006	1.209	1.260	2.469	0.315	0.613	0.056	0.067	3.520

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2013			Taxpayer	2004		
	Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value		Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value
N.A.D.E	\$ 42,592,700	1	4.48%	N.A.D.E	\$ 23,790,731	1	5.24%
Vanco USA, LLC	3,574,700	2	0.38%	Homestead at Mansfield	4,275,501	2	0.94%
Homestead Plaza, II	3,251,100	3	0.34%	Ginsburg Holdings, LP	2,072,200	3	0.46%
Generation Builders, Inc.	3,232,000	4	0.34%	Verizon - New Jersey	1,930,334	4	0.43%
Transcontinental Gas & Pipeline Corp	2,772,400	5	0.29%	New Millennium Management	1,800,000	5	0.40%
Cubesmart, LP	2,713,000	6	0.29%	Colonial Pipeline Co.	1,681,600	6	0.37%
MLC Developers, LLC	2,711,000	7	0.29%	Alliance at Mansfield	1,589,200	7	0.35%
Individual Taxpayer 1	2,064,000	8	0.22%	Individual Taxpayer 1	1,546,598	8	0.34%
Verizon - New Jersey	2,048,817	9	0.22%	PSE&G	1,427,300	9	0.31%
Danmik, Inc.	1,956,100	10	0.21%	Individual Taxpayer 2	1,179,900	10	0.26%
Total	\$ 66,915,817		7.06%	Total	\$ 41,293,364		9.10%

Source: Municipal Tax Assessor

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ -	\$ -	0%	\$ -
2014	10,268,077	10,268,077	100%	-
2013	9,635,141	9,635,141	100%	-
2012	9,291,636	9,291,636	100%	-
2011	9,059,447	9,059,447	100%	-
2010	8,700,820	8,700,820	100%	-
2009	8,254,311	8,254,311	100%	-
2008	7,868,522	7,868,522	100%	-
2007	7,865,231	7,865,231	100%	-
2006	7,610,236	7,610,236	100%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

N/A At the time of CAFR completion, this data was not yet available

DEBT CAPACITY

MANSFIELD TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Bond		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Loans	Capital Leases	Anticipation Notes (BANS)	Capital Leases					
2015	\$ 9,365,000	\$ -	\$ -	\$ -	\$ -	-	-	\$ 9,365,000	N/A	N/A	
2014	9,320,000	-	-	-	-	-	-	9,320,000	N/A	N/A	
2013	9,960,000	-	-	-	-	-	-	9,960,000	1.68%	\$ 1,165	
2012	10,520,000	-	-	-	-	-	-	10,520,000	1.77%	1,226	
2011	11,005,000	-	-	-	-	-	-	11,005,000	1.91%	1,286	
2010	10,275,000	-	-	-	300,000	-	-	10,575,000	1.94%	1,237	
2009	10,585,000	-	-	-	-	-	-	10,585,000	2.07%	1,323	
2008	10,845,000	-	-	-	-	-	-	10,845,000	2.02%	1,363	
2007	11,080,000	-	-	-	-	-	-	11,080,000	2.07%	1,398	
2006	11,044,000	-	-	-	-	-	-	11,044,000	2.20%	1,388	

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a** See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding.

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 9,365,000	\$ -	\$ 9,365,000	N/A	N/A
2014	9,320,000	-	9,320,000	N/A	N/A
2013	9,960,000	-	9,960,000	0.789%	N/A
2012	10,520,000	-	10,520,000	0.781%	N/A
2011	11,005,000	-	11,005,000	0.835%	N/A
2010	10,275,000	-	10,275,000	0.780%	\$ 1,203
2009	10,585,000	-	10,585,000	0.898%	1,323
2008	10,845,000	-	10,845,000	1.996%	1,358
2007	11,080,000	-	11,080,000	1.952%	1,392
2006	11,044,000	-	11,044,000	2.055%	1,382

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See J-6 for property tax data.

b Population data can be found in J-14.

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Mansfield Township	-	0.000%	-
Burling County	-	0.000%	-
Regional School Debt	-	0.000%	-
Subtotal, Overlapping Debt			
	-		-
Mansfield Township School District Direct Debt			
	-		-
Total Direct and Overlapping Debt			
	-		-

Source: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mansfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, for each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis	
2015	\$ -
2014	-
2013	-
[A]	\$ -

Average Equalized Valuation of Taxable Property [A/3] \$ -

Debt Limit (4% of Average Equalization Value) [B] - a
 Total Net Debt Applicable To Limit [C] 9,365,000
 Legal Debt Margin [B-C] \$ (9,365,000)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ -	\$ 52,869,441	\$ 33,043,401	\$ 33,099,920	\$ 23,602,298	\$ 33,047,207	\$ 25,256,352	\$ 25,256,352	\$ 25,256,352	\$ 20,433,747
Total Net Debt Applicable to Limit	9,365,000	9,320,000	9,960,000	10,520,000	11,005,000	10,275,000	10,585,000	10,845,000	11,080,000	11,044,000
Legal Debt Margin	\$ (9,365,000)	\$ 43,549,441	\$ 23,083,401	\$ 22,579,920	\$ 12,597,298	\$ 22,772,207	\$ 14,671,352	\$ 14,411,352	\$ 14,176,352	\$ 9,389,747

Total Net Debt Applicable to the Limit
 As a Percentage of Debt Limit

	0.00%	17.63%	30.14%	31.78%	46.63%	31.09%	41.91%	42.94%	43.87%	54.05%
--	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

MANSFIELD TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	8,563	N/A	N/A	5.90%
2013	8,550	\$ 594,182,250	\$ 69,495	7.20%
2012	8,582	594,569,542	69,281	11.70%
2011	8,555	575,306,640	67,248	11.30%
2010	8,548	546,088,980	63,885	11.60%
2009	8,000	510,992,000	63,874	10.90%
2008	7,958	535,820,098	67,331	6.40%
2007	7,926	535,353,744	67,544	4.70%
2006	7,957	502,110,571	63,103	5.20%
2005	7,855	453,029,270	57,674	4.30%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A At the time of CAFR completion, this data was not yet available

OPERATING INFORMATION

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	42.0	51.0	38.4	42.0	53.0	53.0	53.0	53.0	53.0	53.0
Special Education	18.0	20.0	24.0	16.0	23.0	25.0	25.0	25.0	25.0	25.0
Other Special Education	8.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Support Services:										
Student and Instructional Related Services	24.0	21.2	21.2	33.0	16.0	16.0	16.0	16.0	16.0	16.0
School Administrative Services	2.0	2.5	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
General & Business Administrative Services	3.0	3.5	3.5	3.0	3.0	3.0	3.0	3.0	4.0	3.0
Plant Operations and Maintenance	10.0	14.5	14.5	8.0	10.0	10.0	10.0	10.0	10.0	11.0
Pupil Transportation	0.3	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0	0.0
Other Support Services	4.0	0.0	0.0	0.0	0.0	2.5	3.0	3.0	3.0	3.0
Food Service	8.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Total	119.3	123.2	113.1	115.5	119.5	124.0	125.0	125.0	127.0	126.0

Source: District Personnel Records

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily		Percent Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) ^c	Attendance (ADA) ^c		
2015	669.0	\$ 11,116,998	\$ 16,617	16.25%	77	8.7:1	659.0	637.3	-8.60%	96.71%
2014	741.0	10,592,063	14,294	8.26%	74	1:10	721.0	695.7	0.85%	96.49%
2013	714.0	9,427,276	13,203	7.85%	63	1:11	714.9	683.8	-3.78%	95.65%
2012	749.0	9,169,389	12,242	-1.34%	58	1:13	743.0	715.0	4.65%	96.23%
2011	719.0	8,922,056	12,409	-4.30%	53	1:14	710.0	682.0	3.21%	96.06%
2010	697.0	9,037,750	12,967	0.66%	58	1:12	687.9	654.7	0.13%	95.17%
2009	685.0	8,824,209	12,882	6.28%	56	1:12	687.0	667.8	-0.29%	97.21%
2008	687.0	8,326,868	12,121	-6.03%	56	1:12	689.0	665.8	0.12%	96.63%
2007	675.0	8,706,398	12,898	8.33%	55	1:12	688.2	653.1	1.06%	94.90%
2006	657.0	7,822,695	11,907	4.38%	54	1:12	681.0	650.1	6.52%	95.46%

Sources: District records

Note: Enrollment based on annual October District count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certified staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS).

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES:
REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

	* School Facilities Project # (s)	John Hydock Elementary	Mansfield Township Elementary	Total
2015		\$ -	\$ -	\$ -
2014		38,127	41,709	79,836
2013		25,996	38,320	64,316
2012		16,129	30,242	46,371
2011		27,194	30,284	57,478
2010		27,081	38,192	65,273
2009		23,903	35,854	59,757
2008		26,389	25,842	52,231
2007		55,388	57,533	112,921
2006		58,528	70,279	128,807
Total School Facilities		<u>\$ 298,735</u>	<u>\$ 368,255</u>	<u>\$ 666,990</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

MANSFIELD TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF):		
Property	\$ 24,315,095	\$ 1,000
General Liability & Auto Liability	5,000,000	None
Crime & Fidelity	500,000	1,000
Environmental Impairment Liability	1,000,000	10,000
School Leaders Professional Liability	6,000,000	10,000
Excess School Leaders Professional Liability	4,000,000	None
Student Accident	1,000,000	NIL Per Student
Security Guard Liability	1,000,000	2,500
Worker's Compensation	Statutory	NIL Per Occurrence
Supplemental Indemnity	Statutory	NIL Per Occurrence
Foreign Travel Liability Coverage	1,000,000	None
Blanket Dishonesty Bond	100,000	1,000
Selective Insurance:	1,000,000	
Surety Bonds Coverage:		
Treasurer of School Funds	200,000	
Travelers Casualty & Surety Company of America:		
Surety Bonds Coverage:		
Board Secretary	5,000	

Source: District Records.

SINGLE AUDIT SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

K-1
Page 1

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with “Government Auditing Standards”

Honorable President and
Members of the Board of Trustees
Mansfield Township Board of Education
County of Burlington
Columbus, New Jersey

We have audited, in accordance with the 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mansfield Township Board of Education (Charter School), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 18, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from 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 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.

Purpose of this Report

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



Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

December 18, 2015

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

K-2
Page 1

Independent Auditor’s Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

Honorable President and
Members of the School District
Mansfield Township Board of Education
County of Burlington
Columbus, New Jersey

Report on Compliance for Each Major State Program

We have audited the compliance of the Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the year ended June 30, 2015. The School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

The School District’s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards 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 state program

occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In our opinion, the Mansfield Township Board of Education, in the County of Burlington, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Mansfield Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 04-04, 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 School District's internal control over compliance.

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

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

REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements. We issued our report thereon dated December 18, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by the New Jersey OMB Circular 04-04 are presented for purposed of additional analysis and are not a required part of the basic financial statements. Such information is the responsibilities of management and was derived from and related directly to the underlying accounting and other records used to prepare basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.



Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

December 18, 2015

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2015	
											Deferred Revenue	Due to Grantor
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue Fund:												
No Child Left Behind Cluster:												
84.010A	NCLB - 2960 - 15	\$	6/30/15	\$	\$	2,085	\$ (25,158)	\$	\$	\$ (23,073)	\$	\$
84.010A	NCLB - 2960 - 14	24,606	7/1/14	(24,606)	-	24,606	-	-	-	-	-	-
84.010A	NCLB - 2960 - 12	22,980	9/1/12	(544)	-	544	-	-	-	-	-	-
84.367A	NCLB - 2960 - 15	7,659	7/1/14	(7,564)	-	7,564	(7,659)	-	-	(70)	-	-
84.367A	NCLB - 2960 - 14	7,564	7/1/13	(32,714)	-	42,368	(32,817)	-	-	(23,143)	-	-
Total No Child Left Behind Cluster												
Individuals with Disabilities Cluster:												
84.027	IDEA - 2960 - 15	132,555	7/1/14	-	-	12,615	(132,555)	-	-	(119,940)	-	-
84.027	I.D.E.A. Part B Basic	123,746	7/1/13	(23,138)	-	23,138	-	-	-	-	-	-
84.173	I.D.E.A. Part B Basic Carryover	10,729	7/1/14	(1,045)	-	1,045	(10,691)	-	-	(10,691)	-	-
84.173	I.D.E.A. Preschool	10,670	7/1/13	(24,183)	-	36,798	(143,246)	-	-	(130,631)	-	-
Total Individuals with Disabilities Cluster												
Other Special Revenue Funds:												
84.413A	N/A	1,052	7/1/13	(1,052)	-	1,052	-	-	-	-	-	-
Race To The Top Carryover												
Total Other Special Revenue Funds												
Total Special Revenue Fund												
U.S. Department of Agriculture												
Passed-through State Department of Agriculture												
Enterprise Fund:												
10.550	N/A	8,992	7/1/14	-	-	8,992	(8,992)	-	-	-	-	-
10.555	N/A	31,462	7/1/14	(2,425)	-	29,533	(31,462)	-	-	(1,929)	-	-
10.555	N/A	36,043	7/1/13	(2,425)	-	2,425	-	-	-	(1,929)	-	-
Total Enterprise Fund												
Sub-Total Federal Financial Awards												
\$ (60,374) \$ 121,188 \$ (216,517) \$ (155,703) \$												

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balance	Balance at June 30, 2015		MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Equalization Aid	15-495-034-5120-078	\$ 61,810	7/1/14	6/30/15	\$ -	\$ -	\$ -	\$ 58,022	\$ (61,810)	\$ -	\$ (3,788)	\$ -	\$ -	\$ 3,788	\$ 61,810
Special Education Aid	14-495-034-5120-078	61,830	7/1/13	6/30/14	(3,965)		3,965								
Special Education Aid	15-495-034-5120-089	384,623	7/1/14	6/30/15	(24,670)		361,053		(384,623)		(25,570)			25,570	384,623
Security Aid	14-495-034-5120-084	50,390	7/1/13	6/30/14	(3,232)		47,158		(50,390)		(3,088)			3,088	50,390
Additional Adjustment Aid	14-495-034-5120-085	2	7/1/13	6/30/14			2		(2)						2
Transportation Aid	15-495-034-5120-014	96,284	7/1/14	6/30/15	(6,176)		90,383		(96,284)		(5,901)			5,901	96,284
Transportation Aid	14-495-034-5120-014	96,284	7/1/13	6/30/14			6,176		(67,130)		(67,130)			67,130	67,130
Extraordinary Aid	15-100-034-5120-473	67,130	7/1/14	6/30/15	(7,334)		7,334		(7,482)		(7,482)			7,482	7,482
Extraordinary Aid	14-100-034-5120-473	7,334	7/1/13	6/30/14			8,113		(6,830)		(419)			419	6,830
Nonpublic School Transportation Costs	14-100-034-5120-068	8,113	7/1/13	6/30/14	(8,113)		6,411		(6,830)		(419)			419	6,830
Per Pupil Growth Aid	15-495-034-5120-097	6,830	7/1/14	6/30/15			349,901		(349,901)						349,901
PARCC Readiness Aid	14-100-034-5120-098	349,901	7/1/14	6/30/15			220,411		(220,411)						220,411
TPAP Post-Retirement/Medical Contributions	15-495-034-5094-001	220,411	7/1/14	6/30/15			288,695		(324,024)		(15,309)			15,309	304,024
On-Behalf TPAP Pension Contributions	14-100-034-5094-005	304,004	7/1/14	6/30/15											
Reimbursed TPAP - Social Security	15-495-034-5094-003		7/1/14	6/30/15	(53,600)		1,482,081		(1,555,697)		(127,106)			127,106	1,555,697
Total General Fund															
Debt Service Fund:															
Debt Service Aid Type II	15-495-034-5120-017	31,887	7/1/14	6/30/15			31,887		(31,887)						31,887
Total Debt Service Fund															
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	1,778	7/1/14	6/30/15	(137)		1,672		(1,778)		(106)			106	1,778
National School Lunch Program (State Share)	14-100-010-3350-023	2,546	7/1/13	6/30/14			137								
Total Enterprise Fund															
Total State Financial Assistance															
					\$ (53,627)	\$ -	\$ 1,515,777	\$ (1,589,362)	\$ -	\$ -	\$ (127,212)	\$ -	\$ -	\$ 127,212	\$ 1,589,362

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL
ASSISTANCE
JUNE 30, 2015**

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Delaware Township School District. The Board of Education is defined in Note 1 to the board's basic 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 U.S. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL
ASSISTANCE
JUNE 30, 2015**

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

budget year due to the state deferral and recording of the one or more June state aid payments 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 the one or more June state aid payment 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 (\$858) for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information 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 basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,556,555	\$ 1,556,555
Special Revenue Fund	176,063	-	176,063
Debt Service Fund	-	31,887	31,887
Food Service Fund	40,454	1,778	42,232
Total Awards & Financial Assistance	<u>\$ 216,517</u>	<u>\$ 1,590,220</u>	<u>\$ 1,806,737</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. FEDERAL AND STATE LOANS OUTSTANDING

Mansfield Township Board of Education has no loan balances outstanding at June 30, 2015.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL
ASSISTANCE
JUNE 30, 2015**

NOTE 6. 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 school district for the year ended June 30, 2015. 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, 2015.

NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the Charter School's basic financial statements and the amount subject to State single audit and major program determination.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district.

Program	Total	2014
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 25,158	\$ 21,206
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	7,659	13,651
	<hr/>	<hr/>
Total	<u>\$ 32,817</u>	<u>\$ 34,857</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies identified?	_____ Yes	<u> X </u> None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	<u> X </u> No

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No
Internal Control over major programs:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies that are not considered to be material weaknesses?	_____ Yes	<u> X </u> None Reported
Type of auditor’s report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ Yes	<u> X </u> No

Identification of major state programs:

GMIS Number(s)	Name of State Program
<u>15-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>15-495-034-5094-003</u>	<u>Reimbursed Social Security Contributions</u>
_____	_____
_____	_____
_____	_____

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

Finding

There were no matters reported.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

***Section III –State Financial Assistance
Findings and Questioned Costs***

This section identifies audit findings required to be reported by NJOMB Circular Letter 04-04.

STATE AWARDS

Finding

There were no matters reported.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB Circular A-133 (.315(a)(b)) and NJOMB's Circular 04-04.

Finding

There were no matters reported.