

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
MANSFIELD TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Prepared by

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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INTRODUCTORY SECTION

Mansfield Township Board of Education

50 Port Murray Road, Port Murray, NJ 07865

Phone: 908-689-3212, Ext. 1186

Fax: 908-689-9504

November 12, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Mansfield Township School District (District) for the fiscal year ending 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 of the Board of Education (Board). To the best of our knowledge and belief, the 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 comprehensive annual financial report 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 general purpose financial statements and schedules, as well as the auditor's report 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 Act of 1984 (amended 1996) and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments' and the State Treasury Circular Letter 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** Mansfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Mansfield Township Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular classes and special education for handicapped youngsters. The District completed the 2014-15 fiscal year with an enrollment of 703 students, which is 1 student less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	703	0.0%
2013-14	704	0.0%
2012-13	705	-1.7%
2011-12	717	3.17%
2010-11	695	-3.4%
2009-10	719	3.6%
2008-09	694	-1.4%

2) **ECONOMIC CONDITIONS AND OUTLOOK:** A new housing development was presented to the Mansfield Township Planning Board. The builder was asking to change from an age-restricted development to a non-age restricted development, consisting of 159 dwellings. There was to be 20% of the housing set aside for affordable housing. All of the litigation has been completed. The development will be an age restricted development.

3) **MAJOR INITIATIVES:**

Mansfield Township School District believes that all disciplines of the Academics and Arts are important to the development of well-educated students. To this end, all Mansfield students in grades K-6 receive rigorous academic offerings that include the use of hands-on science and interactive technology.

The district continues to focus its major initiatives on improving instruction and curriculum to boost student achievement. Teachers have implemented the Common Core State Standards in the areas of Mathematics and Language Arts. Committees have been formed, curriculums have been revised, and resources and professional development

needs continue to be assessed and addressed as needed. At the end of the 2012-2013 school year, we adopted and purchased the Go Math program which is aligned to the CCSS. The teachers have received training and successfully implemented the program. Another Go Math Night was held to assist parents with the new program. Our district work continues to be based on the State Model Curriculum and Assessment initiatives as well as PARCC and Common Core recommendations. We continued to offer Homework Club to provide after-school support for students needing extra assistance. This year we piloted the Wonders and Journeys reading programs in a few classes, and we anticipate selecting a program for grades K – 5 for the 2015-2016 school year.

Arts are also well-represented in the district's initiatives with vocal and instrumental music classes, weekly art lessons, and biannual performances by the band and chorus. In addition, the gifted and talented program includes students in grades K-6. These offerings continue as essential components of the District's programming. The Mansfield Education Foundation continues to help support the district's programs and financial needs. They now offer teachers funds through a mini-grant program as well as through grade level awards as funds are available.

In an effort to improve instruction and student achievement, the Mansfield District Evaluation Advisory Committee continues to support the Marzano Causal Teacher Evaluation Model and the Marzano School Leadership Evaluation Model. Training was provided for the staff and administration, and the models were fully implemented for the 2013-2014 school year. Additional training continues to be provided as needed.

The major initiatives in technology for the 2014-2015 school year included purchasing ten additional SMART Boards (Model 6065), 150 Dell Venue Pro 11 tablets, and seven carts for the tablets. We will continue to utilize Discovery Video Streaming as a teacher resource. Additionally we will continue to receive e-rate rebates for our eligible technology and communication costs.

In terms of achievement, many teachers are utilizing SuccessMaker© to support student growth. We are continuing NWEA MAP pre and post testing. MAP is our GPS that enables teachers to target and differentiate instruction to the strengths and needs of each student. The immediacy and depth of feedback provides essential data necessary for teachers to plot an instructional course that promotes continuous student improvement and provides an avenue for tracking individual growth within and across grade levels. We are fully utilizing the Marzano Evaluation System which identifies elements of teaching that lead to greater student success. The students in grades 3, 4, 5, and 6 participated in the PARCC testing, and grade 4 also took the NJ ASK Science test. A randomly selected group of our 4th grade students participated in the NAEP test.

Improving security continues to be a high priority. Fifteen new security cameras were added.

NJ ASK 3-6 results are reported in percentages: partially proficient, proficient, and advanced proficient.

**NJ ASK
2015 Results**

Test Type	Partially Proficient	Proficient	Advanced Proficient
NJ ASK-3 - Language Arts	NA	NA	NA
NJ ASK-3 – Mathematics	NA	NA	NA
NJ ASK-4 – Language Arts	NA	NA	NA
NJ ASK-4 – Mathematics	NA	NA	NA
NJ ASK-4 – Science	2.2	47.3	50.5
NJ ASK-5 – Language Arts	NA	NA	NA
NJ ASK-5 - Mathematics	NA	NA	NA
NJ ASK-6 – Language Arts	NA	NA	NA
NJ ASK-6 - Mathematics	NA	NA	NA

** Percentages are set by the state and may not always equate to 100% in all cases.*

PARCC scores have not been received by the district as of this writing.

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure 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 structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (A) The cost of a control should not exceed the benefits likely to be derived; and
- (B) the valuation of costs and benefits requires estimates and judgments by management.

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

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2015.

6) **ACCOUNTING SYSTEM:** 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 a basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

7) **DEBT ADMINISTRATION:** The District's voters approved a \$6,685,000 referendum in March of 2014. There is a zero net cost to the taxpayers for this new debt since the Board timed the new debt to begin after the final payment was made on the 1995 "COP" lease purchase obligation. The referendum monies will be used to replace the fire alarm system, the original boilers and control system, the uni-vent systems in 23 classrooms, bathrooms, lighting, ceilings, the roof on every section except for the 2004 addition, asbestos removal, interior and exterior doors and locks, the original kitchen equipment, finish the final phase of the windows project, replace the windows in the All Purpose Room, add a storage building, add additional storage throughout the school, replace the clocks throughout the school, water treatment, and parking lot replacement.

8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Notes 1 and 3. The district has adopted a cash management plan which 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 a loss of funds on deposit with a failed banking institution in depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) **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 bonds.

10) **OTHER INFORMATION - INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., CPA. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit

also was designed to meet the requirements of the Single Audit Act of 1984 (amended 1996) and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combined 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.

11) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Mansfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. Special thanks is also extended to the staff of the audit firm without whose assistance, the CAFR would not have been completed on time.

Respectfully submitted,



Edward S. Kemp, Jr.
Superintendent



Mary E. Roszkowski
Business Administrator/Board Secretary

ROSTER OF OFFICIALS
JUNE 30, 2015

Members of the Board of Education

Term Expires

Karri Reyes, President	2016
Timothy Barlow, Vice President	2016
Michael Coombs	2017
John Falco	2015
James Momary	2016
Desiree Mora-Dillon	2015
Tracey Janowski	2017
Sharon McAlpin	2015
Jason Winch	2017

Other Officials

Edward Kemp, Jr.	Superintendent
Mary Roszkowski	Business Administrator/Board Secretary
Andrew Coppola	Treasurer

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
PORT MURRAY, NJ 07865**

CONSULTANTS AND ADVISORS

AUDIT FIRM

WILLIAM M. COLANTANO, JR.
CERTIFIED PUBLIC ACCOUNTANT
100 ROUTE 31 NORTH
WASHINGTON, NJ 07882

ATTORNEYS

NATHANYA SIMON, ESQ.
SCHWARTZ, SIMON, EDELSTEIN, CELSO & KESSLER
10 JAMES STREET
FLORHAM PARK, NJ 07932

OFFICIAL DEPOSITORIES

FULTON BANK OF NEW JERSEY
148 MOUNTAIN AVENUE
HACKETTSTOWN, NJ 07840

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

November 12, 2015

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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 audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in 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.

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 identified in the table of contents 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and 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 non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

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

The discussion and analysis of Mansfield Township School District's financial performance provide an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments issued in June 1999.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$120,951 which is a 2.99 percent increase from fiscal year 2014.
- General revenue accounted for \$11,413,029 in revenue or 91.7 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,034,707 or 8.3 percent of the total revenue of \$12,447,736.
- The School District had \$12,326,785 in expenses; only \$1,034,707 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,413,029 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$9,657,997 in revenues and \$9,507,688 in expenditures. The General Fund's fund balance increased by \$150,309 from fiscal year 2014.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a long-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's most significant funds with all other non-major funds presented in total in one column. In the case of the Mansfield Township School District, the General Fund is by far the most significant fund.

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

REPORTING THE DISTRICT AS A WHOLE

STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

While this document contains the various funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Government activities – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type activity – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Service, Child Care, and the Summer Recreation enterprise funds are reported as business activities.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

FUND FINANCIAL STATEMENTS

Fund Financial Statements provide detail information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

GOVERNMENTAL FUNDS

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer

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

financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

ENTERPRISE FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

THE DISTRICT AS A WHOLE

The Statement of Net Position provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net position). 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.

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

Table 1 provides a summary of the District's net position at June 30, 2015, with comparisons to June 30, 2014.

	Table 1 Net Position		Variance	
	<u>6/30/15</u>	<u>6/30/14</u>	<u>Dollars</u>	<u>%</u>
ASSETS				
Current & Other Assets	\$ 7,432,236	\$ 1,862,855	\$ 5,569,381	298.97
Capital Assets	5,590,009	4,617,251	972,758	21.07
Total Assets	<u>13,022,245</u>	<u>6,480,106</u>	<u>6,542,139</u>	100.96
Deferred Outflows of Resources:				
Deferred Amount on Pension Activity	<u>109,357</u>	<u>58,617</u>	<u>50,740</u>	86.56
LIABILITIES				
Long-Term Liabilities	8,579,613	2,243,319	6,336,294	282.45
Other Liabilities	295,190	252,503	42,687	16.91
Total Liabilities	<u>8,874,803</u>	<u>2,495,822</u>	<u>6,378,981</u>	255.59
Deferred Inflows of Resources:				
Deferred Amount on Pension Activity	<u>92,947</u>	<u>-</u>	<u>92,947</u>	*
NET POSITION				
Net Investment in Capital Assets	4,460,430	4,202,251	258,179	6.14
Restricted	1,281,189	1,255,074	26,115	2.08
Unrestricted	<u>(1,577,767)</u>	<u>(1,414,424)</u>	<u>(163,343)</u>	(11.55)
Total Net Position	<u>\$ 4,163,852</u>	<u>\$ 4,042,901</u>	<u>\$ 120,951</u>	2.99

* = Undefined

The negative balance in unrestricted net assets is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL
PORT MURRAY, NJ**

11.4

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

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2015, with comparisons to June 30, 2014.

**Table 2
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/15	6/30/14	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 550,975	\$ 521,096	\$ 29,879	5.73
Operating Grants	483,732	456,995	26,737	5.85
General Revenues:				
Property Taxes	5,270,238	5,269,930	308	0.01
Unrestricted Grants	6,107,203	4,587,705	1,519,498	33.12
Other	35,588	11,220	24,368	217.18
Total Revenues	<u>12,447,736</u>	<u>10,846,946</u>	<u>1,600,790</u>	<u>14.76</u>
Program Expenses				
Instruction:				
Regular	5,492,303	4,751,964	740,339	15.58
Special	1,692,648	1,409,098	283,550	20.12
Other	439,260	383,924	55,336	14.41
Support Services:				
Tuition	197,323	113,700	83,623	73.55
Student & Instructional Staff	1,475,824	1,290,658	185,166	14.35
General & Business Administration	828,075	603,309	224,766	37.26
School Administration	252,182	221,010	31,172	14.10
Maintenance	663,945	690,177	(26,232)	(3.80)
Transportation	662,703	589,355	73,348	12.45
Food Service	221,620	200,386	21,234	10.60
Child Care Program	181,892	108,512	73,380	67.62
Summer Recreation Program	17,176	15,615	1,561	10.00
Charter Schools	16,546	16,516	30	0.18
Interest on Long-Term Debt	185,288	27,636	157,652	570.46
Total Expenses	<u>12,326,785</u>	<u>10,421,860</u>	<u>1,904,925</u>	<u>18.28</u>
Increase (Decrease) in Net Position	<u>\$ 120,951</u>	<u>\$ 425,086</u>	<u>\$ (304,135)</u>	<u>(71.55)</u>

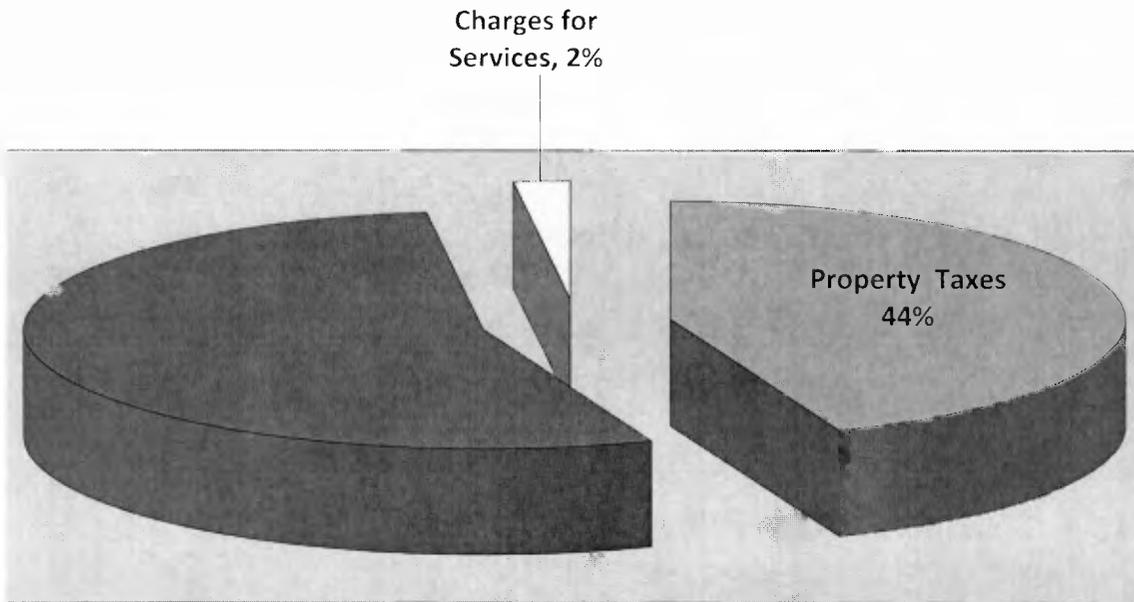
* = Undefined

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

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 44% of revenues for governmental activities for the Mansfield School District for fiscal year 2015. Federal, state, and local grants accounted for another 54% of the revenues, and 2% was derived from charges for services and from other sources. The District's total revenues for governmental activities were \$12,040,590 for the year ended June 30, 2015.

REVENUES
YEAR ENDED 6/30/15

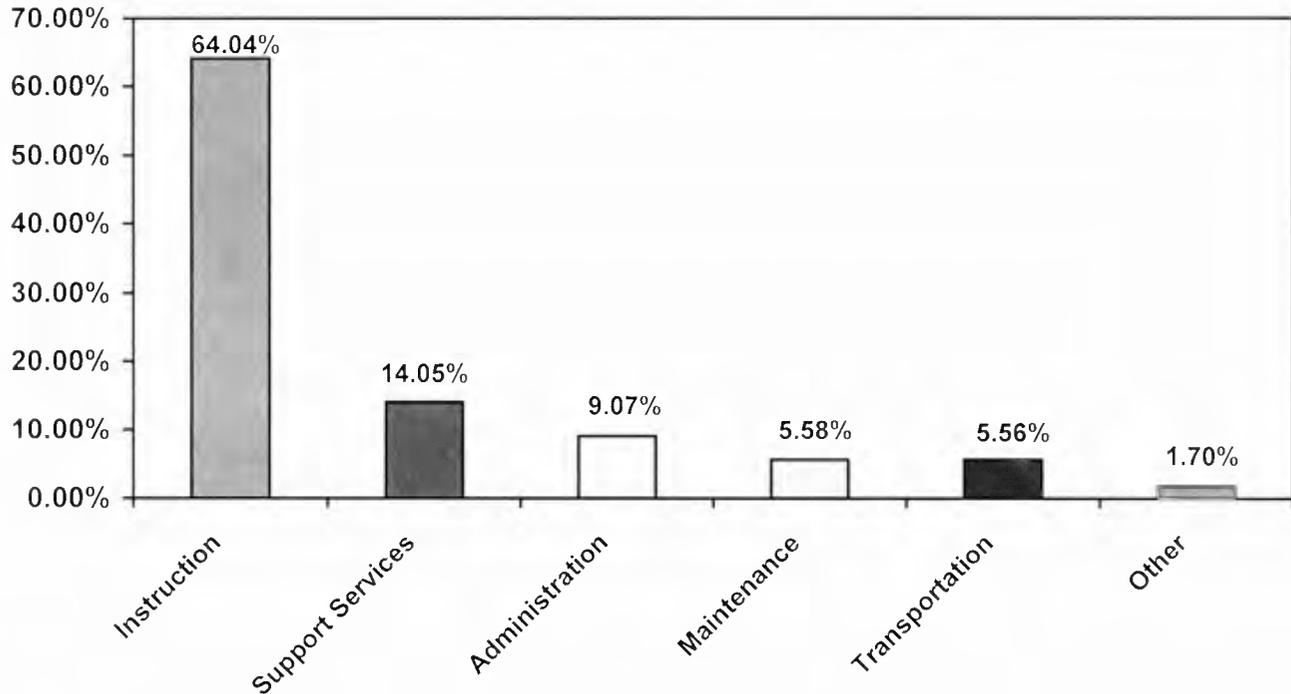


Fed/State
Grants, 54%

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

The total cost of all program expenses and services for governmental activities was \$11,906,097. Expenditure categories and associated percentages are shown below.

EXPENDITURES
YEAR ENDED 6/30/2015



Business-Type Activities

Food Service

Revenues for the district's business-type activities (food service program) were comprised primarily of daily food sales and federal and state reimbursements.

Food service revenues exceeded expenditures by \$4,885.

Daily food sales amounted to \$118,658. This represents amounts paid by patrons for daily food services.

Federal and State reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$107,804

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

Child Care Program

Revenues for the district's child care program were comprised of charges for services. Child care expenditures exceeded revenues by \$18,283.

Charges for services represent \$163,609. This represents amounts paid by patrons for child care services.

Summer Recreation Program

Revenues for the district's summer recreation program were comprised of charges for services. Summer recreation expenditures exceeded revenues by \$144.

Charges for services represent \$17,032. This represents amounts paid by patrons for summer recreation services.

Table 3 provides a summary of the School District's cost of governmental services in 2015 and 2014.

**Table 3
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/15	6/30/14	6/30/15	6/30/14
Instruction	\$ 7,624,211	\$ 6,544,986	\$ 7,430,125	\$ 6,291,211
Support Services:				
Tuition	197,323	113,700	31,743	25,986
Student & Instructional Staff	1,475,824	1,290,658	1,414,386	1,215,261
General & Business Administration	828,075	603,309	826,925	601,893
School Administration	252,182	221,010	252,182	221,010
Plant Operations & Maintenance	663,945	690,177	662,142	686,710
Pupil Transportation	662,703	589,355	459,156	393,657
Food Service	221,620	200,386	(4,842)	(681)
Child Care Program	181,892	108,512	18,283	(34,946)
Summer Recreation Program	17,176	15,615	144	(484)
Charter Schools	16,546	16,516	16,546	16,516
Interest on Long-Term Debt	185,288	27,636	185,288	27,636
Total Expenses	\$ 12,326,785	\$ 10,421,860	\$ 11,292,078	\$ 9,443,769

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

Tuition is paid to other districts that provide educational services to Mansfield Township School students.

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

Students and instructional staff include the activities involved with assisting staff with the content and process of teaching to students and includes attendance and health services, guidance, child study teams, library services and curriculum and staff development.

General, business and school administration include expenses associated with administrative and financial supervision of the school and the district.

Operations and maintenance of facilities involve keeping the school grounds, building 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.

Interest on debt involves the transaction associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

All governmental funds (i.e. general fund, special revenue fund, capital projects 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 \$10,463,879 and expenditures were \$11,559,799. After accounting for other financing sources consisting of proceeds and premium received on a bond issue totaling \$6,801,560, the net change in fund balance for the year was an increase of \$5,705,640.

General Fund Budgeting Highlights

At Mansfield Township School, as in most NJ Districts, budgets are prepared in December/January with State revenue information being received in February/March and a public vote on the tax levy question in November. The budget year begins in July and runs through June 30. Changes occur over that 18-month period, unanticipated shifts in enrollment, staffing needs, students requiring out-of-district services, weather requiring more or less funding for heating, and mandated programs are often added after a budget is adopted.

The district builds a budget to meet the needs of its students based on the information and projections that are available at the time.

During the course of the fiscal year, the district amended its general fund budget by transferring funds as needed to prevent over-expenditures in specific line item accounts. The most significant need for changes were directly attributable to lower than anticipated fuel and insurance costs which allowed the use of those funds to purchase computers, social studies and math textbooks.

Capital Assets

At the end of fiscal year 2015, the district had \$5,590,009 invested in land, buildings, furniture, and equipment.

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

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2015, with comparisons to June 30, 2014.

**Table 4
Capital Assets at Year-end
(Net of Depreciation)**

	6/30/15	6/30/14	Variance	
			Dollars	%
Land	\$ 17,722	\$ 17,722		
Construction in Progress	1,003,635	40,913	\$ 962,722	2353.10
Land Improvements	97,573	84,673	12,900	15.24
Buildings & Improvements	4,203,909	4,208,300	(4,391)	(0.10)
Furniture & Equipment	267,170	265,643	1,527	0.57
Total	\$ 5,590,009	\$ 4,617,251	\$ 972,758	21.07

Major capital asset acquisitions included \$29,020 for landscape improvements, \$872,298 for building upgrades, and \$228,261 for professional fees in connection with a voter approved referendum for building improvements. In addition, the district disposed of obsolete equipment totaling \$17,265.

Long Term Liabilities – Debt Administration

As of June 30, 2015, the district had \$8,579,613 of long-term liabilities. This amount is detailed below.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2015, with comparisons to June 30, 2014.

**Table 5
Long-term Liabilities at Year-end**

	6/30/15	6/30/14	Variance	
			Dollars	%
PERS Net Pension Liability	\$ 1,448,880	\$ 1,486,818	\$ (37,938)	(2.55)
2007 General Obligation Refunding Bonds		415,000	(415,000)	(100.00)
2014 General Obligation Bonds	6,685,000		6,685,000	*
Unamortized Bond Premium	110,732	3,249	107,483	3308.19
Compensated Absences	335,001	338,252	(3,251)	(0.96)
Total	\$ 8,579,613	\$ 2,243,319	\$ 6,336,294	282.45

* = Undefined

The general obligation bonded debt of the District is limited by state law to 2.5% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$17,460,866. General obligation debt and debt authorized at June 30, 2015 is \$6,685,350, resulting in a legal debt margin of \$10,775,516.

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

For the Future

The building is 50 years old. While it owes us nothing, we certainly owe it the essential upgrades necessary to adequately serve the community and our students for the foreseeable future. In that spirit, the Administration and the Board of Education held a bond referendum in March of 2014 for \$6,685,350 in school improvements. The referendum was a result of preparation meeting opportunity. A long range facilities plan was developed in 2005 (updated in 2010) which addresses the many anticipated building needs.

As a result of the preparation of conducting the above mentioned thorough analysis of the building needs and the opportunity to retire our existing debt along with the state agreeing to pay 44.16% of the projects' costs, the taxpayers approved a March 2014, Bond Referendum which had a zero impact on the debt service tax levy. Projects included in the 2014 Bond Referendum anticipated to be completed in 2015-16 are:

1. Exterior: paving the back entrance and the front parking lot, replacing the sidewalk along the office parking lot, and parking lot lighting.
2. Kitchen upgrade.
3. Electrical service.
4. Stage lighting.

In addition to upgrading our aging facility, we continue initiatives to stay in the forefront of technology. During the 2014-2015 school year we purchased ten additional SMART Boards (Model 6065), 150 Dell Venue Pro 11 tablets, and seven carts for the tablets. We continue to utilize Discovery Video Streaming as a teacher resource. Additionally, we continue to receive e-Rate rebates for our eligible technology and communication costs.

Our technology goals for 2015-2016 include continued additions to foster the infusion of technology in the classroom and to improve school safety. We anticipate adding new laptops stationed in individual classrooms as well as continuing to replace older Intelliboards with new Smart Boards. Our goal is to have grades 3 – 6 one to one with laptops in every classroom. We also plan to have a technology training website for staff development. We will continue to utilize MAP Assessments (computer based) to track student progress and to inform instruction. We are exploring the changeover of our telephone system to VoIP. In the area of security, we will deploy additional cameras. The local police department is able to access the feeds from the cameras. The upgrading of our fire alarm system provided additional safeguards in the event of a lockdown situation. We also anticipate upgrading our audio and video systems in our all-purpose room and the gymnasium. Our PTA and Education Foundation will help support the costs of expanding technology and funding programs.

We remain committed to improving our educational programs and instructional strategies. Our team teaching model for inclusion special education students and Title I students continues to develop and provide benefits for struggling learners. We have made staffing changes in the Title I program and trained all Title I teachers in Project Read. Project Read training will be provided to kindergarten teachers during the 2015-16 school year. This will continue in future years for grades 1 and 2. We continue to improve

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

our Intervention and Referral Services. Changes better support teachers by providing them with alternative methodologies to address the specific needs of an individual student. These changes will also more effectively support students who are experiencing difficulties in the classroom. The new Go Math series will be upgraded for the 2015-16 school year, and we will be purchasing the Wonders reading series for grades K-5 and Collections for grade 6. We will continue MAP Assessments which provide teachers with valuable data on each student to better inform instruction. Students and teachers will have access to additional online books and resources during the 2015-16 school year.

Mansfield Township School District has been committed to financial excellence for many years. We are constantly looking for ways to maximize the taxpayer's investment in our district by seeking out the best prices for everything we purchase, by joining purchasing cooperatives, by consulting with Township officials to find ways to share services, and by attending meetings with an eye out for ways to share services between school districts and with municipalities. We now share a behaviorist, a curriculum coordinator, and an ESL teacher with the other districts in our cluster. We have reduced the cost of implementing the new teacher and principal evaluation systems by making them a cluster-wide initiative. We continue to save money through combining bus routes with neighboring districts. We are excited for the upcoming opportunity to enhance our facilities and grounds without burdening the local tax payer.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the district's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mary E. Roszkowski, School Business Administrator/Board Secretary at Mansfield Township Board of Education, 50 Port Murray Road, Port Murray, NJ 07865

BASIC FINANCIAL STATEMENTS

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 SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 359,088	\$ 112,688	\$ 471,776
Due from Other Funds	1,416		1,416
Receivables, Net	111,855	8,789	120,644
Inventory		1,094	1,094
Restricted Assets:			
Capital Reserve Account-Cash	846,937		846,937
Maintenance Reserve Account-Cash	291,251		291,251
Emergency Reserve Account-Cash	143,000		143,000
Capital Projects-Cash	5,556,118		5,556,118
Capital Assets (Note 4):			
Land and Construction in Progress	1,021,357		1,021,357
Other Capital Assets, Net of Depreciation	4,562,786	5,866	4,568,652
Total Assets	<u>12,893,808</u>	<u>128,437</u>	<u>13,022,245</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	109,357	-	109,357
LIABILITIES			
Accounts Payable	81,071		81,071
Accrued Interest	172,334		172,334
Unearned Revenue	28,407	13,378	41,785
Long-Term Liabilities (Note 5):			
Due Within One Year	221,599		221,599
Due Beyond One Year	8,358,014		8,358,014
Total Liabilities	<u>8,861,425</u>	<u>13,378</u>	<u>8,874,803</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	92,947	-	92,947
NET POSITION			
Net Investment in Capital Assets	4,454,564	5,866	4,460,430
Restricted For:			
Debt Service	1		1
Legal Reserves	1,281,188		1,281,188
Unrestricted	(1,686,960)	109,193	(1,577,767)
TOTAL NET POSITION	<u>\$ 4,048,793</u>	<u>\$ 115,059</u>	<u>\$ 4,163,852</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Government Activities:								
Instruction:								
Regular	\$ 3,201,483	\$ 2,290,820	\$ 9,381	\$ 29,753		\$ (5,453,169)		\$ (5,453,169)
Special Education	986,859	705,789	35,607	28,475		(1,628,566)		(1,628,566)
Other Special Education	279,711	159,549		90,870		(348,390)		(348,390)
Support Services:								
Tuition	197,323			165,580		(31,743)		(31,743)
Students & Instruction Related Services	875,389	600,435	188	61,250		(1,414,386)		(1,414,386)
General & Business Administration Services	586,263	241,812	1,150			(826,925)		(826,925)
School Administration Services	151,930	100,252				(252,182)		(252,182)
Plant Operations & Maintenance	553,174	110,771	1,803			(662,142)		(662,142)
Pupil Transportation	660,110	2,593	203,547			(459,156)		(459,156)
Charter Schools	16,546					(16,546)		(16,546)
Interest on Long-term Debt	185,288					(185,288)		(185,288)
Total Government Activities	7,694,076	4,212,021	251,676	375,928	\$ -	(11,278,493)	\$ -	(11,278,493)
Business-Type Activities:								
Food Service	221,620		118,658	107,804			4,842	4,842
Before and After School Child Care	181,892		163,609				(18,283)	(18,283)
Summer Recreation Program	17,176		17,032				(144)	(144)
Total Business-Type Activities	420,688	-	299,299	107,804	-	-	(13,585)	(13,585)
Total Primary Government	\$ 8,114,764	\$ 4,212,021	\$ 550,975	\$ 483,732	\$ -	(11,278,493)	(13,585)	(11,292,078)
General Revenues and Transfers								
						4,927,038		4,927,038
						343,200		343,200
						6,107,203		6,107,203
						11,596	43	11,639
						23,949		23,949
						11,412,986	43	11,413,029
						134,493	(13,542)	120,951
						3,914,300	128,601	4,042,901
						\$ 4,048,793	\$ 115,059	\$ 4,163,852

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 359,087			\$ 1	\$ 359,088
Due from Other Funds	16,850				16,850
Receivables from Other Governments:					
Federal		\$ 71,506			71,506
State	40,349				40,349
Restricted Cash & Equivalents	1,281,188		\$ 5,556,118		6,837,306
TOTAL ASSETS	\$ 1,697,474	\$ 71,506	\$ 5,556,118	\$ 1	\$ 7,325,099
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds		\$ 14,737	\$ 697		\$ 15,434
Accounts Payable	\$ 52,709	28,362			81,071
Unearned Revenue		28,407			28,407
Total Liabilities	52,709	71,506	697	\$ -	124,912
Fund Balances:					
Restricted Fund Balance:					
Capital Projects Fund Balance			3,215,657		3,215,657
Committed Fund Balance:					
Capital Reserve Account	846,937				846,937
Maintenance Reserve Account	291,251				291,251
Emergency Expense Reserve Account	143,000				143,000
Assigned Fund Balance:					
Year-End Encumbrances	354,235		2,339,764		2,693,999
Designated for Subsequent Year's Expenditures	92,293			1	92,294

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances: (Cont'd)					
Unassigned Fund Balance	\$ (82,951)				\$ (82,951)
Total Fund Balances	1,644,765	\$ -	\$ 5,555,421	\$ 1	7,200,187
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,697,474</u>	<u>\$ 71,506</u>	<u>\$ 5,556,118</u>	<u>\$ 1</u>	

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

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is	\$ 9,558,870 <u>3,974,727</u>	5,584,143
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		16,410
Long-term liabilities, Including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds		(8,579,613)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		<u>(172,334)</u>
Total Net Position of Governmental Activities		<u>\$ 4,048,793</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 4,927,038			\$ 343,200	\$ 5,270,238
Tuition Charges	44,247				44,247
Interest Earned on Capital Reserve Funds	1,205				1,205
Interest on Investments	10,391				10,391
Miscellaneous	15,141	\$ 5,010			20,151
Total	4,998,022	5,010	\$ -	343,200	5,346,232
State Sources	4,622,059			86,754	4,708,813
Federal Sources	37,916	370,918			408,834
Total Revenues	9,657,997	375,928	-	429,954	10,463,879
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	3,169,239	25,038			3,194,277
Special Education Instruction	958,384	28,475			986,859
Other Special Instruction	207,966	71,745			279,711
Support Service & Undistributed Costs:					
Tuition	31,743	165,580			197,323
Student & Instruction Related Services	811,811	61,250			873,061
General & Business Administrative Services	466,413		116,560		582,973
School Administrative Services	151,930				151,930
Plant Operations & Maintenance	547,212				547,212
Pupil Transportation	456,563				456,563
Unallocated Benefits	2,627,493	23,840			2,651,333

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 59,463		\$ 1,129,579		\$ 1,189,042
Transfer of Funds to Charter Schools	16,546				16,546
Debt Service:					
Principal				\$ 415,000	415,000
Interest & Other Charges				15,044	15,044
Interest on NJ SDA Obligations	2,925				2,925
Total Expenditures	<u>9,507,688</u>	<u>\$ 375,928</u>	<u>1,246,139</u>	<u>430,044</u>	<u>11,559,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>150,309</u>	<u>-</u>	<u>(1,246,139)</u>	<u>(90)</u>	<u>(1,095,920)</u>
Other Financing Sources (Uses):					
Proceeds from Bond Issue			6,685,000		6,685,000
Premium on Bond Issue			116,560		116,560
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,801,560</u>	<u>-</u>	<u>6,801,560</u>
Net Change in Fund Balance	150,309	-	5,555,421	(90)	5,705,640
Fund Balances, July 1	<u>1,494,456</u>	<u>-</u>	<u>-</u>	<u>91</u>	<u>1,494,547</u>
Fund Balances, June 30	<u>\$ 1,644,765</u>	<u>\$ -</u>	<u>\$ 5,555,421</u>	<u>\$ 1</u>	<u>\$ 7,200,187</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT 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 Changes in Fund Balances-Governmental Fund (from B-2)		\$ 5,705,640
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:		
Capital Outlays	\$ 1,189,042	
Depreciation Expense	<u>(214,369)</u>	974,673
Government funds report bond proceeds as financing sources whereas issuing debt increases long-term liabilities in the government-wide statements		(6,685,000)
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:		
Bond Principal Payments		415,000
Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are Unearned & amortized in the statement of activities:		
Bond Premium	(116,560)	
Amortization of Bond Premium	<u>9,077</u>	(107,483)
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 is a reconciling item.		(167,319)
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		(4,269)
In the statement of activities, compensated absences & early retirement benefits 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.		<u>3,251</u>
Change in Net Position of Governmental Activities		<u>\$ 134,493</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 49,007	\$ 51,791	\$ 11,890	\$ 112,688
Receivables from Other Governments:				
State	299			299
Federal	7,274			7,274
Other Accounts Receivable		1,216		1,216
Inventory	1,094			1,094
Total Current Assets	<u>57,674</u>	<u>53,007</u>	<u>11,890</u>	<u>122,571</u>
Noncurrent Assets:				
Capital Assets	44,657			44,657
Less: Accumulated Depreciation	<u>38,791</u>			<u>38,791</u>
Total Noncurrent Assets	<u>5,866</u>	<u>-</u>	<u>-</u>	<u>5,866</u>
Total Assets	<u>63,540</u>	<u>53,007</u>	<u>11,890</u>	<u>128,437</u>
LIABILITIES				
Current Liabilities:				
Unearned Revenues	<u>1,828</u>		<u>11,550</u>	<u>13,378</u>
Total Liabilities	<u>1,828</u>	<u>-</u>	<u>11,550</u>	<u>13,378</u>
NET POSITION				
Net Investment in Capital Assets	5,866			5,866
Unrestricted	<u>55,846</u>	<u>53,007</u>	<u>340</u>	<u>109,193</u>
TOTAL NET POSITION	<u>\$ 61,712</u>	<u>\$ 53,007</u>	<u>\$ 340</u>	<u>\$ 115,059</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 89,942			\$ 89,942
Daily Sales-Nonreimbursable Programs	28,716			28,716
Child Care Program Fees		\$ 163,609		163,609
Summer Recreation Program Fees			\$ 17,032	17,032
Total Operating Revenues	<u>118,658</u>	<u>163,609</u>	<u>17,032</u>	<u>299,299</u>
Operating Expenses:				
Cost of Sales-Reimbursable Programs	82,377			82,377
Cost of Sales-Non Reimbursable Programs	21,799			21,799
Salaries	56,753	103,826	15,974	176,553
Employee Benefits	12,427	8,000		20,427
Purchased Property Services (Repairs)	3,818			3,818
Insurance	1,398	8,500		9,898
Management Fee	9,500			9,500
Other Purchased Services	4,009	866		4,875
Purchased Professional Services	1,600			1,600
Supplies and Materials	25,712	44,665	1,202	71,579
Acquisition of Equipment		16,035		16,035
Depreciation	1,915			1,915
Miscellaneous	312			312
Total Operating Expenses	<u>221,620</u>	<u>181,892</u>	<u>17,176</u>	<u>420,688</u>
Operating Income (Loss)	<u>(102,962)</u>	<u>(18,283)</u>	<u>(144)</u>	<u>(121,389)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	2,841			2,841
Federal Sources:				
National School Lunch Program	88,076			88,076
National School Breakfast Program	1,445			1,445
Child and Adult Care Food Program	1,342			1,342
Food Donation Program	14,100			14,100
Interest Earned on Investments	43			43
Total Nonoperating Revenues (Expenses)	<u>107,847</u>	<u>-</u>	<u>-</u>	<u>107,847</u>
Change in Net Position	4,885	(18,283)	(144)	(13,542)
Net Position, Beginning	<u>56,827</u>	<u>71,290</u>	<u>484</u>	<u>128,601</u>
Net Position, Ending	<u>\$ 61,712</u>	<u>\$ 53,007</u>	<u>\$ 340</u>	<u>\$ 115,059</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 120,191	\$ 163,113	\$ 12,055	\$ 295,359
Payments to Food Service Management Company	(212,115)			(212,115)
Payments to Employees		(103,826)	(15,974)	(119,800)
Payments for Employee Benefits		(8,000)		(8,000)
Payments to Vendors (Net)		(70,144)	(1,202)	(71,346)
Net Cash Provided by (Used For) Operating Activities	<u>(91,924)</u>	<u>(18,857)</u>	<u>(5,121)</u>	<u>(115,902)</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	2,868			2,868
Federal Sources	89,913			89,913
Student Activity Interfund Activity			1,210	1,210
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>92,781</u>	<u>-</u>	<u>1,210</u>	<u>93,991</u>
Cash Flows from Investing Activities:				
Interest Earned on Investments	43			43
Net Increase (Decrease) in Cash and Cash Equivalents	900	(18,857)	(3,911)	(21,868)
Cash and Cash Equivalents, July 1, 2014	48,107	70,648	15,801	134,556
Cash and Cash Equivalents, June 30, 2015	<u>\$ 49,007</u>	<u>\$ 51,791</u>	<u>\$ 11,890</u>	<u>\$ 112,688</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating Income (Loss)	\$ (102,962)	\$ (18,283)	\$ (144)	\$ (121,389)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	1,915			1,915
Federal Food Donation Program	14,100			14,100
(Increase) Decrease in Other Accounts Receivable		(496)		(496)
(Increase) Decrease in Inventory	859			859
Increase (Decrease) in Accounts Payable	(7,201)	(78)		(7,279)
Increase (Decrease) Unearned Revenue	1,365		(4,977)	(3,612)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (91,924)</u>	<u>\$ (18,857)</u>	<u>\$ (5,121)</u>	<u>\$ (115,902)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash & Cash Equivalents	\$ 190,339	\$ 32,034	\$ 50,929
TOTAL ASSETS	<u>190,339</u>	<u>\$ 32,034</u>	<u>\$ 50,929</u>
LIABILITIES			
Due to Other Funds			\$ 1,416
Due to Student Groups		\$ 32,034	
Payroll Deductions & Withholdings			<u>49,513</u>
TOTAL LIABILITIES	<u>-</u>	<u>\$ 32,034</u>	<u>\$ 50,929</u>
NET POSITION	<u>\$ 190,339</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 8,817
Interest	279
Total Additions	9,096
DEDUCTIONS	
Unemployment Claims	7,477
Total Deductions	7,477
Change in Net Position	1,619
Net Position, Beginning of the Year	188,720
Net Position, End of the Year	\$ 190,339

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
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 the Mansfield Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic Financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-6. The District had an approximate enrollment at June 30, 2015 of 703 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, is whether:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional 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 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 District accounts for the proceeds of specific revenue sources 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 in the Special Revenue Fund.

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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund, the Before and After School Child Care Fund and the Summer Recreation Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12	Years
Light Trucks & Vehicles	4	Years
Heavy Trucks & Vehicles	6	Years

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other government's and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

D. 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, if required, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment 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 SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned 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.

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2014-2015 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	20-50
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 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 varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Unearned Revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-Spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Fund Balances-Governmental Funds (cont'd)

- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 e.t. 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 saving banks the deposits of which are federally insured. All 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.

Deposits at June 30, 2015 appear in the financial statements as summarized below:

Cash		<u>\$ 7,582,384</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 7,196,394
Proprietary Fund, Statement of Net Position	B-4	112,688
Fiduciary Funds, Statement of Net Position	B-7	<u>273,302</u>
Total Cash		<u>\$ 7,582,384</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$7,582,384 and the bank balance is \$7,669,863. Of the bank balance, \$250,000 is covered by federal depository insurance and \$7,419,863 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2015, the district has no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 17,722			\$ 17,722
Construction in Progress	40,913	\$ 970,305	\$ 7,583	1,003,635
Total	58,635	970,305	7,583	1,021,357

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Being				
Depreciated:				
Land Improvements	\$ 310,600	\$ 29,020		\$ 339,620
Building & Improvements	7,469,648	130,259		7,599,907
Furniture & Equipment	548,210	67,041	\$ 17,265	597,986
Total	<u>8,328,458</u>	<u>226,320</u>	<u>17,265</u>	<u>8,537,513</u>
Accumulated Depreciation:				
Land Improvements	225,927	16,121		242,048
Building & Improvements	3,261,348	134,650		3,395,998
Furniture & Equipment	290,348	63,598	17,265	336,681
Total	<u>3,777,623</u>	<u>214,369</u>	<u>17,265</u>	<u>3,974,727</u>
Total Capital Assets, Being				
Depreciated, Net	<u>4,550,835</u>	<u>11,951</u>	<u>-0-</u>	<u>4,562,786</u>
Transfers Between Categories	<u>-0-</u>	<u>(7,583)</u>	<u>(7,583)</u>	<u>-0-</u>
Governmental Activities Capital				
Assets, Net	<u>\$ 4,609,470</u>	<u>\$ 974,673</u>	<u>\$ -0-</u>	<u>\$ 5,584,143</u>
Business-Type Activities:				
Furniture & Equipment	\$ 44,657			\$ 44,657
Less: Accum Depreciation	<u>36,876</u>	<u>\$ 1,915</u>	<u>\$ -0-</u>	<u>38,791</u>
Business-Type Activities Capital				
Assets, Net	<u>\$ 7,781</u>	<u>\$ (1,915)</u>	<u>\$ -0-</u>	<u>\$ 5,866</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 113,363
Special Education	33,026
Other Special Instruction	9,361
Support Services:	
Student & Instruction	31,357
General & Business Admin	17,750
School Administration	5,084
Plant & Maintenance	<u>4,428</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 214,369</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2015 is as Follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 415,000	\$ 6,685,000	\$ 415,000	\$ 6,685,000	\$ 200,000
PERS Net Pension Liability	1,486,818	20,679	58,617	1,448,880	
Unamortized Premium	3,249	116,560	9,077	110,732	5,828
Compensated Absences Payable	<u>338,252</u>	<u>25,992</u>	<u>29,243</u>	<u>335,001</u>	<u>15,771</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,243,319</u>	<u>\$ 6,848,231</u>	<u>\$ 511,937</u>	<u>\$ 8,579,613</u>	<u>\$ 221,599</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. Compensated absences are paid in the current expenditures budget of the District's general fund. Unamortized premiums are amortized each year over the term of the bonds with which they are associated.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015 including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 200,000	\$ 283,839	\$ 483,839
2017	245,000	188,919	433,919
2018	255,000	183,294	438,294
2019	265,000	177,113	442,113
2020	275,000	170,362	445,362
2021-2025	1,555,000	733,412	2,288,412
2026-2030	1,890,000	478,300	2,368,300
2031-2035	<u>2,000,000</u>	<u>170,250</u>	<u>2,170,250</u>
Total	<u>\$ 6,685,000</u>	<u>\$ 2,385,489</u>	<u>\$ 9,070,489</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. LONG-TERM DEBT (Cont'd)

\$6,685,000—2014 General obligation bonds, due in annual installments of \$200,000 to \$400,000 beginning July 15, 2015 through July 15, 2034 interest from 2.250% to 3.500% \$ 6,685,000

The general obligation bonded debt of the District is limited by state law to 2.50% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$17,460,866. General obligation debt and debt authorized at June 30, 2015 is \$6,685,350, resulting in a legal debt margin of \$10,775,516.

Debt Authorized But Not Issued

As of June 30, 2015, the District had \$350 of authorized but not issued debt for the school facility capital project authorized by the voters on February 17, 2014 for \$6,685,350. The authorized but not issued amount is summarized below:

Total Authorized	\$ 6,685,350
Bonds Issued	<u>6,685,000</u>
 Total Authorized But Not Issued	 \$ <u>350</u>

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS

The vesting and benefit provisions are set by NJSA 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.

A. Public Employees' Retirement System (PERS) (Cont'd)

The following represents the membership tiers for PERS:

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

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

Allocation Methodology and Reconciliation to Financial Statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Net Pension Liability and Actuarial Information

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 3,023,590	\$ 2,899,600
Plan Fiduciary Net Position	<u>1,574,710</u>	<u>1,412,782</u>
Net Pension Liability	<u>\$ 1,448,880</u>	<u>\$ 1,486,818</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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 valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate 3.01%

Salary Increases (Based on Age):

2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%

Investment Rate of Return 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality 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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 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 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 on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	2014
At Current Discount Rate (5.39%)	\$ 1,448,880
At a 1% Lower Rate (4.39%)	1,822,740
At a 1% Higher Rate (6.39%)	1,134,932
	2013
At Current Discount Rate (5.55%)	\$ 1,486,818
At a 1% Lower Rate (4.55%)	1,850,893
At a 1% Higher Rate (6.55%)	1,181,772

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	45,561	
Net difference between projected and actual earnings on pension plan investments		86,345

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between District contributions and proportionate share of contributions		\$ 6,602
District contributions subsequent to the measurement date	\$ 63,796	
Total	<u>\$ 109,357</u>	<u>\$ 92,947</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$63,796 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 53,936	\$ 8,375	\$ 45,561
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	107,931	21,586	<u>86,345</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (40,784)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (13,211)
2016	(13,211)
2017	(13,211)
2018	(13,211)
2019	8,375
Thereafter	<u>3,685</u>
Total	<u>\$ (40,784)</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Expense

For the year ended June 30, 2015, the District recognized net pension expense of \$68,065 which represents the District's proportionate share of allocable plan pension expense of \$74,491 less the net amortization of deferred amounts from changes in proportion of \$1,214 and less other adjustments to the net pension liability of \$5,212. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 67,790
Interest on Total Pension Liability	159,944
Member Contributions	(37,125)
Administrative Expense	1,131
Expected Investment Return Net of Investment Expense	(103,578)
Pension Expense Related to Specific Liabilities of Individual Employers	(460)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	8,375
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	<u>(21,586)</u>
Pension Expense	<u>\$ 74,491</u>

B. Teacher's Pension and Annuity Fund (TPAF)

Plan Description

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 6. PENSION PLANS (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Special Funding Situation

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Net Pension Liability	\$ 25,283,200	\$22,821,533
Employer Pension Expense & Related Revenue	1,360,474	N/A
Non-Employer Contribution	200,948	292,460
Allocable Proportionate Percentage	.0473054061%	.0451560905%

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,200 in 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. 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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (Cont'd)

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans.

The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

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

<u>Year</u> <u>Funding</u>	<u>TPAF</u> <u>Benefit Costs</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/15	\$ 655,025	100%
06/30/14	528,247	100%
06/30/13	621,706	100%

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/15	\$ 63,796	100%
06/30/14	58,617	100%
06/30/13	61,197	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$401,875 to the TPAF for post-retirement medical benefits and \$16,991 for non-contributory insurance premiums, and \$236,159 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$349,816 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and 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. PL 2007, Ch 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, 2014, there were 103,432 retirees eligible for post-retirement medical benefits and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2014, the State paid \$165.8 million toward Ch 126 benefits for 18,122 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at (www.nj.gov/treasury/pensions).

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation 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 portion 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:

Siracusa Benefits
 AXA Equitable-Equinvest
 Lincoln Investment Planning

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

The composition of Interfund balances as of June 30, 2015 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 16,850	
Special Revenue Fund		\$ 14,737
Capital Projects Fund		697
Payroll Agency Fund		1,416
	\$ 16,850	\$ 16,850

The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$14,737 due to cash flow issues relating to the delayed receipt of grant revenues. The balance due from the Capital Projects Fund to the General Fund represents interest earned in the Capital Projects bank account not turned over to the General Fund. The balance due from the Payroll Agency Fund to the General Fund of \$1,416 represents interest and canceled balances.

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2015 consisted of the following:

Food	\$ 560
Supplies	534
	\$ 1,094

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 11. CONTINGENT LIABILITIES

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ 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 District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the current and previous two years:

Fiscal Year	Interest Earnings	District Contrib	Prior Year Refund	Employee Contrib	Amount Reimbursed	Ending Balance
2014-2015	\$ 279	\$ -0-	\$ -0-	\$ 8,817	\$ 7,477	\$ 190,339
2013-2014	271	-0-	-0-	8,685	1,252	188,720
2012-2013	355	-0-	-0-	8,306	596	181,016

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$100,000 on September 27, 2000 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 districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to NJAC 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$25,000 to the Capital Reserve account by board resolution in June 2015 as summarized in the following schedule.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

The following schedule is a summarization of the Legal Reserve Accounts for the current year:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals Net of Return	Ending Balance
Capital	\$ 820,732		\$ 1,205		\$ 846,937
Maintenance	291,251				291,251
Emergency	143,000	\$ 25,000			143,000
Totals	\$ 1,254,983	\$ 25,000	\$ 1,205	\$ -0-	\$ 1,281,188

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2015 and 2014 is as follows:

	2015	2014
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the District's Long Range Facilities Plan.	\$ 846,937	\$ 820,732
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (18A:76-9)	291,251	291,251
Emergency Reserve Account-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education in accordance with NJSA 18A:7F-41c(1)	143,000	143,000
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	354,235	233,639
Designated for Subsequent Year's Expenditures- Amount appropriated in the succeeding year's budget to reduce tax requirements	92,293	92,293
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated.	272,378	267,474
Total Fund Balance	\$ 2,000,094	\$ 1,848,389

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$-0-.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 16. DEFICIT FUND BALANCE

The district has a deficit fund balance of \$82,951 in the General Fund as of June 30, 2015 as reported in the fund statements. NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e. if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the June state aid payments, the unreserved, undesignated general fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$82,951 is less than the last state aid payment of \$355,329.

NOTE 17: SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 12, 2015, which is the date the financial statements were available to be issued and no additional item were noted for disclosure.

NOTE 18. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 18. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

NOTE 19. RESTATEMENT OF PRIOR YEAR NET POSITION

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2014 are necessary. The following is a summary of the District's restatement of net position as of June 30, 2014:

	<u>Governmental Activities</u>
Net Position, June 30, 2014 as Originally Stated	\$ 5,342,501
Add: Deferred Outflow of Resources for Pension Activity	58,617
Less: Net Pension Liability as of June 30, 2014	<u>(1,486,818)</u>
 Net Position, June 30, 2014 as Restated	 <u>\$ 3,914,300</u>

NOTE 20. DEFICIT BALANCE IN UNRESTRICTED NET POSITION

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$1,686,960 on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 4,927,038		\$ 4,927,038	\$ 4,927,038	
Tuition from Individuals	12,000		12,000	8,640	\$ (3,360)
Tuition from Other LEAs Within the State	35,500		35,500	35,607	107
Interest on Investments				10,391	10,391
Interest Earned on Capital Reserve Funds	500		500	1,205	705
Interest Earned on Maintenance Reserve Funds	200		200		(200)
Miscellaneous-Unrestricted	1,200		1,200	15,141	13,941
Total	<u>4,976,438</u>	<u>\$ -</u>	<u>4,976,438</u>	<u>4,998,022</u>	<u>21,584</u>
State Sources:					
Categorical Special Education Aid	391,733		391,733	391,733	
Categorical Transportation Aid	112,510		112,510	112,510	
Equalization Aid	2,943,686		2,943,686	2,943,686	
Categorical Security Aid	83,654		83,654	83,654	
Under Adequacy Aid	19,421		19,421	19,421	
PARCC Readiness Aid	7,110		7,110	7,110	
Per Pupil Growth Aid	7,110		7,110	7,110	
Extraordinary Special Education Costs Aid				20,270	20,270
Non Public Transportation Aid				2,777	2,777
Other State Aid				30,343	30,343
On-Behalf TPAF Pension Contribution				253,150	253,150
On-Behalf TPAF Post Retirement Medical Benefits				401,875	401,875
Reimbursed TPAF Social Security Contribution				349,816	349,816
Total	<u>3,565,224</u>	<u>-</u>	<u>3,565,224</u>	<u>4,623,455</u>	<u>1,058,231</u>
Federal Sources:					
Medicaid Reimbursement	8,015		8,015	25,645	17,630
ARRA Medicaid Reimbursement				12,271	12,271
Total	<u>8,015</u>	<u>-</u>	<u>8,015</u>	<u>37,916</u>	<u>29,901</u>
TOTAL REVENUES	<u>\$ 8,549,677</u>	<u>\$ -</u>	<u>\$ 8,549,677</u>	<u>\$ 9,659,393</u>	<u>\$ 1,109,716</u>
EXPENDITURES					
Current:					
Regular Programs:					
Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 382,393	\$ 5,960	\$ 388,353	\$ 388,353	
Grades 1-5	2,216,380	(60,767)	2,155,613	2,154,787	\$ 826
Grades 6-8	385,324	670	385,994	385,994	
Undistributed Instruction:					
Purchased Technical Services	400	(400)			
Other Purchased Services	44,575	(24,447)	20,128	19,804	324
General Supplies	196,320	167,327	363,647	220,301	143,346
Textbooks	17,000	102,528	119,528		119,528
Total	<u>3,242,392</u>	<u>190,871</u>	<u>3,433,263</u>	<u>3,169,239</u>	<u>264,024</u>
Special Education-Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	78,194	(23,886)	54,308	54,308	
Other Salaries for Instruction	33,252	(10,589)	22,663	22,663	
Total	<u>111,446</u>	<u>(34,475)</u>	<u>76,971</u>	<u>76,971</u>	<u>-</u>
Multiple Disabilities:					
Salaries of Teachers	77,869	3,131	81,000	81,000	
Other Salaries for Instruction	34,936	20,369	55,305	55,305	
Total	<u>112,805</u>	<u>23,500</u>	<u>136,305</u>	<u>136,305</u>	<u>-</u>
Resource Room/Resource Center:					
Salaries of Teachers	594,209	(54,339)	539,870	539,870	
Other Salaries for Instruction	24,312	(24,312)			
Total	<u>618,521</u>	<u>(78,651)</u>	<u>539,870</u>	<u>539,870</u>	<u>-</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Special Education-Instruction: (cont'd)					
Autism:					
Salaries of Teachers	\$ -	\$ 748	\$ 748	\$ 700	\$ 48
Preschool Disabilities-Part-Time:					
Salaries of Teachers	112,441	(30,714)	81,727	81,727	
Other Salaries for Instruction	16,869	9,331	26,200	26,200	
Total	129,310	(21,383)	107,927	107,927	-
Preschool Disabilities-Full-Time:					
Salaries of Teachers		77,729	77,729	77,729	
Other Salaries for Instruction		19,254	19,254	18,882	372
Total	-	96,983	96,983	96,611	372
Total Special Education-Instruction	972,082	(13,278)	958,804	958,384	420
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	152,987	24,208	177,195	177,195	-
Bilingual Education-Instruction:					
Purchased Professional Educational Services	28,241	2,530	30,771	30,771	-
Total Instruction	\$ 4,395,702	\$ 204,331	\$ 4,600,033	\$ 4,335,589	\$ 264,444
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs Within the State-Regular	\$ 7,269	\$ 7,700	\$ 14,969	\$ 14,969	
Tuition to Priv Sch Disabled & Other LEAs--Spl, O/S State		16,774	16,774	16,774	
Total	7,269	24,474	31,743	31,743	\$ -
Attendance & Social Work:					
Salaries	11,404	-	11,404	11,403	1
Health Services:					
Salaries	77,494	5,535	83,029	83,029	
Purchased Professional & Technical Services	3,500	(500)	3,000	3,000	
Other Purchased Services	100	(100)			
Supplies & Materials	3,000	(1,209)	1,791	1,791	
Total	84,094	3,726	87,820	87,820	-
Speech, OT, PT & Related Services:					
Salaries	210,105	(19,784)	190,321	190,321	
Purchased Professional Educational Services	11,000	(9,200)	1,800	1,800	
Supplies & Materials		105	105	105	
Total	221,105	(28,879)	192,226	192,226	-
Guidance:					
Salaries of Other Professional Staff	78,244		78,244	78,244	
Salaries of Secretarial and Clerical Assistants		22	22	22	
Other Salaries	3,200	(3,200)			
Other Purchased Services		25	25	23	2
Supplies & Materials	3,000	(2,894)	106	106	
Total	84,444	(6,047)	78,397	78,395	2
Child Study Team:					
Salaries of Other Professional Staff	239,950	3,488	243,438	243,278	160
Salaries of Secretarial & Clerical Assistants	48,426	2,130	50,556	50,556	
Purchased Professional Educational Services	3,000	(3,000)			
Other Purchased Services		431	431	411	20
Miscellaneous Purchased Services		716	716	716	
Supplies & Materials	3,950	(2,571)	1,379	1,379	
Total	295,326	1,194	296,520	296,340	180

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Improvement of Instructional Services					
Other Purchased Services	\$ 1,500	\$ -	\$ 1,500	\$ 1,500	\$ -
Educational Media Services/School Library:					
Salaries	137,904	885	138,789	138,789	
Other Purchased Services		302	302	302	
Supplies & Materials	5,000	(389)	4,611	2,519	2,092
Total	142,904	798	143,702	141,610	2,092
Instructional Staff Training Services:					
Purchased Professional Educational Services	4,500	(4,500)			
Other Purchased Services	3,000	(483)	2,517	2,517	
Total	7,500	(4,983)	2,517	2,517	-
Support Services General Administration:					
Salaries	195,272	6,087	201,359	201,359	
Legal Services	15,000		15,000	9,781	5,219
Audit Fees	18,159		18,159	17,600	559
Architectural/Engineering Services	9,063	(8,075)	988		988
Purchased Technical Services		6,125	6,125	6,115	10
Communications & Telephone	18,925	(14,659)	4,266	4,265	1
Board of Education Other Purchased Services	3,110		3,110	2,640	470
Miscellaneous Purchased Services	32,600	(4,702)	27,898	24,511	3,387
General Supplies	3,200	3,758	6,958	5,145	1,813
Miscellaneous Expenditures	2,325		2,325	1,695	630
Board of Education Membership Dues & Fees	6,250		6,250	4,932	1,318
Total	303,904	(11,466)	292,438	278,043	14,395
Support Services School Administration:					
Salaries of Principals & Assistant Principals	100,479		100,479	100,478	1
Salaries of Secretarial & Clerical Assistants	45,376	458	45,834	44,334	1,500
Purchased Professional & Technical Services	4,125	(3,382)	743		743
Other Purchased Services		4,675	4,675	4,675	
Supplies & Materials	3,050	(1,751)	1,299	1,299	
Other Objects	1,500		1,500	1,144	356
Total	154,530	-	154,530	151,930	2,600
Central Services:					
Salaries	143,662	909	144,571	144,571	
Purchased Professional Services	12,550	(11,450)	1,100	1,100	
Purchased Technical Services	2,953	33,552	36,505	36,505	
Miscellaneous Purchased Services	825	(369)	456	50	406
Supplies & Materials	1,725	2,584	4,309	4,309	
Miscellaneous Expenditures	1,096	739	1,835	1,835	
Total	162,811	25,965	188,776	188,370	406
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	45,988	17,302	63,290	63,290	
General Supplies	9,220		9,220	4,073	5,147
Total	55,208	17,302	72,510	67,363	5,147

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Custodial Services:					
Salaries	\$ 247,445	\$ 17,833	\$ 265,278	\$ 265,119	\$ 159
Purchased Professional & Technical Services	1,700	(532)	1,168	1,164	4
Cleaning, Repair & Maintenance Services	8,000	7,284	15,284	15,284	
Insurance	31,230	(2,531)	28,699	28,699	
Miscellaneous Purchased Services		607	607	607	
General Supplies	41,677	9,241	50,918	41,589	9,329
Energy (Natural Gas)	3,000	(769)	2,231	2,231	
Energy (Electricity)	95,000	(23,509)	71,491	71,491	
Energy (Oil)	117,000	(72,036)	44,964	44,964	
Other Objects	175	284	459	459	
Total	545,227	(64,128)	481,099	471,607	9,492
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services	-	3,350	3,350	3,350	-
Security					
General Supplies	-	4,892	4,892	4,892	-
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School)-Regular	8,134	(1,793)	6,341	6,341	
Management Fee-ESC & CTSA Transportation Program	2,250	1,689	3,939	3,939	
Other Purchased Professional & Technical Services	12,021	(345)	11,676	11,676	
Contracted Services-Aid In Lieu of Payments- Nonpublic Schools	18,564	(7,956)	10,608	10,608	
Contracted Services-Aid In Lieu of Payments- Charter School Students	2,652	(479)	2,173	1,768	405
Contracted Services (Between Home & School)- Vendors	206,356	199	206,555	206,555	
Contracted Services (Other Than Between Home & School)-Vendors	1,000	(1,000)			
Contracted Services (Between Home & School)- Joint Agreements	75,000	(19)	74,981	74,971	10
Contracted Services (Special Education Students)-Vendors	62,011	415	62,426	62,426	
Contracted Services (Special Education Students)-Joint Agreements	3,515	(3,515)			
Contracted Services (Regular Students)- ESC'S & CTSA'S		13,251	13,251	13,251	
Contracted Services (Special Education Students)-ESC'S & CTSA'S	26,000	39,766	65,766	65,028	738
Total	417,503	40,213	457,716	456,563	1,153
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	82,687	(1,994)	80,693	80,693	
TPAF Contributions-ERIP	13,218	(13,218)			
Other Retirement Contributions-PERS	63,114	682	63,796	63,796	
Other Retirement Contributions-ERIP	504	(504)			
Other Retirement Contributions-Regular		802	802	713	89
Unemployment Compensation	5,000	(5,000)			
Workmen's Compensation	56,571	(16,580)	39,991	39,991	
Health Benefits	1,620,956	(192,542)	1,428,414	1,388,414	40,000
Tuition Reimbursement	22,500	(1,700)	20,800	20,800	
Other Employee Benefits	5,500	22,745	28,245	28,245	
Total	1,870,050	(207,309)	1,662,741	1,622,652	40,089

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
On-Behalf TPAF Pension Contribution				\$ 253,150	\$ (253,150)
On-Behalf TPAF Post Retirement Medical Benefits				401,875	(401,875)
Reimbursed TPAF Social Security Contribution				349,816	(349,816)
Total	\$ -	\$ -	\$ -	1,004,841	(1,004,841)
Total Undistributed Expenditures	\$ 4,364,779	\$ (200,898)	\$ 4,163,881	\$ 5,093,165	\$ (929,284)
TOTAL CURRENT	\$ 8,760,481	\$ 3,433	\$ 8,763,914	\$ 9,428,754	\$ (664,840)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction	\$ 52,493	\$ 35,178	\$ 87,671	\$ 52,493	\$ 35,178
General Administration		1,775	1,775		1,775
Total	52,493	36,953	89,446	52,493	36,953
Facilities Acquisition and Construction Services:					
Construction Services	120,661	(22,691)	97,970	6,970	91,000
Supplies and Materials	131,015	(4,892)	126,123		126,123
Assessment for Debt Service on SDA Funding	2,925		2,925	2,925	
Total	254,601	(27,583)	227,018	9,895	217,123
TOTAL CAPITAL OUTLAY	\$ 307,094	\$ 9,370	\$ 316,464	\$ 62,388	\$ 254,076
TRANSFER OF FUNDS TO CHARTER SCHOOLS	\$ 29,349	\$ (12,803)	\$ 16,546	\$ 16,546	\$ -
TOTAL EXPENDITURES	\$ 9,096,924	\$ -	\$ 9,096,924	\$ 9,507,688	\$ (410,764)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (547,247)	\$ -	\$ (547,247)	\$ 151,705	\$ 698,952
Fund Balances, July 1	1,848,389	-	1,848,389	1,848,389	-
Fund Balances, June 30	\$ 1,301,142	\$ -	\$ 1,301,142	\$ 2,000,094	\$ 698,952
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (233,639)		\$ (233,639)	\$ (233,639)	
Increase in Capital Reserve	500	\$ 247,015	247,515	248,220	\$ 705
Withdrawal from Capital Reserve	(222,015)		(222,015)	(222,015)	
Increase in Maintenance Reserve	200		200		(200)
Budgeted Fund Balance	(92,293)	(247,015)	(339,308)	359,139	698,447
TOTAL	\$ (547,247)	\$ -	\$ (547,247)	\$ 151,705	\$ 698,952

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

RECAPITULATION OF FUND BALANCE

Committed Fund Balance:			
Capital Reserve		\$ 846,937	
Maintenance Reserve		291,251	
Emergency Reserve		<u>143,000</u>	
			\$ 1,281,188
Assigned Fund Balance:			
Year-End Encumbrances		354,235	
Designated for Subsequent Year's Expenditures		<u>92,293</u>	
			446,528
Unassigned Fund Balance			<u>272,378</u>
			2,000,094
Reconciliation to Governmental Statements (GAAP):			
Last State Aid Payment not Recognized on GAAP Basis			<u>(355,329)</u>
Fund Balance Per Governmental Funds (GAAP)			<u>\$ 1,644,765</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 10,774		\$ 10,774	\$ 5,010	\$ (5,764)
Federal Sources	393,562		393,562	370,918	(22,644)
TOTAL REVENUES	<u>\$ 404,336</u>	<u>\$ -</u>	<u>\$ 404,336</u>	<u>\$ 375,928</u>	<u>\$ (28,408)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 122,787	\$ (11,999)	\$ 110,788	\$ 110,732	\$ 56
Other Purchased Services	72,810	103,560	176,370	165,580	10,790
General Supplies	27,317	(6,932)	20,385	14,526	5,859
Totals	<u>222,914</u>	<u>84,629</u>	<u>307,543</u>	<u>290,838</u>	<u>16,705</u>
Support Services:					
Salaries	36,215	(36,215)			
Personal Services Employee Benefits	21,060	2,780	23,840	23,840	
Purchased Professional & Technical Services	107,620	(48,293)	59,327	49,929	9,398
Other Purchased Services	12,490	(2,451)	10,039	7,764	2,275
Supplies & Materials	4,037	(450)	3,587	3,557	30
Total	<u>181,422</u>	<u>(84,629)</u>	<u>96,793</u>	<u>85,090</u>	<u>11,703</u>
TOTAL EXPENDITURES	<u>\$ 404,336</u>	<u>\$ -</u>	<u>\$ 404,336</u>	<u>\$ 375,928</u>	<u>\$ 28,408</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 9,659,393	\$ 375,928
Difference-Budget to GAAP:		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable-Prior Year	353,933	
State Aid Receivable-Current Year	(355,329)	
Total Revenues (GAAP Basis)	\$ 9,657,997	\$ 375,928
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,507,688	\$ 375,928
Total Expenditures (GAAP Basis)	\$ 9,507,688	\$ 375,928

REQUIRED SUPPLEMENTARY INFORMATION-PART III

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A						
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		25,283,200	22,821,533							
Total	\$ -	\$ 25,283,200	\$ 22,821,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 4,818,878	\$ 4,649,890							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A						
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 253,150	\$ 200,122	\$ 291,778	\$ 145,142	\$ 13,943	\$ 15,646	\$ 14,630	\$ 325,870	\$ 329,730	\$ 44,569
Contractually Required Contribution	(253,150)	(200,122)	(291,778)	(145,142)	(13,943)	(15,646)	(14,630)	(325,870)	(329,730)	(44,569)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 4,784,251	\$ 4,818,878	\$ 4,649,890	\$ 4,625,593	\$ 4,277,068	\$ 4,550,613	\$ 4,356,958	\$ 4,488,225	\$ 4,209,018	\$ 4,001,235
Contributions as a percentage of Covered Employee Payroll	5.29%	4.15%	6.27%	3.14%	0.33%	0.34%	0.34%	7.26%	7.83%	1.11%

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0077386119%	0.0077795075%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 1,448,880	\$ 1,486,818							
District's Covered Employee Payroll	N/A	557,526	518,180	N/A						
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		259.88%	286.93%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 63,796	\$ 58,617	\$ 61,197	\$ 68,048	\$ 65,536	\$ 53,060	\$ 52,679	\$ 37,240	\$ 20,282	\$ 11,237
Contributions in Relation to the Contractually Required Contribution	(63,796)	(58,617)	(61,197)	(68,048)	(65,536)	(53,060)	(52,679)	(37,240)	(20,282)	(11,237)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 568,546	\$ 557,526	\$ 518,180	\$ 532,985	\$ 526,344	\$ 609,219	\$ 582,213	\$ 600,468	\$ 616,112	\$ 571,923
Contributions as a percentage of Covered Employee Payroll	11.22%	10.51%	11.81%	12.77%	12.45%	8.71%	9.05%	6.20%	3.29%	1.96%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART III

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
(UNAUDITED)

JUNE 30, 2014 AND 2013

NOTE 1. SPECIAL FUNDING SITUATION-TPAF

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

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

	Local Grants	NCLB Title I	NCLB Title II A	NCLB Title III	IDEA Basic	IDEA Preschool	Totals
REVENUES							
Local Sources	\$ 5,010						\$ 5,010
Federal Sources		\$ 85,187	\$ 28,300	\$ 11,899	\$ 238,545	\$ 6,987	370,918
TOTAL REVENUES	\$ 5,010	\$ 85,187	\$ 28,300	\$ 11,899	\$ 238,545	\$ 6,987	\$ 375,928
EXPENDITURES							
Instruction:							
Salaries		\$ 62,175	\$ 21,826		\$ 19,744	\$ 6,987	\$ 110,732
Other Purchased Services					165,580		165,580
General Supplies	\$ 3,212	171		\$ 9,399	1,744		14,526
Totals	3,212	62,346	21,826	9,399	187,068	6,987	290,838
Support Services:							
Personal Services Employee Benefits		16,625	4,715	2,500			23,840
Purchased Professional & Technical Services	268		1,759		47,902		49,929
Other Purchased Services	1,530	4,629			1,605		7,764
Supplies & Materials		1,587			1,970		3,557
Total	1,798	22,841	6,474	2,500	51,477	-	85,090
TOTAL EXPENDITURES	\$ 5,010	\$ 85,187	\$ 28,300	\$ 11,899	\$ 238,545	\$ 6,987	\$ 375,928

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/15
			Prior Years	Current Year	
Renovations to the Mansfield School Building	03/11/14	\$ 6,685,350	\$ -	\$ 1,129,579	\$ 5,555,771
		<u>\$ 6,685,350</u>	<u>\$ -</u>	<u>\$ 1,129,579</u>	<u>\$ 5,555,771</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources:	
Local Sources:	
Bond Proceeds	\$ 6,685,000
Total Revenues	<u>6,685,000</u>
Expenditures and Other Financing Uses:	
Other Purchased Professional & Technical Services	228,261
Construction Services	872,298
Land Improvements	29,020
Total Expenditures & Other Financing Uses	<u>1,129,579</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,555,421
Fund Balance-Beginning	<u>-</u>
Fund Balance-Ending	<u><u>\$ 5,555,421</u></u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS-BUDGETARY BASIS
RENOVATIONS TO THE MANSFIELD SCHOOL BUILDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Bond Proceeds		\$ 6,685,000	\$ 6,685,000	\$ 6,685,350
Total Revenues	\$ -	6,685,000	6,685,000	6,685,350
Expenditures and Other Financing Uses:				
Bonding/Legal Fees		78,265	78,265	78,265
Architectural/Engineering		120,449	120,449	354,000
Other Purchased Professional & Technical Services		29,547	29,547	85,983
Construction Services		901,318	901,318	6,167,102
Total Expenditures	-	1,129,579	1,129,579	6,685,350
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 5,555,421	\$ 5,555,421	\$ -

Additional Project Information:

Project Number	2970-050-14-1000
Grant Date	N/A
Original Bonds Authorized Date	03/11/14
Bonds Authorized	\$ 6,685,350
Bonds Issued	N/A
Original Authorized Cost	\$ 6,685,350
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 6,685,350
Percentage Complete	16.90%

PROPRIETARY FUND

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FUND NET POSITION
 ENTERPRISE FUNDS
 JUNE 30, 2015

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 49,007	\$ 51,791	\$ 11,890	\$ 112,688
Receivables from Other Governments:				
State	299			299
Federal	7,274			7,274
Other Accounts Receivable		1,216		1,216
Inventory	1,094			1,094
Total Current Assets	<u>57,674</u>	<u>53,007</u>	<u>11,890</u>	<u>122,571</u>
Noncurrent Assets:				
Capital Assets	44,657			44,657
Less: Accumulated Depreciation	38,791			38,791
Total Noncurrent Assets	<u>5,866</u>	<u>-</u>	<u>-</u>	<u>5,866</u>
Total Assets	<u>63,540</u>	<u>53,007</u>	<u>11,890</u>	<u>128,437</u>
LIABILITIES				
Current Liabilities:				
Unearned Revenues	1,828		11,550	13,378
Total Liabilities	<u>1,828</u>	<u>-</u>	<u>11,550</u>	<u>13,378</u>
NET POSITION				
Net Investment in Capital Assets	5,866			5,866
Unrestricted	55,846	53,007	340	109,193
TOTAL NET POSITION	<u>\$ 61,712</u>	<u>\$ 53,007</u>	<u>\$ 340</u>	<u>\$ 115,059</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES EXPENSES, AND
 CHANGES IN FUND NET POSITION
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 89,942			\$ 89,942
Daily Sales-Nonreimbursable Programs	28,716			28,716
Child Care Program Fees		\$ 163,609		163,609
Summer Recreation Program Fees			\$ 17,032	17,032
Total Operating Revenues	118,658	163,609	17,032	299,299
Operating Expenses:				
Cost of Sales-Reimbursable Programs	82,377			82,377
Cost of Sales-Non Reimbursable Programs	21,799			21,799
Salaries	56,753	103,826	15,974	176,553
Employee Benefits	12,427	8,000		20,427
Purchased Property Services (Repairs)	3,818			3,818
Insurance	1,398	8,500		9,898
Management Fee	9,500			9,500
Other Purchased Services	4,009	866		4,875
Purchased Professional Services	1,600			1,600
Supplies and Materials	25,712	44,665	1,202	71,579
Acquisition of Equipment		16,035		16,035
Depreciation	1,915			1,915
Miscellaneous	312			312
Total Operating Expenses	221,620	181,892	17,176	420,688
Operating Income (Loss)	(102,962)	(18,283)	(144)	(121,389)
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	2,841			2,841
Federal Sources:				
National School Lunch Program	88,076			88,076
National School Breakfast Program	1,445			1,445
Child and Adult Care Food Program	1,342			1,342
Food Donation Program	14,100			14,100
Interest Earned on Investments	43			43
Total Nonoperating Revenues (Expenses)	107,847	-	-	107,847
Change in Net Position	4,885	(18,283)	(144)	(13,542)
Net Position, Beginning	56,827	71,290	484	128,601
Net Position, Ending	\$ 61,712	\$ 53,007	\$ 340	\$ 115,059

MANSFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 120,191	\$ 163,113	\$ 12,055	\$ 295,359
Payments to Food Service Management Company	(212,115)			(212,115)
Payments to Employees		(103,826)	(15,974)	(119,800)
Payments for Employee Benefits		(8,000)		(8,000)
Payments to Vendors (Net)		(70,144)	(1,202)	(71,346)
Net Cash Provided by (Used For) Operating Activities	<u>(91,924)</u>	<u>(18,857)</u>	<u>(5,121)</u>	<u>(115,902)</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	2,868			2,868
Federal Sources	89,913			89,913
Student Activity Interfund Activity			1,210	1,210
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>92,781</u>	<u>-</u>	<u>1,210</u>	<u>93,991</u>
Cash Flows from Investing Activities:				
Interest Earned on Investments	43	-	-	43
Net Increase (Decrease) in Cash and Cash Equivalents	900	(18,857)	(3,911)	(21,868)
Cash and Cash Equivalents, July 1, 2014	<u>48,107</u>	<u>70,648</u>	<u>15,801</u>	<u>134,556</u>
Cash and Cash Equivalents, June 30, 2015	<u>\$ 49,007</u>	<u>\$ 51,791</u>	<u>\$ 11,890</u>	<u>\$ 112,688</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating Income (Loss)	\$ (102,962)	\$ (18,283)	\$ (144)	\$ (121,389)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	1,915			1,915
Federal Food Donation Program	14,100			14,100
(Increase) Decrease in Other Accounts Receivable		(496)		(496)
(Increase) Decrease in Inventory	859			859
Increase (Decrease) in Accounts Payable	(7,201)	(78)		(7,279)
Increase (Decrease) in Unearned Revenue	1,365		(4,977)	(3,612)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (91,924)</u>	<u>\$ (18,857)</u>	<u>\$ (5,121)</u>	<u>\$ (115,902)</u>

FIDUCIARY FUND

DETAIL STATEMENTS

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS				
Cash & Cash Equivalents	\$ 190,339	\$ 32,034	\$ 50,929	\$ 273,302
TOTAL ASSETS	<u>190,339</u>	<u>32,034</u>	<u>50,929</u>	<u>273,302</u>
LIABILITIES				
Due to Other Funds			1,416	1,416
Due to Student Groups		32,034		32,034
Payroll Deductions & Withholdings			49,513	49,513
TOTAL LIABILITIES	<u>-</u>	<u>32,034</u>	<u>50,929</u>	<u>82,963</u>
NET POSITION	<u>\$ 190,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,339</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 8,817
Interest	279
Total Additions	9,096
DEDUCTIONS	
Unemployment Claims	7,477
Total Deductions	7,477
Change in Net Position	1,619
Net Position, Beginning of the Year	188,720
Net Position, End of the Year	\$ 190,339

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
ASSETS				
Cash & Cash Equivalents	\$ 39,190	\$ 28,197	\$ 35,353	\$ 32,034
TOTAL ASSETS	<u>\$ 39,190</u>	<u>\$ 28,197</u>	<u>\$ 35,353</u>	<u>\$ 32,034</u>
LIABILITIES				
Due to Other Funds	\$ 1,210		\$ 1,210	
Due to Student Groups:				
Mansfield Twp Elementary School	37,980	\$ 28,197	34,143	\$ 32,034
	<u>\$ 39,190</u>	<u>\$ 28,197</u>	<u>\$ 35,353</u>	<u>\$ 32,034</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
ASSETS				
Cash & Cash Equivalents	\$ 47,454	\$ 6,465,362	\$ 6,461,887	\$ 50,929
TOTAL ASSETS	<u>\$ 47,454</u>	<u>\$ 6,465,362</u>	<u>\$ 6,461,887</u>	<u>\$ 50,929</u>
LIABILITIES				
Due to Other Funds	\$ 441	\$ 1,464	\$ 489	\$ 1,416
Payroll Deductions & Withholdings	47,013	2,813,925	2,811,425	49,513
Net Payroll		3,649,973	3,649,973	
TOTAL LIABILITIES	<u>\$ 47,454</u>	<u>\$ 6,465,362</u>	<u>\$ 6,461,887</u>	<u>\$ 50,929</u>

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, obligations under capital leases, and early retirement program.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/2014	Issued	Retired	Balance 06/30/2015
			Date	Amount					
School Addition & Renovations Refunding Issue	11/28/07	\$ 2,540,000			3.625%	\$ 415,000		\$ 415,000	
Comprehensive Facility Upgrades at the Elementary School	07/09/14	6,685,000	07/15/15	\$ 200,000	2.250%				
			07/15/16	245,000					
			07/15/17	255,000					
			07/15/18	265,000					
			07/15/19	275,000					
			07/15/20	285,000					
			07/15/21	300,000					
			07/15/22	310,000					
			07/15/23	325,000					
			07/15/24	335,000					
			07/15/25	350,000					
			07/15/26	365,000					
			07/15/27	375,000					
			07/15/28	400,000					
			07/15/29	400,000					
			07/15/30	400,000					
			07/15/31	400,000					
07/15/32	400,000								
07/15/33	400,000								
07/15/34	400,000								
							\$ 6,685,000		\$ 6,685,000
						\$ 415,000	\$ 6,685,000	\$ 415,000	\$ 6,685,000

MANSFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 343,200		\$ 343,200	\$ 343,200	
State Sources:					
Debt Service Aid Type II	86,754		86,754	86,754	
Total Revenues	<u>429,954</u>	<u>\$ -</u>	<u>429,954</u>	<u>429,954</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest	15,044		15,044	15,044	
Redemption of Principal	415,000		415,000	415,000	
Total Expenditures	<u>430,044</u>	<u>-</u>	<u>430,044</u>	<u>430,044</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90)		(90)	(90)	-
Fund Balance, July 1	<u>91</u>	<u>-</u>	<u>91</u>	<u>91</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (90)</u>	<u>\$ -</u>	<u>\$ (90)</u>	<u>\$ (90)</u>	<u>\$ -</u>

STATISTICAL SECTION

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 1,828,279	\$ 1,960,067	\$ 1,978,629	\$ 2,401,972	\$ 2,594,886	\$ 3,266,569	\$ 3,505,421	\$ 3,927,154	\$ 4,194,470	\$ 4,454,564
Restricted	491,388	512,919	545,336	638,152	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189
Unrestricted	315,865	275,850	41,016	(104,690)	(296,557)	(239,689)	(85,545)	(157,168)	(1,535,244)	(1,686,960)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 2,635,532</u>	<u>\$ 2,748,836</u>	<u>\$ 2,564,981</u>	<u>\$ 2,935,434</u>	<u>\$ 2,931,432</u>	<u>\$ 3,660,847</u>	<u>\$ 4,359,370</u>	<u>\$ 4,953,566</u>	<u>\$ 3,914,300</u>	<u>\$ 4,048,793</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 6,749	\$ 5,841	\$ 19,268	\$ 17,354	\$ 15,439	\$ 13,525	\$ 11,610	\$ 9,695	\$ 7,781	\$ 5,866
Unrestricted	6,886	17,131	9,965	27,449	25,430	40,163	66,219	82,755	120,820	109,193
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 13,635</u>	<u>\$ 22,972</u>	<u>\$ 29,233</u>	<u>\$ 44,803</u>	<u>\$ 40,869</u>	<u>\$ 53,688</u>	<u>\$ 77,829</u>	<u>\$ 92,450</u>	<u>\$ 128,601</u>	<u>\$ 115,059</u>
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 1,835,028	\$ 1,965,908	\$ 1,997,897	\$ 2,419,326	\$ 2,610,325	\$ 3,280,094	\$ 3,517,031	\$ 3,936,849	\$ 4,202,251	\$ 4,460,430
Restricted	491,388	512,919	545,336	638,152	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189
Unrestricted	322,751	292,981	50,981	(77,241)	(271,127)	(199,526)	(19,326)	(74,413)	(1,414,424)	(1,577,767)
TOTAL DISTRICT-WIDE	<u>\$ 2,649,167</u>	<u>\$ 2,771,808</u>	<u>\$ 2,594,214</u>	<u>\$ 2,980,237</u>	<u>\$ 2,972,301</u>	<u>\$ 3,714,535</u>	<u>\$ 4,437,199</u>	<u>\$ 5,046,016</u>	<u>\$ 4,042,901</u>	<u>\$ 4,163,852</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 3,695,969	\$ 4,148,539	\$ 4,147,466	\$ 4,293,622	\$ 4,357,749	\$ 3,982,469	\$ 4,273,829	\$ 4,498,884	\$ 4,751,964	\$ 5,492,303
Special Education	1,139,400	1,233,506	1,343,184	1,332,142	1,437,322	1,309,437	1,402,918	1,483,278	1,409,098	1,692,648
Other Special Education	363,753	327,209	374,427	271,390	309,366	359,138	408,872	397,791	383,924	439,260
Other Instruction								517		
Support Services:										
Tuition	125,297	173,486	82,815	114,954	232,690	306,557	46,951	1,982	113,700	197,323
Student & Instruction Related Services	1,065,612	1,110,024	1,177,123	1,080,325	1,161,165	1,095,002	1,236,731	1,260,806	1,290,658	1,475,824
General & Business Administrative Services	505,404	540,260	678,334	553,615	559,412	583,913	569,400	594,934	603,309	828,075
School Administration	203,778	219,927	232,502	217,405	234,180	211,304	209,801	223,682	221,010	252,182
Plant Operations & Maintenance	537,011	579,489	689,270	642,171	674,921	568,853	595,046	595,477	690,177	663,945
Pupil Transportation	504,461	531,289	579,881	577,866	640,255	559,630	529,235	518,101	589,355	662,703
Special Schools	21,228	5,340	35,207	10,089	17,137					
Transfers to Charter Schools	16,943	8,609	9,311		3,576	9,219	54,501	66,778	16,516	16,546
Interest on Long-Term Debt	181,062	166,899	75,721	94,485	78,301	65,867	52,529	40,534	27,636	185,288
Total Governmental Activities Expenses	8,359,918	9,044,577	9,425,241	9,188,064	9,706,074	9,051,389	9,379,813	9,682,764	10,097,347	11,906,097
Business-Type Activities:										
Food Services	145,652	176,926	182,330	170,316	202,312	183,609	195,341	196,039	200,386	221,620
Before and After School Child Care		71,657	95,259	95,188	98,518	94,688	100,893	109,435	108,512	181,892
Summer Recreation Program									15,615	17,176
Total Business-Type Activities	145,652	248,583	277,589	265,504	300,830	278,297	296,234	305,474	324,513	420,688
TOTAL DISTRICT EXPENSES	\$ 8,505,570	\$ 9,293,160	\$ 9,702,830	\$ 9,453,568	\$ 10,006,904	\$ 9,329,686	\$ 9,676,047	\$ 9,988,238	\$ 10,421,860	\$ 12,326,785

MANSFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction				\$ 15,200	\$ 12,900	\$ 15,200	\$ 14,550	\$ 17,463	\$ 22,952	\$ 9,381
Special Education Instruction	\$ 10,749	\$ 31,410	\$ 27,804	26,677	55,117	27,443		28,194	34,726	35,607
Student and Instruction Related Services			6,602	13,377	6,313	3,136			252	188
General & Business Administrative Services			160						1,416	1,150
Plant Operations & Maintenance	1,093	14,920	15,771	8,789	5,432	222	2,838	182	3,467	1,803
Pupil Transportation	21,272	45,220	46,163	14,074	154,183	116,207	157,737	153,748	195,698	203,547
Special Schools	15,120		14,934	7,215	9,635					
Operating Grants & Contributions	348,662	373,260	338,608	321,155	326,086	396,710	306,644	294,775	358,956	375,928
Capital Grants & Contributions						195,691				
Total Governmental Activities Program Revenues	396,896	464,810	450,042	406,487	569,666	754,609	481,769	494,362	617,467	627,604
Business-Type Activities:										
Charges for Services:										
Food Service	101,176	125,402	125,365	125,546	116,609	109,843	114,379	100,077	103,028	118,658
Before and After School Child Care		73,685	95,274	94,026	98,353	103,981	111,459	125,100	143,458	163,609
Summer Recreation Program									16,099	17,032
Operating Grants & Contributions	48,255	58,730	62,714	61,384	81,398	77,201	94,187	94,822	98,039	107,804
Total Business-Type Activities Program Revenues	149,431	257,817	283,353	280,956	296,360	291,025	320,025	319,999	360,624	407,103
TOTAL DISTRICT-PROGRAM REVENUES	\$ 546,327	\$ 722,627	\$ 733,395	\$ 687,443	\$ 866,026	\$ 1,045,634	\$ 801,794	\$ 814,361	\$ 978,091	\$ 1,034,707
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (7,963,022)	\$ (8,579,767)	\$ (8,975,199)	\$ (8,781,577)	\$ (9,136,408)	\$ (8,296,780)	\$ (8,898,044)	\$ (9,188,402)	\$ (9,479,880)	\$ (11,278,493)
Business-Type Activities	3,779	9,234	5,764	15,452	(4,470)	12,728	23,791	14,525	36,111	(13,585)
TOTAL DISTRICT-WIDE NET EXPENSES	\$ (7,959,243)	\$ (8,570,533)	\$ (8,969,435)	\$ (8,766,125)	\$ (9,140,878)	\$ (8,284,052)	\$ (8,874,253)	\$ (9,173,877)	\$ (9,443,769)	\$ (11,292,078)

MANSFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 4,182,653	\$ 4,469,733	\$ 4,469,733	\$ 4,626,544	\$ 4,626,544	\$ 4,771,606	\$ 4,867,038	\$ 4,867,038	\$ 4,927,038	\$ 4,927,038
Taxes Levied for Debt Service	327,277	333,504	328,248	347,102	212,565	343,226	344,783	337,922	342,892	343,200
Unrestricted Grants & Contributions	3,486,893	3,841,904	4,067,587	4,159,141	4,311,169	3,995,416	4,357,864	4,590,032	4,587,705	6,107,203
Investment Earnings	37,459	57,778	50,791	24,744	9,168	4,170	4,733	3,656	3,140	11,596
Miscellaneous Income	10,081	10,152	6,385	24,499	23,223	11,777	37,149	23,882	8,040	23,949
Transfers In (Out)		(20,000)	(54,700)	(30,000)	(55,000)	(100,000)	(15,000)			
Special Item-Payment to Refunding Bond Agent			(76,700)							
Loss on Disposal of Capital Assets	(500)				(13,762)					
Total Governmental Activities	8,043,863	8,693,071	8,791,344	9,152,030	9,113,907	9,026,195	9,596,567	9,822,530	9,868,815	11,412,986
Business-Type Activities:										
Investment Earnings		103	10		144	91	99	62	40	43
Miscellaneous Income			487	118	392		251	34		
Special Item-Prior Year Accounts Receivable Canceled										
Total Business-Type Activities	-	103	497	118	536	91	350	96	40	43
TOTAL DISTRICT-WIDE	\$ 8,043,863	\$ 8,693,174	\$ 8,791,841	\$ 9,152,148	\$ 9,114,443	\$ 9,026,286	\$ 9,596,917	\$ 9,822,626	\$ 9,868,855	\$ 11,413,029
CHANGE IN NET POSITION										
Governmental Activities	\$ 80,841	\$ 113,304	\$ (183,855)	\$ 370,453	\$ (22,501)	\$ 729,415	\$ 698,523	\$ 634,128	\$ 388,935	\$ 134,493
Business-Type Activities	3,779	9,337	6,261	15,570	(3,934)	12,819	24,141	14,621	36,151	(13,542)
TOTAL DISTRICT	\$ 84,620	\$ 122,641	\$ (177,594)	\$ 386,023	\$ (26,435)	\$ 742,234	\$ 722,664	\$ 648,749	\$ 425,086	\$ 120,951

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30.									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 168,848	\$ 71,788	\$ 96,467	\$ 74,489						
Committed	261,545	272,529	305,773	524,699	\$ 278,353	\$ 577,188	\$ 939,494	\$ 1,183,489	\$ 1,254,983	\$ 1,281,188
Assigned	327,567	296,773		94,182	22,696	28,689	282,412	313,692	325,932	446,528
Unassigned	9,835	118,393	106,372	(96,812)	(96,299)	(21,602)	(80,404)	(97,079)	(86,459)	(82,951)
Total General Fund	\$ 767,795	\$ 759,483	\$ 508,612	\$ 596,558	\$ 204,750	\$ 584,275	\$ 1,141,502	\$ 1,400,102	\$ 1,494,456	\$ 1,644,765
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 228,287	\$ 232,763	\$ 250,000		\$ 354,750	\$ 56,779				\$ 3,215,657
Assigned, Reported In:										
Capital Projects Fund										2,339,764
Debt Service Fund	1,578	7,627	239,563	\$ 113,453		1	\$ 1	\$ 91	\$ 91	1
Unassigned, Reported In:										
Special Revenue Fund	(999)	(999)	(2,624)							
Total All Other Governmental Funds	\$ 228,866	\$ 239,391	\$ 486,939	\$ 113,453	\$ 354,750	\$ 56,780	\$ 1	\$ 91	\$ 91	\$ 5,555,422

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 4,509,930	\$ 4,803,237	\$ 4,797,981	\$ 4,973,646	\$ 4,839,109	\$ 5,114,832	\$ 5,211,821	\$ 5,204,960	\$ 5,269,930	\$ 5,270,238
Tuition Charges	10,749	31,410	27,804	48,694	77,320	42,468	14,550	44,194	50,786	44,247
Interest Earnings	37,459	57,778	50,791	24,744	9,168	4,170	4,733	3,656	3,140	11,596
Miscellaneous	12,672	28,055	21,349	29,326	23,264	7,629	34,384	21,029	5,373	20,151
State Sources	3,508,295	3,857,320	4,109,823	4,149,294	3,814,254	3,978,367	4,217,382	4,575,602	4,569,325	4,708,813
State Sources-Capital Projects						195,691				
Federal Sources	324,669	351,806	291,632	330,203	821,007	413,395	445,963	307,546	375,991	408,834
Total Revenues	8,403,774	9,129,606	9,299,380	9,555,907	9,584,122	9,756,552	9,928,833	10,156,987	10,274,545	10,463,879
Expenditures:										
Instruction:										
Regular Instruction	2,644,103	2,804,583	2,776,090	3,020,603	3,010,938	2,722,072	2,891,836	2,970,429	3,294,089	3,169,239
Special Education Instruction	761,964	840,350	888,290	877,154	904,573	863,440	905,969	913,914	897,417	958,384
Other Special Instruction	180,258	147,215	163,583	149,217	167,407	184,518	195,821	198,995	205,719	207,966
Other Instruction								500		
Support Services:										
Tuition	42,571	20,691			175,109	94,126			25,986	31,743
Student & Inst Related Services	742,900	743,935	777,621	717,752	750,829	698,928	805,899	783,559	828,927	811,811
General Administration	258,703	261,791	332,044	260,898	256,256	248,726	255,185	277,546	278,043	278,043
School Administration Services	147,185	152,247	160,795	151,466	162,033	144,925	144,256	151,528	151,676	151,930
Central Services	122,052	121,538	134,787	135,887	137,055	141,356	151,157	165,927	159,576	188,370
Plant Operations & Maintenance	461,258	492,421	598,927	543,483	566,031	465,284	498,437	486,432	576,612	547,212
Pupil Transportation	480,942	486,069	530,730	560,803	485,637	442,890	371,014	363,734	390,111	456,563
Employee Benefits	1,205,134	1,284,771	1,393,991	1,487,436	1,610,116	1,580,510	1,564,070	1,598,049	1,594,236	1,622,652
On-Behalf TPAF Pension & Social Security Contribution	538,662	884,345	929,440	627,266	657,061	639,055	790,537	972,745	886,735	1,004,841
Capital Outlay	6,594	42,863		13,302	27,467	2,590	52,457	250,622	83,620	59,463
Special Schools	6,108	5,340	14,306	7,155	11,990					
Transfer of Funds to Charter Schools	16,943	8,609	9,311		3,576	9,219	54,501	66,778	16,516	16,546
Special Revenue Funds	348,662	373,260	340,233	318,531	326,086	396,710	306,644	294,775	358,956	375,928
Capital Projects Fund	98,637	6,110	115,676	325,000		493,662				1,246,139
Debt Service:										
Principal	245,000	264,560	134,901	515,000	345,000	360,000	375,000	380,000	400,000	415,000
Interest & Other Charges	184,598	166,695	93,155	100,494	82,469	70,217	57,061	45,125	32,469	17,969
Total Expenditures	8,492,274	9,107,393	9,393,880	9,811,447	9,679,633	9,574,997	9,413,385	9,898,297	10,180,191	11,559,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,500)	22,213	(94,500)	(255,540)	(95,511)	181,555	515,448	258,690	94,354	(1,095,920)
Other Financing Sources (Uses):										
Proceeds from New Bond Issue			250,000							6,685,000
Proceeds from Refunding Bond Issue			2,540,000							
Payment to Refunding Bond Escrow Agent			(2,676,700)							
Premium on Bond Issue			32,577							116,560
Transfers In (Out)		(20,000)	(54,700)	(30,000)	(55,000)	(100,000)	(15,000)			
Total Other Financing Sources (Uses)	-	(20,000)	91,177	(30,000)	(55,000)	(100,000)	(15,000)	-	-	6,801,560
Net Change in Fund Balances	\$ (88,500)	\$ 2,213	\$ (3,323)	\$ (285,540)	\$ (150,511)	\$ 81,555	\$ 500,448	\$ 258,690	\$ 94,354	\$ 5,705,640
Debt Service as a Percentage of Non-capital Expenditures	5.40%	5.00%	2.52%	6.95%	4.63%	4.97%	4.84%	4.61%	4.48%	4.41%

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund and debt service.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 30,195	\$ 47,192	\$ 34,629	\$ 24,744	\$ 9,168	\$ 4,170	\$ 4,733	\$ 3,656	\$ 3,140	\$ 11,596
Tuition	10,749	31,410	27,804	48,694	77,320	42,468	14,550	44,194	50,786	44,247
Payroll Balances Transferred	2,209									228
Miscellaneous Refunds			84	133					3,425	50
Prior Year Refunds	7,265	4,703	1,552	19,640	10,077	6,054	5,676	9,823		9,002
Rentals		11,865	12,320	8,540	2,559		584		500	269
Miscellaneous Other	66		1,327	73	54	4	4	3	103	
Interlocal Agreement for Technology Services		5,449								
Vendor Rebates					4,245					
Donations					4,000	1,050	26,957	9,544		1,250
Outstanding Checks Voided	541		1,326	141	335	157				4,342
Annual Totals	\$ 51,025	\$ 100,619	\$ 79,042	\$ 101,965	\$ 107,758	\$ 53,903	\$ 52,504	\$ 67,220	\$ 57,954	\$ 70,984

Source: District Records

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 15,310,000	\$ 13,502,500	\$ 15,458,200	\$ 13,896,400	\$ 12,975,500	\$ 12,083,200	\$ 11,755,100	\$ 11,751,900	\$ 10,220,500	\$ 10,653,600
Residential	425,474,200	429,716,900	431,684,500	431,329,200	430,605,100	430,604,600	425,685,800	424,374,700	404,138,600	404,308,500
Farm Regular	50,163,600	50,595,400	50,829,400	51,820,800	51,652,000	51,652,000	55,172,200	54,693,000	54,345,900	54,221,800
Q Farm	2,759,200	2,751,200	2,668,700	3,612,000	2,903,275	2,959,050	2,943,150	2,782,050	3,544,000	3,476,790
Commercial	83,783,000	89,207,400	94,972,200	94,831,500	95,113,500	95,234,500	95,234,500	90,238,000	108,831,100	108,509,200
Industrial	16,101,700	16,054,300	16,094,300	16,094,300	16,100,300	16,100,300	16,099,500	16,099,500	17,129,400	17,493,500
Apartment	49,489,900	49,799,900	49,799,900	49,799,900	40,656,000	40,656,000	40,656,000	40,656,000	66,001,000	66,001,000
Total Assessed Value	643,081,600	651,627,600	661,507,200	661,384,100	650,005,675	649,289,650	647,546,250	640,595,150	664,210,500	664,664,390
Public Utilities (a)	1,413,210	1,333,868	1,304,575	1,335,310	1,434,922	1,262,054	1,346,173	1,315,776	1,017,159	954,436
Net Valuation Taxable	\$ 644,494,810	\$ 652,961,468	\$ 662,811,775	\$ 662,719,410	\$ 651,440,597	\$ 650,551,704	\$ 648,892,423	\$ 641,910,926	\$ 665,227,659	\$ 665,618,826
Estimated Actual County Equalized Value	\$ 808,143,962	\$ 874,462,928	\$ 947,686,266	\$ 973,509,210	\$ 889,703,083	\$ 835,647,661	\$ 763,942,104	\$ 724,259,197	\$ 683,265,878	\$ 691,839,545
Percentage of Net Valuation to Estimated Actual County Equalized Value	79.75%	74.67%	69.94%	68.08%	73.22%	77.85%	84.94%	88.63%	97.36%	96.21%
Total Direct School Tax Rate (b)	\$ 0.75	\$ 0.74	\$ 0.75	\$ 0.73	\$ 0.78	\$ 0.80	\$ 0.80	\$ 0.82	\$ 0.79	\$ 0.84

*

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 equipments of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate				Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)	Regional School Rate	Municipality	County	
			Total Direct School Tax Rate				
2006	\$ 0.70	\$ 0.05	\$ 0.75	\$ 0.89	\$ 0.34	\$ 0.78	\$ 2.76
2007	0.69	0.05	0.74	0.87	0.35	0.82	2.78
2008	0.70	0.05	0.75	0.86	0.39	0.87	2.87
2009	0.70	0.03	0.73	0.91	0.45	0.89	2.98
2010	0.73	0.05	0.78	0.89	0.52	0.84	3.03
2011	0.75	0.05	0.80	0.90	0.56	0.81	3.07
2012	0.75	0.05	0.80	0.90	0.58	0.80	3.08
2013	0.77	0.05	0.82	0.92	0.59	0.81	3.14
2014	* 0.74	0.05	0.79	0.87	0.61	0.78	3.05
2015	0.79	0.05	0.84	0.89	0.61	0.81	3.15

Sources: 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 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.

* Revalued/Reassessed

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Plaza LLC	\$ 68,981,700	1	10.36%	\$ 21,999,800	3	3.41%
Green Eagle Property Res. L.P.	33,190,600	2	4.99%	22,000,000	2	3.41%
Middlebury Associates	18,839,000	3	2.83%	13,690,000	5	2.12%
Mansfield Plaza Associates LLC	15,033,000	4	2.26%	13,769,800	4	2.14%
NYK Services Center	6,229,300	5	0.94%	3,651,400	7	0.57%
Borealis Compounds LLC	5,768,300	6	0.87%	6,462,000	6	1.00%
The Shoppes at Mansfield LLC	3,719,300	7	0.56%			
Eden Mansfield LLC	3,486,500	8	0.52%			
Mansfield Commons II LLC	3,379,400	9	0.51%			
Sarva Mangal LLC	2,849,600	10	0.43%	3,077,900	8	0.48%
Mansfield Village				32,248,900	1	5.00%
Mansfield Self Storage				2,809,200	9	0.44%
Tahoe Partners				2,250,000	10	0.35%
	<u>\$ 161,476,700</u>		<u>24.27%</u>	<u>\$ 121,959,000</u>		<u>18.92%</u>

Source: Municipal Tax Assessor

MANSFIELD TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 16,347,422	\$ 15,982,200	97.76%
2006	17,954,283	17,544,317	97.71%
2007	18,365,546	17,972,662	97.86%
2008	19,109,031	18,564,828	97.15%
2009	19,752,369	19,164,940	97.02%
2010	19,759,480	19,238,201	97.36%
2011	20,004,296	19,516,406	97.56%
2012	20,010,651	19,305,229	96.47%
2013	20,176,996	19,633,194	97.30%
2014	20,312,252	19,783,910	97.39%

Sources: 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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 3,000,000					\$ 3,000,000	0.96%	\$ 367
2007	2,735,000					2,735,000	0.83%	337
2008	2,790,000					2,790,000	0.80%	344
2009	2,275,000					2,275,000	0.64%	281
2010	1,930,000					1,930,000	0.57%	250
2011	1,570,000					1,570,000	0.47%	205
2012	1,195,000					1,195,000	0.34%	157
2013	815,000					815,000	0.22%	108
2014	415,000					415,000	0.11%	55
2015	6,685,000					6,685,000	N/A	887

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

(a) See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) Represents lease project obligations until fiscal year ending June 30, 2007 and bond issuances in fiscal years ending June 30, 2007 and June 30, 2015

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation Bonds(c)	Deductions			
2006	\$ 3,000,000		\$ 3,000,000	0.47%	\$ 367
2007	2,735,000		2,735,000	0.42%	337
2008	2,790,000		2,790,000	0.42%	344
2009	2,275,000		2,275,000	0.34%	281
2010	1,930,000		1,930,000	0.30%	250
2011	1,570,000		1,570,000	0.24%	205
2012	1,195,000		1,195,000	0.18%	157
2013	815,000		815,000	0.13%	108
2014	415,000		415,000	0.06%	55
2015	6,685,000		6,685,000	1.00%	887

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

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.
- (c) Represents lease project obligations until fiscal year ending June 30, 2007 and bond issuances in fiscal years ending June 30, 2007 and June 30, 2015

MANSFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 2,425,640	100.00	\$ 2,425,640
Regional High School	21,329,000	30.47	6,498,905
County General Obligation Debt	15,050,526	6.43	<u>967,657</u>
Subtotal, Overlapping Debt			9,892,202
School District Direct Debt			<u>7,100,350</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,992,552</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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 the municipality. 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 of 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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis									
									2014	\$ 690,375,741
									2013	674,310,684
									2012	<u>730,617,455</u>
										<u>\$ 2,095,303,880</u>
									Average Equalized Valuation of Taxable Property	
										\$ 698,434,627
									Debt Limit (2.5% of Average Equalization Value)	
										17,460,866 (a)
									Total Net Debt Applicable to Limit	
										<u>6,685,350</u>
									Legal Debt Margin	
										<u>\$ 10,775,516</u>
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	<u>\$ 17,933,843</u>	<u>\$ 19,742,724</u>	<u>\$ 21,625,565</u>	<u>\$ 23,023,989</u>	<u>\$ 23,374,421</u>	<u>\$ 22,568,180</u>	<u>\$ 20,855,329</u>	<u>\$ 19,416,446</u>	<u>\$ 18,077,816</u>	<u>\$ 17,460,866</u>
Total Net Debt Applicable	<u>3,000,000</u>	<u>2,735,000</u>	<u>2,790,000</u>	<u>2,275,000</u>	<u>1,930,000</u>	<u>1,570,000</u>	<u>1,195,000</u>	<u>815,000</u>	<u>7,100,350</u>	<u>6,685,350</u>
Legal Debt Margin	<u>\$ 14,933,843</u>	<u>\$ 17,007,724</u>	<u>\$ 18,835,565</u>	<u>\$ 20,748,989</u>	<u>\$ 21,444,421</u>	<u>\$ 20,998,180</u>	<u>\$ 19,660,329</u>	<u>\$ 18,601,446</u>	<u>\$ 10,977,466</u>	<u>\$ 10,775,516</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.73%	13.85%	12.90%	9.88%	8.26%	6.96%	5.73%	4.20%	39.28%	38.29%

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 NJSA 18A:24-19

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2006	8,168	\$ 331,669,808	\$ 40,606	4.2%
2007	8,124	348,048,408	42,842	3.9%
2008	8,120	358,254,400	44,120	5.2%
2009	8,089	354,815,896	43,864	9.2%
2010	7,721	339,430,602	43,962	9.5%
2011	7,672	353,449,040	46,070	8.8%
2012	7,608	366,058,920	48,115	8.6%
2013	7,546	370,055,840	49,040	6.9%
2014	7,535	N/A	N/A	5.4%
2015	7,535	N/A	N/A	N/A

Sources:

- (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 county estimated based upon the 2010 census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

MANSFIELD TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	48.0	48.3	48.0	44.0	46.0	42.1	42.1	42.1	44.2	44.2
Special Education	13.5	12.5	11.5	13.5	14.0	12.0	12.0	12.0	12.0	12.0
Other Special Education	8.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Other Instruction	5.0	4.5	4.5	8.5	8.5	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student and Instruction Related Services	8.8	10.1	6.6	6.0	6.0	7.4	7.5	7.5	7.5	7.5
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Services		2.0	2.0	2.0	2.0	2.8	2.8	2.8	2.8	2.8
Central Services	2.2	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0			0.5	0.5	0.5
Plant Operations and Maintenance	6.0	6.5	6.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Child Care		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total	94.5	99.4	94.6	93.5	96.0	85.8	85.9	85.9	88.0	88.0

Sources: District Personnel Records

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	698	\$ 7,957,445	\$ 11,400	7.34%	65	1 to 11.22	699.8	668.2	-2.43%	95.48%
2007	703	8,627,165	12,272	7.65%	65	1 to 10.82	706.3	675.5	0.93%	95.64%
2008	707	9,050,148	12,801	4.31%	65	1 to 10.88	715.6	685.4	1.32%	95.78%
2009	697	8,857,651	12,708	-0.72%	64.5	1 to 10.81	690.2	656.0	-3.55%	95.04%
2010	723	9,224,697	12,759	0.40%	67	1 to 10.79	722.9	691.2	4.74%	95.61%
2011	695	8,648,528	12,444	-2.47%	57	1 to 12.20	695.8	659.9	-3.75%	94.84%
2012	717	8,928,867	12,453	0.07%	57.2	1 to 12.53	717.8	688.0	3.16%	95.85%
2013	705	9,222,550	13,082	5.05%	57.2	1 to 12.33	703.9	670.5	-1.94%	95.26%
2014	705	9,664,102	13,708	4.79%	57.0	1 to 12.40	708.1	676.0	0.60%	95.46%
2015	703	9,821,228	13,970	1.91%	57.0	1 to 12.33	705.6	672.9	-0.35%	95.37%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Mansfield Township School (1964)</u>										
Square Feet	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Capacity (Students)	835	835	835	835	835	835	835	835	835	835
Enrollment	711	698	703	689	710	683	721	706	708	696

Number of Schools at June 30, 2015:
 Elementary

1

Source: District Facilities Office
 N/A=Not Available

Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES-REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	Mansfield Township Elementary School	Total
* School Facilities		
2006	\$ 44,625	\$ 44,625
2007	57,064	57,064
2008	79,318	79,318
2009	69,706	69,706
2010	90,010	90,010
2011	21,634	21,634
2012	72,121	72,121
2013	34,417	34,417
2014	50,002	50,002
2015	67,363	67,363
	<hr/>	<hr/>
Total School Facilities	<u>\$ 586,260</u>	<u>\$ 586,260</u>

* School Facilities as Defined Under EFCFA.
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

MANSFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy-NJ Schools Insurance Group:		
Property-Blanket Building & Contents (Fund Limit)	\$ 350,000,000	\$ 5,000
Accounts Receivable	250,000	5,000
Electronic Data Processing Equipment	100,000	1,000
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefit Liability	11,000,000	1,000
Blanket Employee Dishonesty	25,000	500
School Board Legal Liability-NJ Schools Insurance Group:		
Policy Limit	11,000,000	5,000
Worker's Compensation-NJ Schools Insurance Group:		
Injury by Accident Per Accident	5,000,000	
Injury by Disease Per Employee	5,000,000	
Injury by Disease Policy Limit	5,000,000	
Environmental Impairment Liability-NJ Schools Insurance Group through Zurich Insurance Company:		
Policy Limit	25,000,000	10,000
Student Accident Insurance-QBE Specialty Insurance:		
Maximum Benefit Amount	1,000,000	
Public Employees' Faithful Performance-Selective Insurance Company:		
Treasurer's Bond	195,000	
Board Secretary's Bond	85,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

November 12, 2015

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mansfield Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 12, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education's 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 Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education'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 a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education'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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

November 12, 2015

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Mansfield Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2015. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education 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 federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of The 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 Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 federal 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 federal or 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 12, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From-To	Balance 6/30/2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Health & Human Services													
General Fund:													
ARRA Medical Assistance Program	93.778	ARRA	\$ 12,271	10/01/2008-12/31/2010			\$ 12,271	\$ 12,271					
Medical Assistance Program	93.778	N/A	25,645	07/01/2014-06/30/2015			25,645	25,645					
Total General Fund					\$ -	\$ -	37,916	37,916	\$ -	\$ -	\$ -	\$ -	
US Department of Education Passed Through													
State Department of Education:													
Special Revenue Fund:													
NCLB Title I	84.010A	NCLB-297014	83,686	07/01/2013-06/30/2014	(29,778)		29,778						
NCLB Title I	84.010A	NCLB-297015	85,187	07/01/2014-06/30/2015			69,587	85,187			(15,600)		
NCLB Title IIA	84.367A	NCLB-297014	28,351	07/01/2013-06/30/2014	(12,182)		12,182						
NCLB Title IIA	84.367A	NCLB-297015	28,300	07/01/2014-06/30/2015			22,840	28,300			(5,460)		
NCLB Title III	84.365A	NCLB-297013	15,409	09/01/2012-08/31/2013	(5,144)		5,144						
NCLB Title III	84.365A	NCLB-297014	13,388	07/01/2013-06/30/2014	(12,565)		12,565	60	60				
NCLB Title III	84.365A	NCLB-297015	13,042	07/01/2014-06/30/2015			11,489	11,839			(1,553)	1,203	
IDEA Basic	84.027	IDEA-297013	178,116	09/01/2012-08/31/2013	(105,519)		105,519						
IDEA Basic	84.027	IDEA-297014	156,686	07/01/2013-06/30/2014	27,038	(68,031)	58,542	17,549					
IDEA Basic-Carryover	84.027	IDEA-297014	156,686	07/01/2013-06/30/2014		68,031		68,031					
IDEA Basic	84.027	IDEA-297015	174,407	07/01/2014-06/30/2015			125,514	152,965			(48,893)	21,442	
IDEA Preschool	84.173	IDEA-297013	7,409	09/01/2012-08/31/2013	(323)				323				
IDEA Preschool	84.173	IDEA-297014	6,869	07/01/2013-06/30/2014	(737)		737						
IDEA Preschool	84.173	IDEA-297015	6,987	07/01/2014-06/30/2015			6,987	6,987					
Total Special Revenue Fund					(139,210)	-	460,884	370,918	383	-	(71,506)	22,645	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From-To	Balance 6/30/2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Agriculture Passed Through State Department of Agriculture: Enterprise Fund:													
Food Donation Program	10.555	N/A	\$ 11,946	07/01/2013-06/30/2014	\$ 463			\$ 463					
Food Donation Program	10.555	N/A	13,931	07/01/2014-06/30/2015			\$ 13,931	13,637				\$ 294	
National School Breakfast Program	10.555	N/A	1,729	07/01/2013-06/30/2014	(180)		180						
National School Breakfast Program	10.555	N/A	1,445	07/01/2014-06/30/2015			1,220	1,445			\$ (225)		
National School Lunch Program	10.553	N/A	80,425	07/01/2013-06/30/2014	(6,030)		6,030						
National School Lunch Program	10.553	N/A	88,076	07/01/2014-06/30/2015			81,156	88,076			(6,920)		
Child and Adult Care Food Program	10.558	N/A	1,032	07/01/2013-06/30/2014	(114)		114						
Child and Adult Care Food Program	10.558	N/A	1,342	07/01/2014-06/30/2015			1,213	1,342			(129)		
Total Enterprise Fund					(5,861)	\$ -	103,844	104,963	\$ -	\$ -	(7,274)	294	\$ -
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (145,071)	\$ -	\$ 602,644	\$ 513,797	\$ 383	\$ -	\$ (78,780)	\$ 22,939	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE-SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From-To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2015			Memo		
				Deferred Rev. (Accts. Rec.)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
<u>State Department of Education</u>														
General Fund:														
Equalization Aid	15-495-034 -5120-078	\$ 2,943,686	07/01/2014- 06/30/2015			\$ 2,943,686	\$ 2,943,686						\$ 293,383	\$ 2,943,686
Categorical Special Education Aid	15-495-034 -5120-089	391,733	07/01/2014- 06/30/2015			391,733	391,733						39,042	391,733
Categorical Transportation Aid	15-495-034 -5120-014	112,510	07/01/2014- 06/30/2015			112,510	112,510						11,213	112,510
Categorical Security Aid	15-495-034 -5120-084	83,654	07/01/2014- 06/30/2015			83,654	83,654						8,337	83,654
Under Adequacy Aid	15-495-034 -5120-096	19,421	07/01/2014- 06/30/2015			19,421	19,421						1,936	19,421
Per Pupil Growth Aid	15-495-034 -5120-097	7,110	07/01/2014- 06/30/2015			7,110	7,110						709	7,110
PARCC Readiness	15-495-034 -5120-098	7,110	07/01/2014- 06/30/2015			7,110	7,110						709	7,110
Extraordinary Special Education Costs Aid	14-100-034 -5120-473	15,790	07/01/2013- 06/30/2014	\$ (15,627)		15,790	163							15,790
Extraordinary Special Education Costs Aid	15-100-034 -5120-473	20,107	07/01/2014- 06/30/2015				20,107			\$ (20,107)				20,107
Nonpublic Remote Transportation Aid	14-495-034 -5120-014	2,677	07/01/2013- 06/30/2014	(2,677)		2,677								2,677
Nonpublic Remote Transportation Aid	15-495-034 -5120-014	2,777	07/01/2014- 06/30/2015				2,777			(2,777)				2,777
Payment for Institutionalized Children- Unknown District of Residence	15-495-034 -5120-005	30,343	07/01/2014- 06/30/2015			30,343	30,343							30,343
Reimbursed TPAF Social Security Contribution	14-495-034 -5095-002	358,488	07/01/2013- 06/30/2014	(17,518)		17,518								358,488
Reimbursed TPAF Social Security Contribution	15-495-034 -5094-003	349,816	07/01/2014- 06/30/2015			332,351	349,816			(17,465)				349,816
On-Behalf TPAF Pension Contribution- Post Retirement Medical	15-495-034 -5094-001	401,875	07/01/2014- 06/30/2015			401,875	401,875							401,875
On-Behalf TPAF Pension Contribution- Non Contributory Group Insurance	15-495-034 -5094-007	16,991	07/01/2014- 06/30/2015			16,991	16,991							16,991
On-Behalf TPAF Pension Contribution- Normal Cost and Accrued Liability	15-495-034 -5094-006	236,159	07/01/2014- 06/30/2015			236,159	236,159							236,159
Total General Fund				(35,822)	\$ -	4,618,928	4,623,455	\$ -		(40,349)	\$ -	\$ -	355,329	5,000,247
Debt Service Fund:														
Debt Service Aid-State Support	15-495-034 -5120-017	86,754	07/01/2014- 06/30/2015	-	-	86,754	86,754	-	-	-	-	-	-	86,754
<u>State Department of Agriculture</u>														
Enterprise Fund:														
State School Lunch Program	14-100-010 -3350-023	2,588	07/01/2013- 06/30/2014	(326)		326								2,588
State School Lunch Program	15-100-010 -3350-023	2,841	07/01/2014- 06/30/2015			2,542	2,841			(299)				2,841
Total Enterprise Fund				(326)	-	2,868	2,841	-		(299)	-	-	-	5,429
TOTAL STATE FINANCIAL ASSISTANCE				\$ (36,148)	\$ -	\$ 4,708,550	\$ 4,713,050	\$ -		\$ (40,648)	\$ -	\$ -	\$ 355,329	\$ 5,092,430

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using 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 Notes 1 (C) and 1 (D) to the Board's financial statements.

NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,396) for the general fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 37,916	\$4,622,059	\$ 4,659,975
Special Revenue Fund	\$ 5,010	370,918		375,928
Debt Service Fund			86,754	86,754
Food Service Fund		<u>104,963</u>	<u>2,841</u>	<u>107,804</u>
	<u>\$ 5,010</u>	<u>\$ 513,797</u>	<u>\$4,711,654</u>	<u>\$ 5,230,461</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contribution 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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
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: Unmodified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes X No

Noncompliance Material to General Purpose Financial Statements Noted? Yes X No

Federal Awards

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes X No

Type of Auditor's Report Issued on Compliance for Major Programs? Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133 Yes X No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
IDEA Cluster:		
84.027	\$ 238,545	IDEA Basic
84.173	6,987	IDEA Preschool
Child Nutrition Cluster:		
10.553	1,445	School Breakfast Program
10.558	1,342	Child & Adult Care Food Program
National School Lunch Program:		
10.555	88,076	Cash Assistance
10.555	14,100	Non Cash Assistance (Commodities)

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$300,000

Auditee qualified as a low-risk auditee Yes X No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk auditee X Yes No

Type of Auditor's Report Issued on Compliance
for Major Programs: Unmodified

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses? Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 15-08? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-495-034-5120-078	\$ 2,943,686	Equalization Aid
15-495-034-5120-089	391,733	Categorical Special Education Aid

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

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2015.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2015.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

There were no prior year findings or questioned costs.