

**Mantua Township School**  
**Board of Education**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2010**

**MANTUA TOWNSHIP SCHOOL DISTRICT**

**MANTUA, NEW JERSEY**

**Mantua Township School Board of Education  
Mantua, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

Of the

**Mantua Township School Board of Education  
Mantua, New Jersey**

**For the Fiscal Year Ended June 30, 2010**

Prepared by:

**Mantua Township School  
Board of Education Administration**

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**INTRODUCTORY SECTION**

# MANTUA TOWNSHIP PUBLIC SCHOOLS

DR. H. SIMMERMAN ADMINISTRATION BUILDING

684 MAIN STREET

SEWELL, NJ 08080

(856) 468-2225 (PHONE) (856)468-5563 (FAX)

**Michelle H. Daminger**  
*Board Secretary*

**Steven C. Crispin**  
*Superintendent*

**Robin Bazzel**  
*Supervisor of Curriculum*

October 15, 2010

Honorable President and  
Members of the Board of Education  
Township of Mantua School District  
Gloucester County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Township of Mantua School District (District) for the fiscal year ended June 30, 2010, 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 under the new Governmental Accounting Standards Board Statement No. 34, includes the Independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the district-wide statements, fund statements, notes to the financial statements, required supplementary information other than MD&A including budgetary comparison schedules and other supplementary information. The statistical tables include 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 Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and State Treasury Circular Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control 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:** The Township of Mantua School District is an independent reporting entity within the criteria set forth in Section 2100 of the *G.A.S.B. Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Township of Mantua Board of Education and all its schools constitute the District's reporting entity.

For the 2009/2010 school year, the District's three elementary schools were organized as follows:

- Centre City                    K-4 with special education programs for learning and/or language disability, multiple disability, and preschool disability pupils.  
A resource room for supplemental special education services is also available.
- J. Mason Tomlin            K-6 with special education programs for learning and/or language disability, multiple disability, and preschool disability pupils.  
A resource room for supplemental special education services is also available.
- Sewell                            K-4 with a resource room for offering special education supplementary services.

The following details the changes in the student enrollment of the District over the last ten years.

**Average Daily  
Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-2010	1,503	-3.84%
2008-2009	1,563	1.30%
2007-2008	1,543	.19%
2006-2007	1,540	-1.66%
2005-2006	1,566	3.09%
2004-2005	1,519	3.82%
2003-2004	1,461	.90%
2002-2003	1,448	2.11%
2001-2002	1,418	1.00%
2000-2001	1,404	.71%

**2. INSTRUCTIONAL PROGRAMS:** In addition to the basic elementary curriculum emphasizing reading, writing and arithmetic, each of the District's schools provides:

- Remedial instruction
- Resource room instruction for classifiable learning disabilities
- Speech and language development services
- Enrichment classes
- Computer instruction
- Art and music instruction
- Library programs
- Physical education instruction
- Guidance and child study team services
- A full time nurse at each school
- Foreign language instruction in Spanish

All curricular materials are reviewed on a 5-year cycle and updated as determined necessary after each review.

The summer 4-week instructional programs for early childhood intervention have continued. Both pre-first graders and new kindergarteners have the opportunity to participate in a series of readiness activities that will help them to get off to a good start in the early part of the school year. Special education students were provided the opportunity to facilitate language articulation acquisition via a computer software program, Fast Forward, during a six week offering.

Student academic performance is measured utilizing Measures of Academic Program (MAP) in grades two, three, four, five and six. This is a computerized program which measures student's abilities in reading and mathematics. This assessment is administered in the fall and in the spring. Additionally, certain students also take this assessment mid-year in order to determine their progress. The MAP assessment provides immediate feedback regarding student's abilities and provides teachers with specific information which can be used to enhance instruction.

Parent and community involvement in the schools is provided through a number of opportunities at both the local and district levels. In addition to individual school parent associations, these affiliations include school based planning teams, the District Advisory Council, the Municipal Alliance and cooperative efforts with the Township recreation, environmental groups and planning board. School Based Planning and Intervention and Referral Service Teams function at each school to further refine planning for student and school needs.

**3. 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 (G.A.A.P.). The internal control structure is designed to provide reasonable, but no absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by 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.

**4. 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, the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

**5. ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

**6. DEBT ADMINISTRATION:** At June 30, 2010, the District's outstanding debt issues included \$10,250,000 of general obligation bonds. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements include renovations and additions to the various schools, and the purchase of furniture, fixtures and equipment for the additions.

**7. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("G.U.D.P.A."). G.U.D.P.A. was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 2, Notes to the Financial Statements.

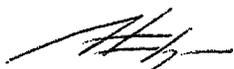
**8. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9. OTHER INFORMATION:**

- A) **Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Petroni & Associates LLC. 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 Amendments of 1996, OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Mantua Township 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.

Respectfully submitted,



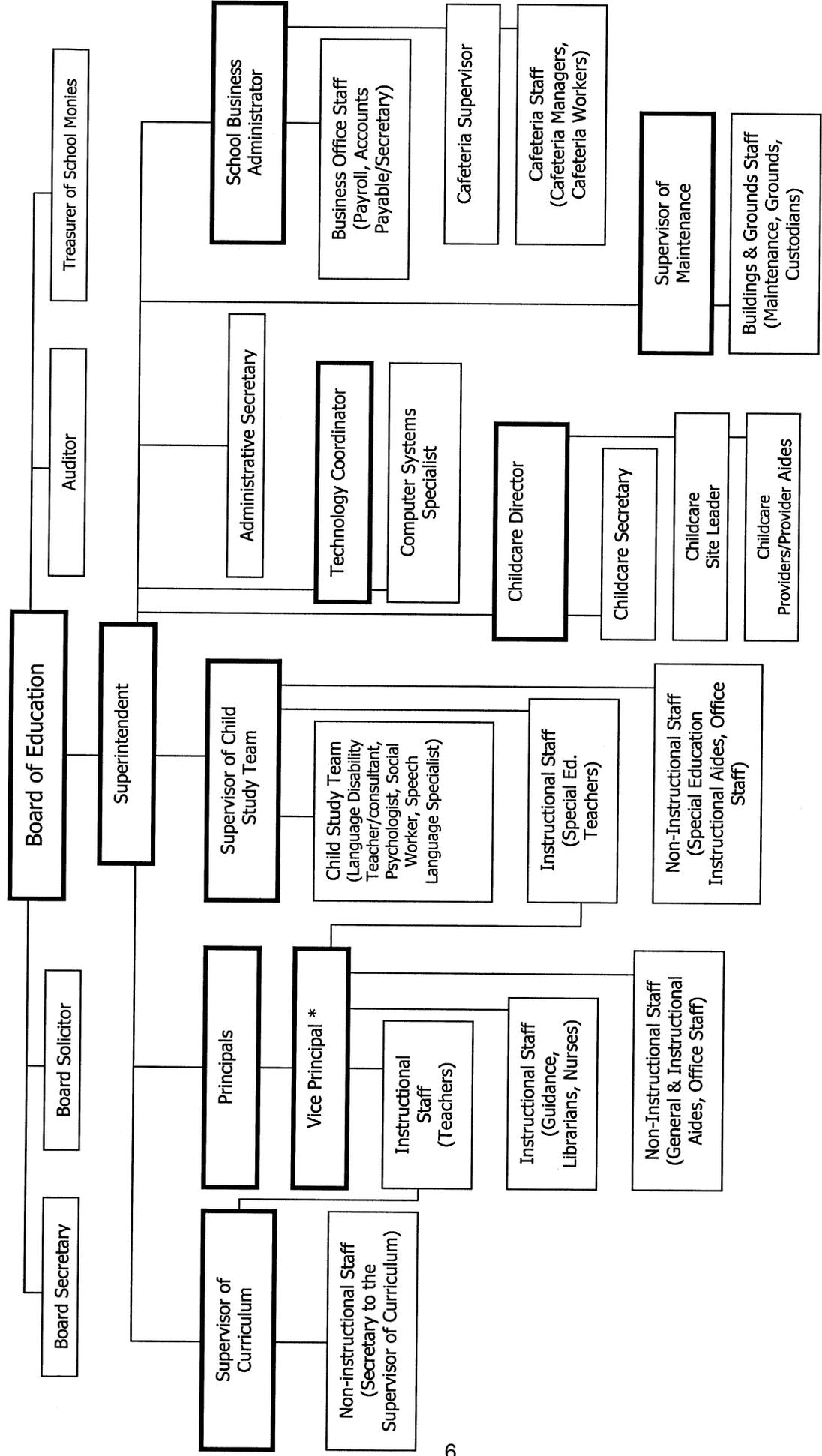
Steven C. Crispin  
Superintendent



Michelle H. Daminger  
Board Secretary

# MANTUA TOWNSHIP BOARD OF EDUCATION

## ORGANIZATIONAL CHART



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\*Centre City and JMT Schools

**MANTUA TOWNSHIP BOARD OF EDUCATION**  
**Mantua, New Jersey**

**ROSTER OF OFFICIALS**  
**June 30, 2010**

**Board of Education Members**

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
John Legge	President	2011
James F. Hochberg, Jr., Esq.	Vice President	2013
Michele Giaquinto	Board Member	2011
Tom Gregg	Board Member	2012
Audrey Laboy	Board Member	2012
Robert Johnson	Board Member	2013
Eileen Lukens	Board Member	2011
Stephen Reiners	Board Member	2012
Deborah Sutton	Board Member	2013

**OTHER OFFICIALS**

Steven C. Crispin, Superintendent/Business Administrator

Michelle Daminger, Board Secretary

Gayle Tschopp, Treasurer

Frank P. Cavallo, Jr., Solicitor

**MANTUA TOWNSHIP BOARD OF EDUCATION**  
**Mantua, New Jersey**

**List of Consultants**

Auditor: Petroni & Associates LLC  
21 W. High Street  
Glassboro, NJ 08028

Contact: Nick Petroni  
Certified Public Accountant

Solicitor: Parker McCay  
Three Greentree Center  
7001 Lincoln Drive West  
P.O. Box 974  
Marlton, NJ 08053

Contact: Frank P. Cavallo, Jr.

Treasurer: Gayle Tschopp

Depository: The Bank  
450 Bridgeton Pike  
Mantua, NJ 08051

**FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and  
Members of the Board of Education  
Mantua Township School District  
County of Gloucester  
Mantua, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the Board of Education of the Mantua Township School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Mantua Township School Board of Education's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Mantua Township School Board of Education, in the County of Gloucester, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2010 on our consideration of the Mantua Township School Board of Education's internal control over financial reporting and our test 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 the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison be presented to supplement the basic financial statements (see outline of CAFR for page numbers). Such information, although not a part of the basic financial statements, is required by the *Government Auditing 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 inquires 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mantua Township School Board of Education's financial statements as a whole. The introductory section, combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements and long-term debt schedules are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

October 13, 2010

**Required Supplementary Information – Part I**

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2010  
Unaudited

This section of the Mantua Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this Report and the District's financial statements, which immediately follows this Section.

### Overview of the Financial Statements

This Annual Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

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

Figure A-1 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2010  
Unaudited

**Figure A-1: Major Features of the District-wide and Fund Financial Statements**

	<b>District-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of Asset/Liability Information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2010  
Unaudited

### District-wide Financial Statements

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

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

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial condition of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities.

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service program and child care program would be included here.

### Fund Financial Statements

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

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

The District has four kinds of funds:

- *Governmental Funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2010  
Unaudited

of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- *Proprietary Funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. In fact, the District's *Enterprise Funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- *Internal Service Funds:* (the other kind of proprietary fund) are optional and utilized to report activities that provide supplies and services for other District programs and activities and for other districts.
- *Fiduciary Funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Student Activity Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

#### **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 notes to the financial statements can be found listed in the index of this Report.

#### **Financial Analysis of the District as a Whole**

**Net assets:** The District's combined total net assets are \$11,544,227 on June 30, 2010 (see Exhibit A-1). Approximately 1.3% of the total net assets are from business-type activities, while the balance of the total net assets of 98.7 %, is attributable to governmental activities.

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
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Mantua Township School District's Net Assets

	FY 2010		FY 2009		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2010	FY 2009
<b>Assets</b>						
Current and Other Assets	868,151	171,135	1,098,226	218,861	1,039,286	1,317,087
Capital Assets	<u>22,078,652</u>	<u>25,650</u>	<u>22,654,759</u>	<u>33,643</u>	<u>22,104,302</u>	<u>22,688,402</u>
<b>Total Assets</b>	<u>22,946,803</u>	<u>196,785</u>	<u>23,752,985</u>	<u>252,504</u>	<u>23,143,588</u>	<u>24,005,489</u>
<b>Liabilities</b>						
Noncurrent liabilities	542,549	1,308	638,370	41,444	543,857	679,814
Other liabilities	<u>11,016,600</u>	<u>38,904</u>	<u>12,274,872</u>	<u>42,988</u>	<u>11,055,504</u>	<u>12,317,860</u>
<b>Total liabilities</b>	<u>11,559,149</u>	<u>40,212</u>	<u>12,913,242</u>	<u>84,432</u>	<u>11,599,361</u>	<u>12,997,674</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	11,828,652	25,650	11,049,759	33,643	11,854,302	11,083,402
Restricted	305,197		309,681	23,187	305,197	332,868
Unrestricted	<u>(746,195)</u>	<u>130,923</u>	<u>(519,697)</u>	<u>111,242</u>	<u>(615,272)</u>	<u>(408,455)</u>
<b>Total Net Assets</b>	<u>11,387,654</u>	<u>156,573</u>	<u>10,839,743</u>	<u>168,072</u>	<u>11,544,227</u>	<u>11,007,815</u>

**Changes in net assets:** The District's total revenues are \$22,282,879 for the fiscal period ended June 30, 2010 (see Exhibit A-2). The revenue breakout for all funds is as follows: Property taxes 54%, state formula aid 38%, state and federal aid for specific programs 3% and the remainder, 5% from miscellaneous resources.

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Mantua Township School District's  
Changes in Net Assets

	FY 2010		FY 2009		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2010	FY 2009
Revenues						
Program Revenues						
Charges for services		579,387		589,430	579,387	589,430
Operating grants & contributions	732,696	140,492	623,822	126,008	873,188	749,830
General Revenues						
Property taxes	12,009,876		11,588,276		12,009,876	11,588,276
Grants and entitlements	8,509,698		8,242,865		8,509,698	8,242,865
Other	309,871	859	259,158	2,531	310,730	261,689
Total Revenue	<u>21,562,141</u>	<u>720,738</u>	<u>20,714,121</u>	<u>717,969</u>	<u>22,282,879</u>	<u>21,432,090</u>
Expenses						
Instruction	9,103,298		8,581,623		9,103,298	8,581,623
Student support services	2,035,247		1,899,205		2,035,247	1,899,205
School administration	826,899		757,711		826,899	757,711
General administrative services	343,445		393,405		343,445	393,405
Central services	134,749		194,727		134,749	194,727
Administrative info. technology	170,371		133,053		170,371	133,053
Plant operations & maintenance	1,557,647		1,601,315		1,557,647	1,601,315
Pupil transportation	1,039,964		701,528		1,039,964	701,528
Employee benefits	4,605,251		4,210,128		4,605,251	4,210,128
Interest on debt	573,537		639,688		573,537	639,688
Food service		378,126		407,876	378,126	407,876
Unallocated depreciation	623,822		640,943		623,822	640,943
Childcare		354,111		316,402	354,111	316,402
Capital outlay			790			790
Total Expenses	<u>21,014,230</u>	<u>732,237</u>	<u>19,754,116</u>	<u>724,278</u>	<u>21,746,467</u>	<u>20,478,394</u>
Increase (Decrease) in Net Assets	<u>547,911</u>	<u>(11,499)</u>	<u>960,005</u>	<u>(6,309)</u>	<u>536,412</u>	<u>953,696</u>

The District's predominant expenses are related to instruction and student support services which is approximately 51.2%. Employee benefits is 21.1%, plant operations and maintenance accounts for 7.16%, school administration 3.8%, general administration, central services and administrative information technology account for 3%, interest on debt is 2.64%, business-type activities account for 3.37% and unallocated depreciation 2.87% and transportation expenses make up 4.78% of the District's expenses.

**Governmental Activities**

Revenues for governmental activities were \$21,562,141 while total expenses amounted to \$21,014,230. This resulted in an increase in net assets in governmental activities of \$547,911 for fiscal year 2010.

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2010  
Unaudited

**Business-Type Activities**

Revenues of the District's business-type activities (food and nutrition services and after school child care) were comprised of charges for services, federal and state reimbursements and investment earnings.

- Business-type activities expenses exceeded revenues by \$11,499. .

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	Total Cost of Services FY 2010	Net Cost of Services FY 2010	Total Cost of Services FY 2009	Net Cost of Services FY 2009
Instruction	9,103,298	8,468,505	8,581,623	7,981,134
Support Services:				
Student support services	2,035,247	1,976,889	1,899,205	1,897,226
School administration	826,899	826,899	757,711	757,711
General administrative services	343,445	343,445	393,405	393,405
Central services	134,749	134,749	194,727	194,727
Administration information technology	170,371	170,371	133,053	133,053
Plant operations & maintenance	1,557,647	1,557,647	1,601,315	1,601,315
Pupil transportation	1,039,964	1,039,964	701,528	701,528
Employee benefits	4,605,251	4,565,706	4,210,128	4,188,774
Interest on debt	573,537	573,537	639,688	639,688
Food service	378,126	(30,028)	407,876	8,074
Other proprietary funds	354,111	42,386	316,402	766
Depreciation	623,822	623,822	640,943	640,943
Capital outlay			790	790
Total Expenses	<u>21,746,467</u>	<u>20,293,892</u>	<u>20,478,394</u>	<u>19,139,134</u>

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

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

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

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

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

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
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"Other" includes special schools and unallocated depreciation and capital outlay.

**The School District's Funds**

All governmental funds (i.e., General Fund, Special Revenue Fund and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$20,562,141 and expenditures were \$21,696,395 (see Exhibit B-2). The Schedules included in the financial section of this Report demonstrate that the District continues to meet its responsibility for sound financial management.

The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent of Increase (Decrease)</u>
Local sources	12,319,747	57.14%	472,313	3.99%
State sources	7,674,516	35.59%	(695,587)	-8.31%
Federal sources	1,567,878	7.27%	1,071,294	215.73%
	<u>21,562,141</u>	<u>100.00%</u>	<u>848,020</u>	4.09%

The increase in local revenue was due to a tax increase in the amount of \$421,600 and by increases in miscellaneous revenue and tuition from individuals.

The following schedules present a summary of General Fund, Special Revenue Fund, and Debt Service Fund expenditures for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	9,038,341	41.66%	455,913	5.31%
Undistributed	10,698,312	49.31%	659,545	6.57%
Capital Outlay	31,205	0.14%	(39,572)	-55.91%
Debt Service				
Principal	1,355,000	6.25%	20,000	1.50%
Interest	573,537	2.64%	(66,151)	-10.34%
	<u>21,696,395</u>	<u>100.00%</u>	<u>1,029,735</u>	5.64%

The largest portion of General Fund expenditures is for salaries and benefits. The District is a service entity and as such is labor intensive. This is typical for a service industry in both the public sector and private industry.

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
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Expenditures are up \$1,029,735 over the prior year due to fringe benefits, property & casualty insurance, transportation costs, energy and negotiated salary increases of 4.25%.

**Financial Analysis of the District's Funds**

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the District completed the year, its governmental funds reported *combined* fund balances of \$325,602 (see Exhibit B-1).

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following category:

- Transfers between budgetary line accounts to prevent overruns.
- Appropriation of revenue due to tuition costs.

This fiscal year was completed utilizing a zero based budgeting as implemented by the Board of Education and Administration. This process allowed us to more accurately account for our expenditures by school. Principals became more aware of their appropriation limitations and managed their individual school budgets effectively. Executive Order No. 14 was signed by the Governor on February 11, 2010 authorizing the withholding of State aid due to the State fiscal crisis that amounted to \$96,332 in aid.

**Capital Asset and Debt Administration**

**Capital Assets**

The Mantua Township School investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounts to \$22,104,302 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and furniture see table below (more detailed information about capital assets can be found in Note 6 to the financial statements).

Mantua Township School District's Capital Assets

	FY 2010		FY 2009		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2010	FY 2009
Land	110,027		110,027		110,027	110,027
Land improvements	192,753		178,450		192,753	178,450
Buildings	21,511,806		22,108,864		21,511,806	22,108,864
Machinery & Equipment	264,066	25,650	257,418	33,644	289,716	291,062
	<u>22,078,652</u>	<u>25,650</u>	<u>22,654,759</u>	<u>33,644</u>	<u>22,104,302</u>	<u>22,688,403</u>

Mantua Township School District  
Sewell, New Jersey

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2010  
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**Debt Administration**

At June 30, 2010, the School District had \$11,016,600 of outstanding debt. Of this amount, \$766,600, is for compensated absences; and \$10,250,000 of serial bonds for school construction.

Outstanding Debt at June 30

	FY 2010	FY 2009	Percentage Change
Compensated absences	766,600	669,872	14.44%
School Bonds of 2002	10,250,000	11,605,000	-11.68%
Total	<u>11,016,600</u>	<u>12,274,872</u>	-10.25%

**Factors bearing on the District's Future**

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

- State Formula Aid for the fiscal year 2010-2011 decreased. The SFRAPAY formula changed during the year.
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

**Contacting the District's Financial Management**

This Financial Report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this Report or need additional financial information, contact the Office of the Board Secretary, Michelle H. Daminger, Mantua Township Board of Education, 684 Main Street, Sewell, New Jersey 08080.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

MANTUA TOWNSHIP SCHOOL DISTRICTStatement of Net AssetsJune 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>FY 2010</u>
<u>ASSETS</u>			
Cash and cash equivalents	259,448	148,450	407,898
Receivables	476,407	9,536	485,943
Inventory		13,149	13,149
Restricted assets:			
Restricted cash and cash equivalents	18,049		18,049
Capital reserve account - cash	114,249		114,249
Capital assets			
Non-depreciable	110,027		110,027
Assets net of depreciation	21,968,625	25,650	21,994,275
Total Assets	<u>22,946,805</u>	<u>196,785</u>	<u>23,143,590</u>
<u>LIABILITIES</u>			
Cash overdraft	299,183		299,183
Accounts payable	213,930	1,308	215,238
Payable to state government	19,149		19,149
Deferred revenue	10,289		10,289
Noncurrent liabilities:			
Due within one year	1,429,230		1,429,230
Due beyond one year	9,587,370	38,904	9,626,274
Total Liabilities	<u>11,559,151</u>	<u>40,212</u>	<u>11,599,363</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	11,828,652	25,650	11,854,302
Restricted for:			
Debt service	1		1
Capital projects	114,249		114,249
Other purposes	190,947		190,947
Unrestricted	(746,195)	130,923	(615,272)
Total Net Assets	<u>11,387,654</u>	<u>156,573</u>	<u>11,544,227</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	5,587,824			(5,587,824)		(5,587,824)
Special education	2,858,615		634,793	(2,223,822)		(2,223,822)
Other special education	631,131			(631,131)		(631,131)
Other instruction	25,728			(25,728)		(25,728)
Support services:						
Student & instructional related services	2,035,247		58,358	(1,976,889)		(1,976,889)
General administrative services	343,445			(343,445)		(343,445)
School administrative services	826,899			(826,899)		(826,899)
Central services	134,749			(134,749)		(134,749)
Administrative information technology	170,371			(170,371)		(170,371)
Plant operations & maintenance	1,557,647			(1,557,647)		(1,557,647)
Pupil transportation	1,039,964			(1,039,964)		(1,039,964)
Employee benefits	4,605,251		39,545	(4,565,706)		(4,565,706)
Interest on long-term debt	573,537			(573,537)		(573,537)
Unallocated depreciation	623,822			(623,822)		(623,822)
Total governmental activities	21,014,230		732,696	(20,281,534)		(20,281,534)
Business-type activities:						
Food Service	378,126	267,662	140,492		30,028	30,028
Other Activities	354,111	311,725			(42,386)	(42,386)
Total business-type activities	732,237	579,387	140,492		(12,358)	(12,358)
Total primary government	21,746,467	579,387	873,188	(20,281,534)	(12,358)	(20,293,892)
General revenues:						
Property taxes, levied for general purpose, net				10,858,890		10,858,890
Taxes levied for debt service				1,150,986		1,150,986
Federal and state aid not restricted				8,509,698		8,509,698
Tuition from individuals				176,792		176,792
Tuition from other LEA's within the state				70,516		70,516
Investment earnings				18,456	859	19,315
Miscellaneous income				44,107		44,107
Total general revenues, special items, extraordinary items and transfers				20,829,445	859	20,830,304
Change in Net Assets				547,911	(11,499)	536,412
Net Assets - beginning				10,839,743	168,072	11,007,815
Net Assets - end				11,387,654	156,573	11,544,227

See accompanying notes to the basic financial statements.

**FUND FINANCIAL STATEMENTS**

MANTUA TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2010

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2010
<u>ASSETS</u>				
Cash and cash equivalents	259,447		1	259,448
Interfund accounts receivable	157			157
Receivables	13,931			13,931
Receivables from other governments	102,921	359,398		462,319
Restricted cash and cash equivalents	132,298			132,298
Total Assets	<u>508,754</u>	<u>359,398</u>	<u>1</u>	<u>868,153</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Cash overdraft		299,183		299,183
Accounts payable	172,864	41,066		213,930
Payable to state government		19,149		19,149
Deferred revenue	10,289			10,289
Total liabilities	<u>183,153</u>	<u>359,398</u>		<u>542,551</u>
Fund Balances:				
Reserved for:				
Encumbrances	254,356			254,356
Designated for subsequent year's expenditures	13,563			13,563
Excess surplus	122,898			122,898
Excess surplus - designated for subsequent year's expenditures	36,437			36,437
Maintenance reserve	18,049			18,049
Capital reserve account	114,249			114,249
Unreserved, reported in:				
General Fund - Undesignated	(233,951)			(233,951)
Debt Service Fund			1	1
Total fund balances	<u>325,601</u>		<u>1</u>	<u>325,602</u>
Total liabilities and fund balances	<u>508,754</u>	<u>359,398</u>	<u>1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$32,844,812 and the accumulated depreciation is \$10,766,160 (see Note 6). 22,078,652

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7). (11,016,600)

Net assets of governmental activities 11,387,654

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2010
<b><u>REVENUES</u></b>				
Local tax levy	10,858,890		1,150,986	12,009,876
Tuition from individuals	176,792			176,792
Tuition from other LEA's within the state	70,516			70,516
Interest earned on investments	17,451			17,451
Interest earned on capital reserve funds	1,005			1,005
Miscellaneous	44,107			44,107
	<u>11,168,761</u>		<u>1,150,986</u>	<u>12,319,747</u>
State sources	6,772,424	124,540	777,552	7,674,516
Federal sources	959,722	608,156		1,567,878
	<u>18,900,907</u>	<u>732,696</u>	<u>1,928,538</u>	<u>21,562,141</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Regular instruction	5,501,889			5,501,889
Special education instruction	2,263,558	634,793		2,898,351
Other special instruction	612,373			612,373
Other instruction	25,728			25,728
Support services & undistributed costs:				
Tuition	135,305			135,305
Student & instruction related services	1,812,317	58,358		1,870,675
General administrative services	339,805			339,805
School administrative services	818,466			818,466
Central services	135,801			135,801
Administrative information technology	167,226			167,226
Plant operations and maintenance	1,579,480			1,579,480
Pupil transportation	1,036,703			1,036,703
Employee benefits	4,575,306	39,545		4,614,851
Debt service:				
Principal			1,355,000	1,355,000
Interest and other charges			573,537	573,537
Capital outlay	31,205			31,205
	<u>19,035,162</u>	<u>732,696</u>	<u>1,928,537</u>	<u>21,696,395</u>
Excess (Deficiency) of revenues over expenditures	(134,255)		1	(134,254)
Net change in fund balances	(134,255)		1	(134,254)
Fund balance - July 1	459,856			459,856
Fund balance - June 30	<u>325,601</u>		<u>1</u>	<u>325,602</u>

See accompanying notes to the basic financial statements.

MANTUA 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 Year Ended June 30, 2010

Total net change in fund balances - governmental funds (from B-2) (134,254)

Amounts reported for governmental activities in the Statement of Activities (A-2)  
are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	68,019	
Depreciation expense	<u>(644,126)</u>	
		(576,107)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.

Bond principal payments	1,355,000
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In the Statement of Activities, certain operating expenses, e.g., compensated absences 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 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.

(96,728)

Change in net assets of governmental activities	<u><u>547,911</u></u>
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MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Totals FY 2010
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	57,146	91,304	148,450
Accounts receivable	8,071	1,465	9,536
Inventories	13,149		13,149
Total current assets	<u>78,366</u>	<u>92,769</u>	<u>171,135</u>
Noncurrent assets:			
Furniture, machinery & equipment	390,200		390,200
Less: accumulated depreciation	(364,550)		(364,550)
Total noncurrent assets	<u>25,650</u>		<u>25,650</u>
Total assets	<u><u>104,016</u></u>	<u><u>92,769</u></u>	<u><u>196,785</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,308		1,308
Compensated absences	38,904		38,904
Total current liabilities	<u>40,212</u>		<u>40,212</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	25,650		25,650
Unrestricted	38,154	92,769	130,923
Total net assets	<u><u>63,804</u></u>	<u><u>92,769</u></u>	<u><u>156,573</u></u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2010

	Business-type Activities		
	Enterprise Funds		
	Food Service Fund	Latchkey Program	Totals FY 2010
<b>OPERATING REVENUES:</b>			
Local sources:			
Daily sales-reimbursable programs:	200,574		200,574
Daily sales special milk	4,298		4,298
Daily sales non-reimbursable programs	57,094		57,094
Special function/miscellaneous	5,696	463	6,159
Tuition		311,262	311,262
Total operating revenue	267,662	311,725	579,387
<b>OPERATING EXPENSES:</b>			
Salaries	158,454	243,940	402,394
Employee benefits	12,434	19,949	32,383
Supplies and materials	10,076	89,897	99,973
Other purchased services	5,547		5,547
Depreciation	7,993		7,993
Miscellaneous other expenses	175,372		175,372
Cost of sales	8,250	325	8,575
Total operating expenses	378,126	354,111	732,237
Operating income (loss)	(110,464)	(42,386)	(152,850)
<b>NON-OPERATING REVENUES:</b>			
State sources:			
National School Lunch Program - State	6,415		6,415
Federal sources:			
National School Lunch Program	87,411		87,411
Special Milk Program	3,280		3,280
Food Distribution Program	43,386		43,386
Interest revenue	234	625	859
Total non-operating revenues (expenses)	140,726	625	141,351
Net income (loss)	30,262	(41,761)	(11,499)
Total net assets - beginning	33,542	134,530	168,072
Total net assets - ending	63,804	92,769	156,573

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2010

	Business-type Activities Enterprise Funds		
	Food Service Fund	Latchkey Program	Totals FY 2010
Cash flows from operating activities:			
Receipts from customers	267,705	311,702	579,407
Payments to suppliers	(161,894)	(90,642)	(252,536)
Payments to employees	(162,538)	(243,940)	(406,478)
Payments for employee benefits	(12,434)	(19,949)	(32,383)
Net cash provided (used) by operating activities	(69,161)	(42,829)	(111,990)
Cash flows from non-capital financing activities:			
Cash received from state & federal reimbursements	106,112		106,112
Net cash provided by non-capital financing activities	106,112		106,112
Cash flows from investing activities:			
Interest on investments	234	625	859
Payment to General Fund	(19,592)	(16,784)	(36,376)
Net cash provided by investing activities	(19,358)	(16,159)	(35,517)
Net increase in cash and cash equivalents	17,593	(58,988)	(41,395)
Cash and cash equivalents - July 1	39,553	150,292	189,845
Cash and cash equivalents - June 30	57,146	91,304	148,450

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2010

	Business-type Activities		
	Enterprise Fund		
	Food Service Fund	Latchkey Program	Totals FY 2010
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(110,464)	(42,386)	(152,850)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	7,993		7,993
Food distribution program	43,386		43,386
Change in assets and liabilities:			
(Increase) decrease in inventory	(2,695)		(2,695)
(Increase) decrease in accts. receivable	43	(23)	20
Increase (decrease) in accounts payable	(3,340)	(420)	(3,760)
Increase in compensated absences	(4,084)		(4,084)
	(69,161)	(42,829)	(111,990)

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2010

	<u>Scholarship Trust Fund</u>	<u>Agency Funds</u>	<u>Totals FY 2010</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	1,296	162,138	163,434
Total assets	<u>1,296</u>	<u>162,138</u>	<u>163,434</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payroll deductions and withholdings		124,728	124,728
Due to student groups		37,253	37,253
Interfund accounts payable - General Fund		157	157
Total current liabilities		<u>162,138</u>	<u>162,138</u>
<b>NET ASSETS</b>			
Held in trust for scholarships	<u>1,296</u>		<u>1,296</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Year Ended June 30, 2010

	<u>Scholarship Trust Fund</u>
ADDITIONS:	
Investment earnings:	
Interest	212
Total additions	<u>212</u>
DEDUCTIONS:	
Scholarship payments	<u>200</u>
Change in Net Assets	12
Net Assets - Beginning of year	<u>1,284</u>
Net Assets - End of year	<u><u>1,296</u></u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

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

The financial statements of the Board of Education of Mantua Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (G.A.A.P.) as applied to governmental units. The Governmental Accounting Standards Board (G.A.S.B.) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (G.A.S.B.) and the pronouncements of the Financial Accounting Standards Board (F.A.S.B.) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict (G.A.S.B.) pronouncements. Although the District has the option to apply (F.A.S.B.) pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in (G.A.A.P.) and used by the District are discussed below.

**A. Reporting Entity**

The Mantua Township School District is a Type II District located in the County of Gloucester, 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 PreK – 8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the G.A.S.B. Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's Board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

**B. Government-wide Statements**

The School District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects and debt service are classified as governmental activities. The District's food service and latchkey programs are classified as business-type activities.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-wide Statements**

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or business-type activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**C. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following governmental funds:

**GOVERNMENTAL FUNDS**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

**General Fund** - The General Fund is the general operating fund of the District. It 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 subfund.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Financial Statements (Continued)**

As required by the New Jersey State Department of Education, the District included 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 Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

**PROPRIETARY FUNDS**

The focus of the Proprietary funds measurement is upon the determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the proprietary funds of the District.

**Enterprise Funds** – The Enterprise Funds account for all revenues and expenses pertaining to the Board's 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 on a continuing basis are financed or recovered primarily through user charges.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Financial Statements (Continued)**

The District's Enterprise Fund are comprised of the Food Service Fund, and the Latchkey Program Fund.

**Internal Service Fund** - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

**FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore not available to support District programs. The reporting focus is on net assets. Changes in net assets and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The fiduciary funds include Student Activity Fund, Payroll, Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also related to the timing of the measurement made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

thereafter. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from G.A.A.P. in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. Sufficient supplemental records are maintained to allow for the presentation of G.A.A.P. basis financial reports.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts 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. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For purposes of determining cash equivalents, the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (N.J.S.A. 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 Governmental Unit Deposit Protection Act (G.U.D.P.A.). G.U.D.P.A. was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% 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.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Inventories**

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food - Commodities	10,008
Supplies	1,511
Food	<u>1,630</u>
	<u><u>13,149</u></u>

The value of federal donated commodities are reflected in Schedule A (required by 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 non-operating revenue in the financial statements.

**G. Capital Assets**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site Improvements	15-20
Building & Improvements	20-50
Machinery & Equipment	5-20

**H. Revenues**

Substantially all governmental fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASB No. 33. In applying GASB 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Expenditures**

Expenses are recognized when the related fund liability is incurred. Inventory costs reported in the period when inventory items are used, rather than in the period purchased.

**J. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted in the period in which such services are rendered or in which such events take place.

In governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**K. Interfund Receivables/Payables**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

**L. Accrued Salaries and Wages**

None of the School District's employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles 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.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grants 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.

**N. 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 Special Revenue Fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Encumbrances (Continued)**

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.

**O. Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**P. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Q. Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Depository Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2010 and 2009, was \$404,447 and \$600,102. As of June 30, 2010 and 2009, \$0 of the District's bank balance of \$913,607 and \$1,073,234, respectively, was exposed to custodial credit risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2010 and 2009, the District did not have any investments.

Interest rate risk: The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute N.J.S.A. 18A:20-37 limits the length of time for most investments to 397 days.

Credit risk: New Jersey statute N.J.S.A. 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit risk: The District places no limit on the amount the District may invest in any one issuer.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2010, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State Aid	102,921	517
Other	13,931	7,194
Federal Aid	359,398	1,825
	<u>476,250</u>	<u>9,536</u>

**NOTE 5: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education by inclusion of \$1,000 on October 9, 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 District's approved Long Range Facilities Plan (L.R.F.P.). Upon submission of the L.R.F.P. to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved L.R.F.P.

The June 30, 2010 L.R.F.P. balance of local support costs of uncompleted capital projects is \$1,018,000.

Beginning balance, July 1, 2009	113,244
Interest Earnings	<u>1,005</u>
Ending Balance June 30, 2010	<u>114,249</u>

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2010.

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance</u> <u>June 30, 2010</u>
Governmental activities:				
Capital assets not being depreciated				
Sites (Land)	<u>110,027</u>			<u>110,027</u>
Total capital assets not being depreciated	<u>110,027</u>			<u>110,027</u>
Land Improvements	545,757	32,787		578,544
Building & Building Improvements	31,165,913			31,165,913
Machinery & Equipment	<u>955,096</u>	<u>35,232</u>		<u>990,328</u>
Totals at historical cost	<u>32,666,766</u>	<u>68,019</u>		<u>32,734,785</u>
Less: Accumulated depreciation				
Land Improvements	(367,307)	(18,484)		(385,791)
Building & Building Improvements	(9,057,049)	(597,058)		(9,654,107)
Machinery & Equipment	<u>(697,678)</u>	<u>(28,584)</u>		<u>(726,262)</u>
Total accumulated depreciation	<u>(10,122,034)</u>	<u>(644,126)</u>		<u>(10,766,160)</u>
Governmental activities capital assets, net	<u>22,654,759</u>	<u>(576,107)</u>		<u>22,078,652</u>
Business-type activities:				
Machinery & Equipment	390,200			390,200
Less: Accumulated depreciation	<u>(356,557)</u>	<u>(7,993)</u>		<u>(364,550)</u>
Business-type capital assets, net	<u>33,643</u>	<u>(7,993)</u>		<u>25,650</u>

Depreciation was charged to the following governmental programs:

Instruction	13,205
Support Administration	1,548
Transportation	3,261
Operation and Maintenance	2,290
Unallocated	<u>623,822</u>
Total	<u>644,126</u>

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 7: GENERAL LONG-TERM DEBT**

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

\$15,150,000 School Bonds dated April 15, 2002, payable in annual installments through March 1, 2020. Interest is paid semi-annually at an interest rate from 3.75% to 5%. The remaining balance at June 30, 2010 was \$10,250,000.

Long-term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2010, are as follows:

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Due within one year
Compensated absences	660,272	147,116	40,788	766,600	34,230
Special termination benefits	9,600		9,600		
Serial bonds payable	11,605,000		1,355,000	10,250,000	1,395,000
	<u>12,274,872</u>	<u>147,116</u>	<u>1,405,388</u>	<u>11,016,600</u>	<u>1,429,230</u>

Bonds Payable

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

Year Ended June 30	Principal	Interest	Total
2011	1,395,000	505,787	1,900,787
2012	895,000	436,038	1,331,038
2013	960,000	398,000	1,358,000
2014	1,030,000	350,000	1,380,000
2015	1,020,000	298,500	1,318,500
2016-2020	4,950,000	732,750	5,682,750
	<u>10,250,000</u>	<u>2,721,075</u>	<u>12,971,075</u>

Bonds Authorized but Not Issued

As of June 30, 2010, the Board has \$0 of bonds authorized but not issued.

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2010, it is not necessary for the Board to establish a liability for arbitrage rebate.

**NOTE 8: PENSION FUNDS**

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (P.E.R.S.), or Teachers' Pension and Annuity Fund (T.P.A.F.) a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archieve.htm](http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm).

Teachers' Pension and Annuity Fund (T.P.A.F.) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified titles.

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

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 8: PENSION FUNDS (CONTINUED)**

Funding Policy - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provide for employee contributions of 5.5% of employees' annual compensation, as defined. T.P.A.F. provides for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in P.E.R.S and T.P.A.F. The P.E.R.S. rates in effect for April 2010 are 8.95% of covered payroll, respectively as reported on June 30, 2008. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District's contributions to P.E.R.S for the years ending June 30, 2010, 2009 and 2008 were \$187,567, \$165,076 and \$121,687 respectively, equal to the required contributions for each year. The School District's contributions to T.P.A.F for the years ending June 30, 2010, 2009 and 2008 were \$568,902, \$549,057 and \$921,886 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2010, 2009 and 2008 were \$12,232,890, \$11,693,943 and \$11,102,651, covered payroll was \$8,493,531, \$8,464,426 and \$8,141,555 for T.P.A.F. and \$2,221,996, \$2,219,307 and \$2,028,446 for P.E.R.S.

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (D.C.R.P.) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.A.C. 43:15C-1 et. seq.). The D.C.R.P. provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District did not make any contributions for the fiscal year 2010, as no employees participated in this plan.

**NOTE 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating twenty-five years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through (T.P.A.F.) and (P.E.R.S.). It created separate

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 9: POST-RETIREMENT BENEFITS (Continued)**

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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed, from a pre-funding basis, to a pay-as-you-go basis, beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of P.E.R.S. and the Alternate Benefit Program who retired from a board of education or county college with twenty-five years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

**NOTE 10: DEFERRED COMPENSATION**

The Board offers its employees a choice of various 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:

Lincoln Investment Planning, Inc.  
MetLife  
Thomas Seeley "The Legend Group"

**NOTE 11: COMPENSATED ABSENCES**

The District accounts for compensated absences using the termination method (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (G.A.S.B. 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the 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 policies. Eligible administrators may bank unused vacation up to the total number of vacation days earned per year. Any unused vacation days which result in an employee exceeding the allowable number of banked days on June 30 of any given year will be forfeited.

Teachers are entitled to eleven sick days per school year and are permitted to accumulate these days from year to year with no maximum limit. In order to be reimbursed for unused sick time, the teacher must have a minimum of fifty days accumulated at the end of the academic year in which their retirement is executed. Under the current contract, a teacher will only be reimbursed up to a maximum of (\$7,200) 120 days at a rate of \$60 per day. The District uses the vesting method to record the liability.

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 11: COMPENSATED ABSENCES (CONTINUED)**

For the District-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the governmental fund at June 30, 2010 is \$766,600 of which \$34,230 is due within one year. The liability for compensated absences in the food service fund at June 30, 2010 is \$38,903.

**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 surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2010, the District did not incur claims in excess of their coverage.

The District is a member of the New Jersey School Boards Association Insurance Group – ERIC – South. The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability
- General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

**NOTE 13: OPERATING LEASES**

The District has commitments to lease copiers under non-cancelable operating leases spanning 48 months. Monthly payments range from \$324 - \$656 per month. Total lease payments made during the year ended June 30, 2010 amounted to \$58,468. Future minimum lease payments are as follows:

Year Ended	
June 30	Amount
2011	55,703
2012	50,802
2013	48,235
2014	27,276
2015	1,956
	<u>183,972</u>

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 14: FUND BALANCE APPROPRIATED**

General Fund – (Exhibit B-1) Of the \$325,601 fund balance at June 30, 2010, \$254,356 is reserved for encumbrances; \$159,335 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$36,437 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); \$114,249 has been reserved in the capital reserve account; \$18,049 has been reserved in the maintenance reserve account; \$13,563 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; and \$(233,951) is unreserved and undesignated.

Debt Service Fund - There was \$1 fund balance at June 30, 2010.

**NOTE 15: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance – Excess surplus is a required calculation pursuant N.J.S.A. 18A:7F-7, as amended. 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, 2010 is \$159,335.

**NOTE 16: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$233,951 (Exhibit B-1) in the General Fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). N.J.S.A. 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 intergovernmental transactions, G.A.S.B. Statement No. 33 requires that recognition (revenue, expenditure, asset, 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 last state aid payment in the subsequent fiscal year, the School District can not recognize the last state aid payment on the G.A.A.P. financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

**NOTE 17: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remain on the balance sheet at June 30, 2010:

	Interfund Receivable	Payable
General Fund	157	
Trust and Agency Fund		157
	157	157

**MANTUA TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 18: ECONOMIC DEPENDENCY**

The District is heavily reliant on state sources to fund the District operations. State sources funded approximately 43% of the District's 2009-2010 governmental operations.

**NOTE 19: CONTINGENT LIABILITIES**

The School District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the opinion of the administration and legal counsels, there exists no litigation or contingent liability that may be pending against the Mantua Township School District that would have a material or adverse effect on the Board or the financial position of the District.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	10,858,890		10,858,890	10,858,890	
Tuition from individuals	90,000	33,000	123,000	176,792	53,792
Tuition from other LEA's within the state	15,000	18,000	33,000	70,516	37,516
Interest on investments	40,000		40,000	17,451	(22,549)
Interest on capital reserve funds	100		100	1,005	905
Miscellaneous	50,000		50,000	44,107	(5,893)
Total - local sources	<u>11,053,990</u>	<u>51,000</u>	<u>11,104,990</u>	<u>11,168,761</u>	<u>63,771</u>
State sources:					
Equalization aid	5,277,929	(957,660)	4,320,269	4,320,269	
Transportation aid	441,551		441,551	345,219	(96,332)
Special education aid	741,653		741,653	741,653	
Security aid	112,480		112,480	112,480	
Extraordinary aid				31,349	31,349
Nonpublic transportation aid				12,832	12,832
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				28,759	28,759
T.P.A.F. post-retirement (on-behalf non-budgeted)				540,143	540,143
Reimbursed T.P.A.F. social security contributions (non-budgeted)				670,707	670,707
Total - state sources	<u>6,573,613</u>	<u>(957,660)</u>	<u>5,615,953</u>	<u>6,803,411</u>	<u>1,187,458</u>
Federal sources:					
Medical assistance program				2,062	2,062
Education stabilization fund		921,969	921,969	921,969	
Government services recovery act		35,691	35,691	35,691	
Total - federal sources		<u>957,660</u>	<u>957,660</u>	<u>959,722</u>	<u>2,062</u>
Total revenues	<u>17,627,603</u>	<u>51,000</u>	<u>17,678,603</u>	<u>18,931,894</u>	<u>1,253,291</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	380,349	77,749	458,098	458,017	81
Grades 1-5	4,220,552	(95,729)	4,124,823	4,116,817	8,006
Grades 6-8	546,758	18,836	565,594	565,538	56
Regular programs - home instruction:					
Salaries of teachers	3,000	407	3,407	3,406	1
Purchased professional - educational services		805	805	805	
Regular programs - undistributed instruction:					
Other salaries for instruction	18,653	29,361	48,014	47,182	832
Purchased professional - educational services		4,800	4,800	1,800	3,000
Other purchased services (400-500 series)	600	1,897	2,497	2,494	3
General supplies	267,670	60,756	328,426	217,768	110,658
Textbooks	101,106	(2,780)	98,326	85,287	13,039
Miscellaneous expenditures	4,000	(1,220)	2,780	2,775	5
Total regular programs	5,542,688	94,882	5,637,570	5,501,889	135,681
Learning and/or language disabilities:					
Salaries of teachers	280,322	(6,312)	274,010	273,679	331
Other salaries for instruction	162,124	54,871	216,995	216,688	307
General supplies	10,932	2,286	13,218	11,372	1,846
Textbooks	3,551	337	3,888	3,888	
Total learning and/or language disabilities	456,929	51,182	508,111	505,627	2,484
Multiple disabilities					
Salaries of teachers	124,300	48,474	172,774	172,501	273
Other salaries for instruction	102,260	(33,702)	68,558	68,424	134
General supplies	5,573	498	6,071	3,922	2,149
Total multiple disabilities	232,133	15,270	247,403	244,847	2,556
Resource room:					
Salaries of teachers	863,696	14,209	877,905	877,774	131
Other salaries for instruction	189,495	35,571	225,066	224,752	314
General supplies	21,388	250	21,638	17,018	4,620
Textbooks	3,546	(2,542)	1,004	984	20
Total resource room	1,078,125	47,488	1,125,613	1,120,528	5,085
Preschool disabilities - part-time					
Salaries of teachers	198,184	(5,188)	192,996	192,750	246
Other salaries for instruction	244,065	(47,205)	196,860	183,586	13,274
General supplies	4,260	1,499	5,759	3,550	2,209
Total preschool disabilities - part-time	446,509	(50,894)	395,615	379,886	15,729

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home instruction:					
Salaries of teachers	3,435	(2,458)	977	973	4
Purchased professional - educational services	5,000	6,699	11,699	11,697	2
Total home instruction	8,435	4,241	12,676	12,670	6
Total special education	2,222,131	67,287	2,289,418	2,263,558	25,860
Basic skills/remedial:					
Salaries of teachers	494,702	59,710	554,412	553,658	754
Other salaries for instruction	41,200	11,627	52,827	52,563	264
General supplies	8,321	507	8,828	6,152	2,676
Total basic skills/remedial	544,223	71,844	616,067	612,373	3,694
Bilingual:					
Salaries of teachers	2,500	(1,800)	700		700
General supplies	500	(143)	357	163	194
Total bilingual	3,000	(1,943)	1,057	163	894
School sponsored co-curricular activities:					
Salaries	25,000	1,799	26,799	25,400	1,399
Total school sponsored co-curricular activities	25,000	1,799	26,799	25,400	1,399
School sponsored athletics - instruction:					
Salaries	4,000	(3,500)	500	165	335
Total school sponsored athletics - instruction	4,000	(3,500)	500	165	335
Total other instructional programs	576,223	68,200	644,423	638,101	6,322
Total - instruction	8,341,042	230,369	8,571,411	8,403,548	167,863
Undistributed expenditures:					
Instruction					
Tuition to other LEAs within state-regular		20,640	20,640	20,639	1
Tuition to county special services district/ regional day schools		95,000	95,000	94,860	140
Tuition to private schools for the handicapped-state		21,050	21,050	19,806	1,244
Total tuition		136,690	136,690	135,305	1,385
Health services:					
Salaries	237,048	6,240	243,288	242,711	577
Purchased professional/technical services	8,652	(375)	8,277	7,752	525
Other purchased services (400-500 series)	720	(720)			
Supplies and materials	14,561	(1,410)	13,151	12,052	1,099
Total health services	260,981	3,735	264,716	262,515	2,201

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Related services:					
Salaries of teachers	406,421	(59,431)	346,990	343,534	3,456
Purchased professional-education services					
General supplies	4,230	(141)	4,089	2,093	1,996
<b>Total related services</b>	<b>410,651</b>	<b>(59,572)</b>	<b>351,079</b>	<b>345,627</b>	<b>5,452</b>
Guidance services					
Salaries of other professional staff	145,425	(2,210)	143,215	143,010	205
Purchased professional-education services	39,879	(1,423)	38,456	36,413	2,043
Purchased professional-technical services	16,798	(415)	16,383	16,356	27
Other purchased services (400-500 series)	625	282	907	607	300
Supplies and materials	3,520	(207)	3,313	2,611	702
<b>Total guidance services</b>	<b>206,247</b>	<b>(3,973)</b>	<b>202,274</b>	<b>198,997</b>	<b>3,277</b>
Child study team					
Salaries of other professional staff	488,834	(46,179)	442,655	440,674	1,981
Salaries of secretarial and clerical assistants	65,058		65,058	61,570	3,488
Purchased professional-educational services	2,650	600	3,250	2,835	415
Purchased professional-technical services	79,052	(36,200)	42,852	42,636	216
Other purchased services (400-500 series)	16,495	(7,259)	9,236	5,582	3,654
Supplies and materials	40,941	734	41,675	36,737	4,938
Other objects	1,886		1,886	150	1,736
<b>Total child study team services</b>	<b>694,916</b>	<b>(88,304)</b>	<b>606,612</b>	<b>590,184</b>	<b>16,428</b>
Improvement of instructional services/ other support services - instructional staff					
Salaries of supervisors of instruction	46,300	3,480	49,780	49,778	2
Salaries of secretarial and clerical assistants	22,867		22,867	22,258	609
Purchased professional-educational services	6,000	415	6,415	4,613	1,802
Other purchased services (400-500 series)	2,500	(399)	2,101	2,101	
Supplies and materials	9,450	(1,415)	8,035	8,034	1
Other objects	1,270	(85)	1,185	1,162	23
<b>Total improvement of instructional services/ other support services - instructional staff</b>	<b>88,387</b>	<b>1,996</b>	<b>90,383</b>	<b>87,946</b>	<b>2,437</b>
Educational media services/school library:					
Salaries	194,047	2,970	197,017	196,888	129
Purchased professional-educational services	6,355	100	6,455	6,408	47
Other purchased services (400-500 series)	2,298	(900)	1,398	1,350	48
Supplies and materials	40,842	(12,904)	27,938	25,052	2,886
<b>Total educational media services/school library</b>	<b>243,542</b>	<b>(10,734)</b>	<b>232,808</b>	<b>229,698</b>	<b>3,110</b>

MANTUA TOWNSHIP SCHOOL DISTRICTBudgetary Comparison ScheduleGeneral FundFor the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional staff training:					
Salaries of supervisors of instruction	46,300	3,479	49,779	49,778	1
Salaries of secretarial and clerical assistants	23,617	253	23,870	23,831	39
Purchased professional-educational services	700		700	400	300
Purchased professional-technical services	3,000	(690)	2,310	409	1,901
Other purchased services (400-500 series)	30,599	(10,000)	20,599	19,760	839
Supplies and materials	3,000	190	3,190	3,172	18
Total instructional staff training	107,216	(6,768)	100,448	97,350	3,098
Support services general administration:					
Salaries	204,424	2,761	207,185	206,805	380
Legal services	20,000	50	20,050	17,664	2,386
Audit Fees	14,008	(50)	13,958	13,600	358
Other professional services	16,000	1,323	17,323	17,323	
Communications/telephone	62,359	(18,000)	44,359	37,300	7,059
Other purchased services (400-500 series)	29,171	(393)	28,778	20,099	8,679
Supplies and materials	21,600	(2,858)	18,742	14,235	4,507
Miscellaneous expenditures	7,400	(837)	6,563	3,296	3,267
BOE Member dues/fees	10,520		10,520	9,483	1,037
Total support services general administration	385,482	(18,004)	367,478	339,805	27,673
Support services school administration:					
Salaries of principals/assistant principals	429,869	5,906	435,775	435,774	1
Salaries of secretarial and clerical assistants	239,423	(2,114)	237,309	232,732	4,577
Purchased professional-educational services		14,117	14,117	14,100	17
Purchased professional-technical services	30,000	340	30,340	30,340	
Other purchased services (400-500 series)	86,039	(19,140)	66,899	65,413	1,486
Supplies and materials	57,746	15,199	72,945	38,709	34,236
Other objects	6,375	(4,902)	1,473	1,398	75
Total support services school administration	849,452	9,406	858,858	818,466	40,392
Central services:					
Salaries	168,677	(55,122)	113,555	108,950	4,605
Purchased technical services	15,661	13,235	28,896	16,686	12,210
Other purchased services (400-500 series)	13,350	(8,860)	4,490	3,491	999
Supplies and materials	11,000	(4,150)	6,850	6,169	681
Other objects	1,301	(742)	559	505	54
Total central services	209,989	(55,639)	154,350	135,801	18,549
Administration information technology:					
Salaries	110,722	11,190	121,912	121,911	1
Purchased technical services	5,000	(2,000)	3,000	1,000	2,000
Other purchased services (400-500 series)	7,695	(6,188)	1,507	1,507	
Supplies and materials	31,204	45,482	76,686	41,534	35,152
Other objects	19,071	(17,797)	1,274	1,274	

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total administration information technology	173,692	30,687	204,379	167,226	37,153
Required maintenance:					
Salaries	164,350	(745)	163,605	163,591	14
Cleaning, repair and maintenance services	61,194	96,178	157,372	117,491	39,881
General supplies	57,500	13,544	71,044	65,813	5,231
Total required maintenance	283,044	108,977	392,021	346,895	45,126
Custodial services					
Other salaries	643,151	(15,752)	627,399	618,050	9,349
Purchased professional - technical services	6,500	(5,958)	542	350	192
Cleaning, repair and maintenance services	43,000	(25,625)	17,375	17,049	326
Other purchased property services	24,000		24,000	21,958	2,042
Insurance	77,072		77,072	73,945	3,127
Other purchased services (400-500 series)	4,750	(745)	4,005	4,000	5
General supplies	50,000	105	50,105	50,103	2
Energy	2,000	(2,000)			
Natural gas	89,000	(29,925)	59,075	58,774	301
Electricity	415,000	(26,600)	388,400	388,356	44
Total custodial services	1,354,473	(106,500)	1,247,973	1,232,585	15,388
Total operation & maintenance of plant services	1,637,517	2,477	1,639,994	1,579,480	60,514
Student transportation services:					
Contracted services (other than between home and school) - vendors	112,000		112,000	101,577	10,423
Contracted services (between home and school) - joint agreements	797,000		797,000	785,303	11,697
Contracted services (special education students) - joint agreements	147,000	(24,000)	123,000	122,714	286
Aid in lieu	51,000	(20,350)	30,650	27,109	3,541
Total student transportation services	1,107,000	(44,350)	1,062,650	1,036,703	25,947
Unallocated benefits:					
Social security contributions	233,290	(11,007)	222,283	222,283	
Other retirement regular	180,000	7,600	187,600	187,567	33
Unemployment compensation	32,000	21,765	53,765	53,765	
Workers' compensation	120,617	(10,172)	110,445	110,445	
Health benefits	2,775,463	(79,751)	2,695,712	2,688,369	7,343
Tuition reimbursement	40,000		40,000	37,239	2,761
Other employee benefits	9,600	26,500	36,100	36,029	71
Total unallocated benefits	3,390,970	(45,065)	3,345,905	3,335,697	10,208

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				28,759	(28,759)
T.P.A.F. post-retirement (on-behalf non-budgeted)				540,143	(540,143)
Reimbursed T.P.A.F. social security contributions (non-budgeted)				670,707	(670,707)
Total non-budgeted				<u>1,239,609</u>	<u>(1,239,609)</u>
Total undistributed expenditures	<u>9,766,042</u>	<u>(147,418)</u>	<u>9,618,624</u>	<u>10,600,409</u>	<u>(981,785)</u>
Total expenditures - current expense	<u>18,107,084</u>	<u>82,951</u>	<u>18,190,035</u>	<u>19,003,957</u>	<u>(813,922)</u>
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	<u>23,355</u>		<u>23,355</u>	<u>20,115</u>	<u>3,240</u>
Total equipment	<u>23,355</u>		<u>23,355</u>	<u>20,115</u>	<u>3,240</u>
Facilities acquisition and construction services:					
General supplies	<u>11,090</u>		<u>11,090</u>	<u>11,090</u>	
Total facilities acquisition and construction services	<u>11,090</u>		<u>11,090</u>	<u>11,090</u>	
Total capital outlay	<u>34,445</u>		<u>34,445</u>	<u>31,205</u>	<u>3,240</u>
Total expenditures	<u>18,141,529</u>	<u>82,951</u>	<u>18,224,480</u>	<u>19,035,162</u>	<u>(810,682)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(513,926)</u>	<u>(31,951)</u>	<u>481,975</u>	<u>(103,268)</u>	<u>442,609</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(513,926)</u>	<u>(31,951)</u>	<u>481,975</u>	<u>(103,268)</u>	<u>442,609</u>
Fund balances - July 1	<u>1,062,912</u>		<u>1,062,912</u>	<u>1,062,912</u>	
Fund balances - June 30	<u>548,985</u>	<u>(31,951)</u>	<u>1,544,887</u>	<u>959,644</u>	<u>442,609</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Recapitulation:</b>					
Reserve for encumbrances				254,356	
Reserve for excess surplus - designated for subsequent year's expenditures				36,437	
Excess surplus				122,898	
Maintenance reserve				18,049	
Capital Reserve				114,249	
Designated for subsequent year's expenditures				13,563	
Unrestricted Fund Balance				400,092	
				<u>959,644</u>	
Reconciliation to Governmental Fund Statements (G.A.A.P.)					
Last State Aid Payment not recognized on G.A.A.P. Basis				<u>(634,043)</u>	
Fund Balance per Governmental Funds (G.A.A.P.)				<u><u>325,601</u></u>	

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
American Recovery and Reinvestment Act  
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources					
Education stabilization fund		921,969	921,969	921,969	
Government services recovery act		35,691	35,691	35,691	
Total Revenues		<u>957,660</u>	<u>957,660</u>	<u>957,660</u>	
EXPENDITURES:					
Education stabilization fund					
Salaries of teachers					
Grades 1-5		800,237	800,237	800,237	
Grades 6-8		82,278	82,278	82,278	
Multiple disabilities		39,454	39,454	39,454	
Total education stabilization fund		<u>921,969</u>	<u>921,969</u>	<u>921,969</u>	
Government services recovery act					
Salaries of teachers					
Grades 1-5		35,691	35,691	35,691	
Total government services recovery act		<u>35,691</u>	<u>35,691</u>	<u>35,691</u>	
Total American recovery and reinvestment act		<u>957,660</u>	<u>957,660</u>	<u>957,660</u>	

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	354,367	726,108	1,080,475	627,713	452,762
State Sources	137,181	14,226	151,407	124,540	26,867
Total Revenues	<u>491,548</u>	<u>740,334</u>	<u>1,231,882</u>	<u>752,253</u>	<u>479,629</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	76,680	363,744	440,424	275,915	164,509
Purchased Professional Technical Services		865	865	685	180
Purchased professional - educational services	14,896	1,161	16,057	13,618	2,439
Tuition	388,936	183,880	572,816	355,926	216,890
Textbooks	11,036	2,505	13,541	4,265	9,276
General Supplies		4,123	4,123	3,348	775
Total Instruction	<u>491,548</u>	<u>556,278</u>	<u>1,047,826</u>	<u>653,757</u>	<u>394,069</u>
Support Services:					
Salaries		10,812	10,812		10,812
Personal Services - Employee Benefits		88,294	88,294	39,545	48,749
Purchased Professional - Educational Services		180	180		180
Purchased Professional Technical Services		67,018	67,018	58,951	8,067
Purchased Professional Services		4,252	4,252		4,252
Total Support Services		<u>170,556</u>	<u>170,556</u>	<u>98,496</u>	<u>72,060</u>
Facilities Acquisition and construction					
Instructional equipment		13,500	13,500		13,500
Total facilities Acquisition and construction		<u>13,500</u>	<u>13,500</u>		<u>13,500</u>
Total Expenditures	<u>491,548</u>	<u>740,334</u>	<u>1,231,882</u>	<u>752,253</u>	<u>479,629</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

MANTUA TOWNSHIP SCHOOL DISTRICT  
Required Supplementary Information  
Budget-to-G.A.A.P. Reconciliation  
Note to RSI  
For the Fiscal Year Ended June 30, 2010

Note A: Explanation of Differences between Budgetary Inflows and Outflows and G.A.A.P. Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] 18,931,894	[C-2] 752,253
Difference - budget to G.A.A.P.		
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(19,557)
State aid payment recognized for budgetary purposes, not recognized for G.A.A.P. statements.	(634,043)	
State aid payment recognized for G.A.A.P. statements in the current year, previously recognized for budgetary purposes.	603,056	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] 18,900,907	[B-2] 732,696
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] 19,035,162	[C-2] 752,253
Difference - budget to G.A.A.P.		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(19,557)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] 19,035,162	[B-2] 732,696

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

MANTUA TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

	Total Brought Forward Ex. E-1a	Nonpublic Handicapped Services			Totals	
		Supplemental Instruction	Exam & Classification	Corrective Speech	FY 2010	FY 2009
<b>REVENUES:</b>						
Federal sources	627,713				627,713	495,599
State sources	81,230	3,982	12,427	26,901	124,540	129,954
Total revenues	708,943	3,982	12,427	26,901	752,253	625,553
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	275,915				275,915	85,415
Purchased professional/technical services	685				685	988
Purchased educational services	13,618				13,618	15,903
Tuition	312,616	3,982	12,427	26,901	355,926	471,759
Textbooks	4,265				4,265	5,528
General supplies	3,348				3,348	19,381
Total instruction	610,447	3,982	12,427	26,901	653,757	598,974
Support services:						
Personal services - employee benefits	39,545				39,545	21,354
Purchased professional - educational services						473
Purchased professional - technical services	58,951				58,951	
Purchased professional services						4,579
General supplies						173
Total support services	98,496				98,496	26,579
Total expenditures	708,943	3,982	12,427	26,901	752,253	625,553

MANTUA TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

	Total Brought Forward Ex. E-1b	Title I Part A	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part D Enhancing Education through Technology	Title IV Safe & Drug Free Schools and Communities	Total Carried Forward
<b>REVENUES:</b>						
Federal sources	511,362	77,168	35,529	685	2,969	627,713
State sources	81,230					81,230
<b>Total revenues</b>	<b>592,592</b>	<b>77,168</b>	<b>35,529</b>	<b>685</b>	<b>2,969</b>	<b>708,943</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	177,915	67,000	31,000			275,915
Purchased professional/technical services				685		685
Purchased educational services	13,618					13,618
Tuition	312,616					312,616
Textbooks	4,265					4,265
General supplies		379			2,969	3,348
<b>Total instruction</b>	<b>508,414</b>	<b>67,379</b>	<b>31,000</b>	<b>685</b>	<b>2,969</b>	<b>610,447</b>
Support services:						
Personal services - employee benefits	25,227	9,789	4,529			39,545
Purchased professional/technical services	58,951					58,951
<b>Total support services</b>	<b>84,178</b>	<b>9,789</b>	<b>4,529</b>			<b>98,496</b>
<b>Total expenditures</b>	<b>592,592</b>	<b>77,168</b>	<b>35,529</b>	<b>685</b>	<b>2,969</b>	<b>708,943</b>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

	Total Brought Forward Ex. E-1c	I.D.E.A.-Part B - Basic	I.D.E.A.-Part B - Basic Carryover 2008/2009	I.D.E.A. Preschool	I.D.E.A. Preschool Carryover	Total Carried Forward
<b>REVENUES:</b>						
Federal sources	181,948	196,331	99,549	28,984	4,550	511,362
State sources	81,230					81,230
<b>Total revenues</b>	<b>263,178</b>	<b>196,331</b>	<b>99,549</b>	<b>28,984</b>	<b>4,550</b>	<b>592,592</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	134,001	19,200		24,714		177,915
Purchased professional educational services	13,618					13,618
Tuition	63,347	146,801	99,549		2,919	312,616
Textbooks	4,265					4,265
<b>Total instruction</b>	<b>215,231</b>	<b>166,001</b>	<b>99,549</b>	<b>24,714</b>	<b>2,919</b>	<b>508,414</b>
Support services:						
Personal services - employee benefits	18,811	2,805		3,611		25,227
Purchased professional/technical services	29,136	27,525		659	1,631	58,951
<b>Total support services</b>	<b>47,947</b>	<b>30,330</b>		<b>4,270</b>	<b>1,631</b>	<b>84,178</b>
<b>Total expenditures</b>	<b>263,178</b>	<b>196,331</b>	<b>99,549</b>	<b>28,984</b>	<b>4,550</b>	<b>592,592</b>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

	<u>Nonpublic Auxillary Services</u>		<u>Nonpublic</u>		<u>ARRA</u>	<u>ARRA</u>	<u>Total</u>
	<u>Compensatory</u>	<u>Transportation</u>	<u>Nursing</u>	<u>Nonpublic</u>	<u>I.D.E.A.-Part</u>	<u>Title I</u>	<u>Carried</u>
	<u>Education</u>		<u>Services</u>	<u>Textbooks</u>	<u>B - Basic</u>	<u>Part A</u>	<u>Forward</u>
REVENUES:							
Federal sources					170,121	11,827	181,948
State sources	50,576	12,771	13,618	4,265			81,230
Total revenues	50,576	12,771	13,618	4,265	170,121	11,827	263,178
EXPENDITURES:							
Instruction:							
Salaries of teachers					123,013	10,988	134,001
Purchased professional educational services			13,618				13,618
Tuition	50,576	12,771					63,347
Textbooks				4,265			4,265
Total instruction	50,576	12,771	13,618	4,265	123,013	10,988	215,231
Support services:							
Personal services - employee benefits					17,972	839	18,811
Purchased professional/technical services					29,136		29,136
Total support services					47,108	839	47,947
Total expenditures	50,576	12,771	13,618	4,265	170,121	11,827	263,178

**PROPRIETARY FUNDS**

MANTUA TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Assets  
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Latchkey Program</u>	<u>FY 2010</u>	<u>FY 2009</u>
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	57,146	91,304	148,450	189,845
Accounts Receivable:				
State	517		517	1,161
Federal	7,194		7,194	15,556
Other	360	1,465	1,825	1,845
Inventory	13,149		13,149	10,454
Total current assets	<u>78,366</u>	<u>92,769</u>	<u>171,135</u>	<u>218,861</u>
Non-current assets				
Machinery and Equipment	390,200		390,200	390,200
Less: accumulated depreciation	(364,550)		(364,550)	(356,557)
Total non-current assets	<u>25,650</u>		<u>25,650</u>	<u>33,643</u>
Total assets	<u>104,016</u>	<u>92,769</u>	<u>196,785</u>	<u>252,504</u>
<b>LIABILITIES AND FUND EQUITY:</b>				
Current liabilities:				
Accounts payable	1,308		1,308	5,068
Interfund payable - General Fund				36,376
Compensated absences	38,904		38,904	42,988
Total current liabilities	<u>40,212</u>		<u>40,212</u>	<u>84,432</u>
Fund equity:				
Invested in capital assets, net of related debt	25,650		25,650	33,643
Reserve for encumbrances				23,187
Unrestricted	38,154	92,769	130,923	111,242
Total net assets	<u>63,804</u>	<u>92,769</u>	<u>156,573</u>	<u>168,072</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food</u>	<u>Latchkey</u>	<u>FY 2010</u>	<u>FY 2009</u>
	<u>Service</u> <u>Fund</u>		<u>Program</u>	
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales-reimbursable programs:	200,574		200,574	197,578
Daily sales special milk	4,298		4,298	4,938
Daily sales non-reimbursable programs	57,094		57,094	65,146
Special function/miscellaneous	5,696	463	6,159	6,132
Tuition		311,262	311,262	315,636
Total operating revenue	267,662	311,725	579,387	589,430
<b>OPERATING EXPENSES:</b>				
Salaries	158,454	243,940	402,394	419,116
Employee Benefits	12,434	19,949	32,383	31,939
Supplies and materials	10,076	89,897	99,973	49,065
Other purchased services (300-500 series)	5,547		5,547	1,238
Depreciation	7,993		7,993	8,753
Cost of sales	175,372		175,372	178,927
Miscellaneous other expenses	8,250	325	8,575	35,240
Total operating expenses	378,126	354,111	732,237	724,278
Operating income (loss)	(110,464)	(42,386)	(152,850)	(134,848)
<b>NON-OPERATING REVENUES:</b>				
State sources:				
National School Lunch Program - State	6,415		6,415	6,172
Federal sources:				
National School Lunch Program	87,411		87,411	79,091
Special Milk Program	3,280		3,280	3,892
Food Distribution Program	43,386		43,386	36,853
Interest revenue	234	625	859	2,531
Total non-operating revenues (expenses)	140,726	625	141,351	128,539

MANTUA TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Latchkey Program</u>	<u>FY 2010</u>	<u>FY 2009</u>
Net income (loss)	30,262	(41,761)	(11,499)	(6,309)
Total Net Assets - July 1	33,542	134,530	168,072	174,381
Total Net Assets - June 30	63,804	92,769	156,573	168,072

MANTUA TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Latchkey Program</u>	<u>FY 2010</u>	<u>FY 2009</u>
Cash flows from operating activities:				
Receipts from customers	267,705	311,702	579,407	587,585
Payments to suppliers	(161,894)	(90,642)	(252,536)	(257,152)
Payments to employees	(162,538)	(243,940)	(406,478)	(383,847)
Payments for employee benefits	(12,434)	(19,949)	(32,383)	(29,354)
Net cash provided (used) by operating activities	<u>(69,161)</u>	<u>(42,829)</u>	<u>(111,990)</u>	<u>(82,768)</u>
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	<u>106,112</u>		<u>106,112</u>	<u>75,571</u>
Net cash provided by non-capital financing activities	<u>106,112</u>		<u>106,112</u>	<u>75,571</u>
Cash flows from investing activities:				
Interest income	234	625	859	2,531
Payments to General Fund	(19,592)	(16,784)	(36,376)	(14,440)
Net cash provided by investing activities	<u>(19,358)</u>	<u>(16,159)</u>	<u>(35,517)</u>	<u>(11,909)</u>
Net increase in cash and cash equivalents	<u>17,593</u>	<u>(58,988)</u>	<u>(41,395)</u>	<u>(19,106)</u>
Cash and cash equivalents - July 1	<u>39,553</u>	<u>150,292</u>	<u>189,845</u>	<u>208,951</u>
Cash and cash equivalents - June 30	<u><u>57,146</u></u>	<u><u>91,304</u></u>	<u><u>148,450</u></u>	<u><u>189,845</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(110,464)	(42,386)	(152,850)	(134,848)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	7,993		7,993	8,753
Food Distribution Program	43,386		43,386	36,853
Change in assets and liabilities:				
(Increase) decrease in inventory	(2,695)		(2,695)	106
(Increase) decrease in accounts receivable	43	(23)	20	(1,845)
Increase (decrease) in accounts payable	(3,340)	(420)	(3,760)	(29,643)
Increase (decrease) in compensated absences	(4,084)		(4,084)	1,480
Increase (decrease) in interfund accts. payable				36,376
	<u>(69,161)</u>	<u>(42,829)</u>	<u>(111,990)</u>	<u>(82,768)</u>

**FIDUCIARY FUNDS**

MANTUA TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2010

	Scholarship Trust Fund	Agency Funds	Totals	
			FY 2010	FY 2009
<b>ASSETS:</b>				
Cash and cash equivalents	1,296	162,138	163,434	141,282
Total assets	<u>1,296</u>	<u>162,138</u>	<u>163,434</u>	<u>141,282</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings		124,728	124,728	97,228
Due to student groups		37,253	37,253	36,207
Interfund payables:				
General Fund		157	157	6,563
Total liabilities		<u>162,138</u>	<u>162,138</u>	<u>139,998</u>
<b>NET ASSETS:</b>				
Unreserved	<u>1,296</u>		<u>1,296</u>	<u>1,284</u>
Total net assets	<u><u>1,296</u></u>		<u><u>1,296</u></u>	<u><u>1,284</u></u>

EXHIBIT H-2

MANTUA TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2010

	Scholarship Trust Fund	Totals	
		FY 2010	FY 2009
ADDITIONS:			
Investment earnings:			
Interest	212	212	265
Total additions	212	212	265
DEDUCTIONS:			
Scholarship payments	200	200	200
Change in Net Assets	12	12	65
Net Assets - Beginning of year	1,284	1,284	1,219
Net Assets - End of year	1,296	1,296	1,284

EXHIBIT H-3

MANTUA TOWNSHIP SCHOOL DISTRICT  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
ACTIVITIES:				
J.Mason Tomlin	17,829	58,879	60,039	16,669
Centre City	11,021	31,403	30,051	12,373
Sewell	7,357	11,785	10,931	8,211
	36,207	102,067	101,021	37,253

MANTUA TOWNSHIP SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>ASSETS:</b>				
Cash and cash equivalents	103,791	7,564,191	7,543,097	124,885
Total assets	<u>103,791</u>	<u>7,564,191</u>	<u>7,543,097</u>	<u>124,885</u>
<b>LIABILITIES:</b>				
Employees' net pay		2,361,156	2,361,156	
Payroll deductions and withholdings	97,228	5,201,496	5,173,996	124,728
Interfund payable	6,563	1,540	7,946	157
Total liabilities	<u>103,791</u>	<u>7,564,192</u>	<u>7,543,098</u>	<u>124,885</u>

**LONG-TERM DEBT**

MANTUA TOWNSHIP SCHOOL DISTRICT  
General Long-Term Debt Account Group  
Schedule of Serial Bonds  
June 30, 2010

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2009</u>	<u>Retired</u>	<u>Balance June 30, 2010</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2002	04/15/02	15,150,000	03/01/11	1,395,000	5.00%			
			03/01/12	895,000	4.25%			
			03/01/13	960,000	5.00%			
			03/01/14	1,030,000	5.00%			
			03/01/15	1,020,000	5.00%			
			03/01/16	1,015,000	5.00%			
			03/01/17	1,010,000	5.00%			
			03/01/18	1,005,000	5.00%			
			03/01/19	995,000	5.00%			
			03/01/20	925,000	5.00%			
						11,605,000	1,355,000	10,250,000
						<u>11,605,000</u>	<u>1,355,000</u>	<u>10,250,000</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	1,150,986		1,150,986	1,150,986	
State sources:					
Debt service aid type II	<u>777,552</u>		<u>777,552</u>	<u>777,552</u>	
Total revenues	<u>1,928,538</u>		<u>1,928,538</u>	<u>1,928,538</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	573,538		573,538	573,537	1
Redemption of principal	<u>1,355,000</u>		<u>1,355,000</u>	<u>1,355,000</u>	
Total regular debt service	<u>1,928,538</u>		<u>1,928,538</u>	<u>1,928,537</u>	<u>1</u>
Total expenditures	<u>1,928,538</u>		<u>1,928,538</u>	<u>1,928,537</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures				1	1
Fund balance - July 1					
Fund balance - June 30				<u>1</u>	<u>1</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

**MANTUA TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	91-97
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	98-101
<b>Debt Capacity</b> These schedules present 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.	102-105
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	106-107
<b>Operating Information</b> These schedules contain service and infrasture 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.	108-112

MANTUA TOWNSHIP SCHOOL DISTRICT  
Net Assets By Component  
Last Seven Fiscal Years  
For the Fiscal Year Ended June 30, 2010  
Unaudited

	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	7,586,977	8,137,588	8,734,609	9,394,081	10,151,786	11,049,759	11,828,652
Restricted	395,177	323,500	328,878	352,523	282,490	309,681	336,546
Unrestricted	(472,540)	(283,840)	(414,668)	(280,601)	(554,538)	(519,697)	(777,544)
Total governmental activities net assets	<u>7,509,614</u>	<u>8,177,248</u>	<u>8,648,819</u>	<u>9,466,003</u>	<u>9,879,738</u>	<u>10,839,743</u>	<u>11,387,654</u>
Business-type activities							
Invested in capital assets, net of related debt	77,023	68,657	59,903	51,150	42,397	33,643	25,650
Unrestricted	131,712	139,755	208,277	169,631	131,984	134,429	130,923
Total business-type activities net assets	<u>208,735</u>	<u>208,412</u>	<u>268,180</u>	<u>220,781</u>	<u>174,381</u>	<u>168,072</u>	<u>156,573</u>
District-wide							
Invested in capital assets, net of related debt	7,664,000	8,206,245	8,794,512	9,445,231	10,194,183	11,083,402	11,854,302
Restricted	395,177	323,500	328,878	352,523	282,490	309,681	336,546
Unrestricted	(340,828)	(144,085)	(206,391)	(110,970)	(422,554)	(385,268)	(646,621)
	<u>7,718,349</u>	<u>8,385,660</u>	<u>8,916,999</u>	<u>9,686,784</u>	<u>10,054,119</u>	<u>11,007,815</u>	<u>11,544,227</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Changes In Net Assets  
Last Seven Fiscal Years  
For the Fiscal Year Ended June 30, 2010  
Unaudited

	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>							
Governmental activities							
Instruction							
Regular	4,976,487	5,146,568	5,311,627	4,741,128	5,045,818	5,288,988	5,587,824
Special education	1,412,985	1,528,254	1,722,950	2,425,371	2,557,743	2,728,714	2,858,615
Other special education	308,612	316,787	364,368	416,836	528,869	539,714	631,131
Other instruction	29,953	23,555	21,340	23,652	27,359	24,207	25,728
Support Services							
Tuition	211,058	145,214	129,271	91,264	9,027		135,305
Student and instruction and related services	1,551,323	1,715,101	1,693,740	1,781,974	1,843,055	1,899,205	1,899,942
General administration	567,542	374,758	403,803	318,021	377,268	393,405	343,445
School administrative services	628,433	642,736	707,543	710,661	742,758	757,711	826,899
Central services		163,595	175,337	171,538	192,937	194,727	134,749
Administrative information technology		118,345	138,432	127,078	147,008	133,053	170,371
Plant operations and maintenance	1,367,752	1,275,557	1,348,468	1,512,249	1,636,728	1,601,315	1,557,647
Pupil transportation	656,568	769,319	833,712	879,913	861,911	701,528	1,039,964
Employee benefits	2,629,303	2,963,160	3,431,593	4,237,429	4,417,275	4,210,128	4,605,251
Special schools	12,079	14,534					
Interest on long-term debt	931,001	877,365	821,735	763,872	702,198	639,688	573,537
Capital outlay	183,747	21,000		8,908		790	
Unallocated depreciation	636,699	638,626	635,988	636,097	640,153	640,943	623,822
Total governmental activities expenses	<u>16,103,542</u>	<u>16,734,474</u>	<u>17,739,907</u>	<u>18,845,991</u>	<u>19,730,107</u>	<u>19,754,116</u>	<u>21,014,230</u>
Business-type activities:							
Food service	445,185	381,512	399,852	379,537	400,802	407,876	378,126
Childcare	190,607	273,673	265,657	378,458	355,587	316,402	354,111
Total business-type activities expense	<u>635,792</u>	<u>655,185</u>	<u>665,509</u>	<u>757,995</u>	<u>756,389</u>	<u>724,278</u>	<u>732,237</u>
Total District expenses	<u>16,739,334</u>	<u>17,389,659</u>	<u>18,405,416</u>	<u>19,603,986</u>	<u>20,486,496</u>	<u>20,478,394</u>	<u>21,746,467</u>
<b>Program revenues</b>							
Governmental activities							
Operating grants and contributions							
Instruction (Special education)	659,927	672,312	531,996	613,346	557,811	600,489	634,793
Employee Benefits			13,494	20,260	18,769	21,354	39,545
Student & instructional related services	33,227	44,079	37,366	49,035	15,072	1,979	58,358
Total governmental activities program revenues	<u>693,154</u>	<u>716,391</u>	<u>582,856</u>	<u>682,641</u>	<u>591,652</u>	<u>623,822</u>	<u>732,696</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Changes In Net Assets  
Last Seven Fiscal Years  
For the Fiscal Year Ended June 30, 2010  
Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business-type activities:							
Charges for services:							
Food service	264,157	272,293	276,207	262,275	258,410	273,794	267,662
Childcare	235,091	277,838	334,664	337,673	334,551	315,636	311,725
Operating grants and contributions	92,978	90,438	104,887	98,302	108,499	126,008	140,492
Total business-type activities program revenues	<u>592,226</u>	<u>640,569</u>	<u>715,758</u>	<u>698,250</u>	<u>701,460</u>	<u>715,438</u>	<u>719,879</u>
Total District program revenue	<u>1,285,380</u>	<u>1,356,960</u>	<u>1,298,614</u>	<u>1,380,891</u>	<u>1,293,112</u>	<u>1,339,260</u>	<u>1,452,575</u>
Net (expense) revenue							
Governmental activities	(15,410,388)	(16,018,083)	(17,157,051)	(18,163,350)	(19,138,455)	(19,130,294)	(20,281,534)
Business-type activities	(43,566)	(14,616)	50,249	(59,745)	(54,929)	(8,840)	(12,358)
Total District-wide net expense	<u>(15,453,954)</u>	<u>(16,032,699)</u>	<u>(17,106,802)</u>	<u>(18,223,095)</u>	<u>(19,193,384)</u>	<u>(19,139,134)</u>	<u>(20,293,892)</u>
General revenues and other changes in net assets							
Governmental activities							
Property taxes levied for government purposes	7,585,041	8,384,348	8,974,074	9,727,332	10,246,868	10,441,242	10,858,890
Taxes levied for debt service	1,148,811	1,140,257	1,177,486	1,173,270	1,160,873	1,147,034	1,150,986
Unrestricted grants and contributions	6,820,380	6,974,243	7,174,575	7,727,712	7,853,458	8,242,865	8,509,698
Tuition charges	36,453		152,192	228,147	171,130	204,781	247,308
Investment earnings	18,599	47,134	82,798	115,016	67,720	22,725	18,456
Miscellaneous income	24,539	132,135	72,297	9,057	52,141	31,652	44,107
Loss on disposal of assets			(4,800)				
Transfers	(17,905)						
Total governmental activities	<u>15,615,918</u>	<u>16,678,117</u>	<u>17,628,622</u>	<u>18,980,534</u>	<u>19,552,190</u>	<u>20,090,299</u>	<u>20,829,445</u>
Business-type activities							
Investment earnings	2,126	5,493	9,519	12,346	8,529	2,531	859
Transfers	17,905						
Total business-type activities	<u>20,031</u>	<u>5,493</u>	<u>9,519</u>	<u>12,346</u>	<u>8,529</u>	<u>2,531</u>	<u>859</u>
Total District-wide	<u>15,635,949</u>	<u>16,683,610</u>	<u>17,638,141</u>	<u>18,992,880</u>	<u>19,560,719</u>	<u>20,092,830</u>	<u>20,830,304</u>
Change in net assets							
Governmental activities	205,530	660,034	471,571	817,184	413,735	960,005	547,911
Business-type activities	(23,535)	(9,123)	59,768	(47,399)	(46,400)	(6,309)	(11,499)
Total District	<u>181,995</u>	<u>650,911</u>	<u>531,339</u>	<u>769,785</u>	<u>367,335</u>	<u>953,696</u>	<u>536,412</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Fund Balances, Governmental Funds  
Last Seven Fiscal Years  
For the Fiscal Year Ended June 30, 2010  
Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund							
Reserved	347,129	674,847	606,764	619,278	335,671	713,707	590,901
Unreserved	187,015	71,105	86,109	101,150	78,021	(253,851)	(265,300)
Total General Fund	<u>534,144</u>	<u>745,952</u>	<u>692,873</u>	<u>720,428</u>	<u>413,692</u>	<u>459,856</u>	<u>325,601</u>
All other governmental funds							
Reserved							
Unreserved, reported in:							
Special Revenue Fund	(1,237)	(1,233)	(1,298)	(1,298)	(1,298)		
Capital Projects Fund	16,366						
Debt Service Fund	31,682	3	2	1	1		1
Total all other governmental funds	<u>46,811</u>	<u>(1,230)</u>	<u>(1,296)</u>	<u>(1,297)</u>	<u>(1,297)</u>		<u>1</u>

MANTUA TOWNSHIP SCHOOL DISTRICT  
Changes in Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Tax Levy	5,726,960	6,570,864	7,572,726	8,733,852	9,524,605	10,151,560	10,900,602	11,407,741	11,588,276	12,009,876
Tuition charges	24,356	22,361	34,300	36,453		152,192	228,147	171,130	204,781	247,308
Interest earnings	754,292	161,826	20,468	18,599	47,134	82,798	115,016	67,720	22,725	18,456
Miscellaneous	11,472	84,456	22,148	24,539	132,135	72,297	9,057	10,855	31,652	44,107
State sources	6,532,994	6,240,556	6,515,083	7,033,953	7,176,516	7,352,802	7,881,242	7,979,997	8,370,103	7,674,516
Federal sources	349,218	368,729	379,809	479,581	514,118	404,629	529,111	488,475	496,584	1,567,878
Total revenue	13,399,292	13,448,792	14,544,534	16,326,977	17,394,508	18,216,278	19,663,175	20,125,918	20,714,121	21,562,141
<b>Expenditures</b>										
Instruction:										
Regular	4,050,423	3,901,501	3,713,410	4,103,554	4,458,883	4,712,192	4,856,017	5,056,871	5,278,018	5,501,889
Special	869,126	1,509,028	1,689,006	1,954,702	2,168,976	2,249,394	2,409,092	2,538,759	2,720,059	2,898,351
Other	252,288	250,019	255,624	283,769	310,072	361,217	424,815	503,646	560,144	612,373
School Sponsored/Other Instructional	22,057	26,810	23,423	29,953	23,555	21,340	23,652	27,359	24,207	25,728
Community Service										
Undistributed:										
Instruction	200,274	216,362	293,815	211,058	145,214	129,271	91,264	9,027		135,305
Attendance and Social Work Services										
Health Services	159,705	161,957	182,891	177,251	181,702	199,502	215,106	243,591	254,984	262,515
Related Services	164,832	160,793	170,164	178,601	197,676	248,872	342,256	358,426	370,491	345,627
Extraordinary Services	34,849	23,588	43,667	41,847	40,350	33,967	43,541			
Guidance services	113,275	126,895	124,113	134,388	157,780	158,867	166,855	180,503	197,340	198,997
Child study team	411,802	462,166	492,965	496,342	671,169	634,870	610,367	599,677	653,791	648,542
Improvement of Instruction	95,433	122,577	93,149	115,532	155,767	85,421	94,959	103,917	87,148	87,946
Educational Media Services	198,188	176,580	197,279	207,447	215,908	231,469	211,205	222,895	239,581	229,698
Instructional Staff Training	11,672	54,611	63,637	103,463	106,880	94,315	100,876	119,677	98,345	97,350
General Administration	271,140	298,543	290,874	330,876	345,309	401,879	311,786	373,084	389,610	339,805
School Administration	505,051	520,497	540,377	585,115	638,695	708,628	715,380	741,505	756,696	818,466
Central Administration					163,595	171,865	178,952	192,324	194,457	135,801
Administration Information Technology					118,345	136,336	129,381	146,113	132,306	167,226
Allowable Maintenance for School Facilities		143,914	155,364	197,414	207,541	250,402	254,775	311,726	415,332	346,895
Operations & Maintenance of Plant Services	840,248	950,616	1,023,279	1,111,498	1,068,362	1,097,292	1,254,622	1,326,991	1,334,891	1,232,585
Student Transportation	676,775	685,232	604,423	651,617	763,768	828,761	872,516	856,174	698,267	1,036,703
Business and Other Support Services:										
Salaries	57,150	59,971	110,653	172,990						
Other	75,434	74,496	21,831	40,758	7,820					
Employee Benefits	1,774,433	1,963,733	2,322,916	2,629,303	2,963,160	3,431,593	4,237,429	4,417,275	4,215,528	4,614,851
Special Schools	13,073	13,090	10,988	12,079	14,534					

MANTUA TOWNSHIP SCHOOL DISTRICT  
Changes in Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital Outlay	7,521,986	7,953,100	511,376	232,139	89,295	55,235	71,903	105,916	70,777	31,205
Debt Service Expenditures										
Principal	869,020	914,020	1,139,019	1,099,019	1,139,020	1,205,000	1,255,000	1,295,000	1,335,000	1,355,000
Interest	1,235,597	1,152,879	862,403	931,001	877,365	821,735	763,872	702,198	639,688	573,537
Total Expenditures	<u>20,423,831</u>	<u>21,922,978</u>	<u>14,936,646</u>	<u>16,031,716</u>	<u>17,230,741</u>	<u>18,269,423</u>	<u>19,635,621</u>	<u>20,432,654</u>	<u>20,666,660</u>	<u>21,696,395</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(7,024,539)</u>	<u>(8,474,186)</u>	<u>(392,112)</u>	<u>295,261</u>	<u>163,767</u>	<u>(53,145)</u>	<u>27,554</u>	<u>(306,736)</u>	<u>47,461</u>	<u>(134,254)</u>
Other financing sources (uses)										
Proceeds from borrowing										
Reduction in arbitrage payable			74,380							
Capital leases (non-budgeted) Latchkey program				114,595						
Transfers out -Food Service	(39,253)	(49,829)	(38,351)	(17,905)						
Transfers in	(630)									
Total other financing sources (uses)	<u>(39,883)</u>	<u>(49,829)</u>	<u>36,029</u>	<u>96,690</u>						
Net change in fund balance	<u>(7,064,422)</u>	<u>(8,524,015)</u>	<u>(356,083)</u>	<u>391,951</u>	<u>163,767</u>	<u>(53,145)</u>	<u>27,554</u>	<u>(306,736)</u>	<u>47,461</u>	<u>(134,254)</u>
Debt service as a percentage of noncapital expenditures	16.31%	14.80%	13.87%	12.85%	11.76%	11.13%	10.32%	9.83%	9.59%	8.90%

Source: District records.

MANTUA TOWNSHIP SCHOOL DISTRICT  
General Fund - Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited

Fiscal year ended June 30	Refunding Bonds	Insurance Dividends	Facility Rentals	Restricted Miscellaneous	Miscellaneous	Prior year Refunds	Kindergarten Enrichment	Summer Programs	Annual Totals
2001					500			11,472	11,972
2002					73,206			11,250	84,456
2003					6,342	3,995		11,811	22,148
2004			3,400		3,253	8,867		9,019	24,539
2005				14,255	712	13,611	103,557		132,135
2006	60,050				635	5,612	6,000		72,297
2007			500		2,589	4,768	1,200		9,057
2008			600		621	9,634			10,855
2009		16,999			2,343	12,310			31,652
2010		7,385	12,775	520	9,289	14,138			44,107
	<u>60,050</u>	<u>24,384</u>	<u>17,275</u>	<u>14,775</u>	<u>99,490</u>	<u>72,935</u>	<u>110,757</u>	<u>43,552</u>	<u>443,218</u>

Source: District records.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
Unaudited

Fiscal year ended June 30	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2000	14,124,500	535,131,700	12,855,100	1,558,000	50,404,000	8,355,500	2,686,500	625,115,300	4,117,674	629,232,974	660,119,659	0.9110
2001	11,859,400	545,483,200	12,792,900	1,563,400	52,311,400	8,355,500	2,686,500	635,052,300	4,234,505	639,286,805	687,498,349	1.0280
2002	12,455,800	550,829,600	13,926,200	1,510,900	53,332,800	7,790,800	2,088,800	641,934,900	4,291,330	646,226,230	711,808,135	1.1720
2003	16,454,200	563,120,500	14,115,500	1,450,300	53,777,985	7,790,800	2,088,800	658,798,085	4,198,632	662,996,717	776,181,507	1.3170
2004	13,298,600	577,710,100	14,571,100	1,430,000	62,340,200	7,790,800	2,088,800	679,229,600	3,748,510	682,978,110	876,309,836	1.3940
2005	11,191,800	595,248,800	14,211,800	1,421,600	70,010,400	7,790,800	2,088,800	701,964,000	3,226,601	705,190,601	1,005,618,868	1.4390
2006	17,752,100	600,727,300	14,159,800	1,362,200	71,000,200	7,790,800	1,914,100	714,706,500	2,657,281	717,363,781	1,172,544,290	1.5200
2007	16,885,400	617,292,200	14,091,000	1,325,000	74,808,500	7,217,800	1,914,100	733,534,000	2,405,109	735,939,109	1,336,157,452	1.5500
2008	17,614,100	636,102,700	14,432,000	1,236,400	74,828,500	7,217,800	1,672,000	753,103,500	2,307,158	755,410,658	1,486,736,190	1.5340
2009	16,329,000	644,079,700	14,380,700	1,225,800	78,278,400	7,187,200	1,672,000	763,152,800	2,246,773	765,399,573	1,556,819,257	1.5690
2010	13,462,900	646,079,800	14,473,400	1,230,900	83,909,100	5,845,300	1,672,000	766,673,400	2,261,469	768,934,869	1,564,958,971	1.5950

Source: Gloucester County Board of Taxation - Abstract of Ratables.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
Per \$100 of Assessed Valuation  
Last Ten Fiscal Years  
Unaudited

Fiscal year ended June 30	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates					Total Direct & Overlapping Tax Rate
				Township of Mantua	Fire District	Local Open Space	Regional School	Gloucester County	
2001	0.812	0.216	1.028	0.482		0.010	0.742	0.715	2.977
2002	0.949	0.223	1.172	0.499		0.010	0.800	0.736	3.217
2003	1.112	0.205	1.317	0.546		0.010	0.932	0.784	3.589
2004	1.211	0.183	1.394	0.596		0.010	0.993	0.858	3.851
2005	1.267	0.172	1.439	0.665		0.020	1.023	0.980	4.127
2006	1.344	0.176	1.520	0.717		0.020	1.124	1.038	4.419
2007	1.383	0.167	1.550	0.781	0.099	0.020	1.110	1.078	4.638
2008	1.378	0.156	1.534	0.864	0.097	0.020	1.101	1.165	4.781
2009	1.414	0.155	1.569	0.919	0.100	0.020	1.094	1.206	4.908
2010	1.443	0.152	1.595	0.920	0.101	0.020	1.166	1.206	5.008

Source: Gloucester County Board of Taxation - Abstract of Ratables.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Principal Property Taxpayers  
Current and Nine Years Ago  
Unaudited

<u>Taxpayer</u>	<u>2010</u>		<u>2001</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Valuation</u>
Bellina Dev. & Brooklawn Out of Lot LLC	5,535,900	0.71%		
Bristol Development Corp.		0.00%	6,443,800	1.02%
Lowes Home Center	5,322,200	0.69%		
Home Depot	5,162,000	0.67%		
Mantua Partners NJ			5,063,300	0.80%
Target Corporation	4,727,000	0.61%		
Electric Mobility	4,637,200	0.60%	1,279,100	0.20%
Kohl's	4,334,000	0.56%		
Wilkins Industrial Park	4,149,100	0.54%	3,700,500	0.59%
Freeza LLC	3,786,100	0.49%	3,695,300	0.59%
K-Tron Corp			3,327,500	0.53%
Timberline Plaza	3,313,400	0.43%		
Spirit Master Funding	3,193,600	0.42%		
Campbell's Express			2,109,800	0.34%
Public Storage Inc.			1,826,800	0.29%
Eagles Nest Golf Club LLC			1,507,500	0.24%
Rasok Inc. (Eckerd Drugs)			1,466,600	0.23%
	<u>44,160,500</u>	<u>5.73%</u>	<u>30,420,200</u>	<u>4.83%</u>

Source: Municipal Tax Assessor.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

<u>Fiscal year ended June 30</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year</u>		<u>Collections in Subsequent Year</u>
		<u>Amount</u>	<u>Percent of Levy</u>	
2001	5,726,960	5,726,960	100.00%	
2002	6,570,864	6,570,864	100.00%	
2003	7,572,726	7,572,726	100.00%	
2004	8,733,852	8,733,852	100.00%	
2005	9,524,605	9,524,605	100.00%	
2006	10,151,560	10,151,560	100.00%	
2007	10,900,602	10,900,602	100.00%	
2008	11,407,741	11,407,741	100.00%	
2009	11,588,276	11,588,276	100.00%	
2010	12,009,876	12,009,876	100.00%	

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

MANTUA TOWNSHIP SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year ended June 30	Governmental Activities			Bond Anticipation Notes	Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	State of New Jersey Safe Loan	Capital Leases		Activities Capital Leases		
2001	20,206,000	16,079	152,932			20,375,011	4.72%
2002	20,060,000	12,060	81,644			20,153,704	4.54%
2003	18,925,000	8,041	6,842			18,939,883	4.14%
2004	17,830,000	4,019	73,045			17,907,064	3.67%
2005	16,695,000		38,103			16,733,103	3.26%
2006	15,490,000					15,490,000	2.81%
2007	14,235,000					14,235,000	2.48%
2008	12,940,000					12,940,000	2.18%
2009	11,605,000			170,727		11,775,727	N/A
2010	10,250,000					10,250,000	N/A

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

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

MANTUA TOWNSHIP SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Fiscal Year ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2001	20,206,000		20,206,000	3.18%	1,408
2002	20,060,000		20,060,000	3.12%	1,387
2003	18,925,000		18,925,000	2.87%	1,296
2004	17,830,000		17,830,000	2.63%	1,201
2005	16,695,000		16,695,000	2.38%	1,119
2006	15,490,000		15,490,000	2.17%	1,023
2007	14,235,000		14,235,000	1.94%	936
2008	12,940,000		12,940,000	1.72%	852
2009	11,605,000		11,605,000	1.52%	763
2010	10,250,000		10,250,000	1.34%	N/A

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

N/A information not available at the completion of the C.A.F.R.

See J-6 for property tax data.

Population data can be found in J-14.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2009  
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Mantua	16,268,101	100.00%	16,268,101
Clearview Regional High School	13,483,129	50.45%	6,802,725
Gloucester County General Obligation Debt	328,205,409	5.39%	17,705,153
Subtotal, overlapping debt			<u>40,775,979</u>
Township of Mantua School District			10,250,000
Total direct and overlapping debt			<u><u>51,025,979</u></u>

## Sources:

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

MANTUA TOWNSHIP SCHOOL DISTRICT  
Legal Debt Margin Information  
Last Ten Fiscal Years  
Unaudited

	Year	Equalized Valuation Basis								
	2009	<u>\$1,557,772,607</u>								
	2008	<u>\$1,536,318,849</u>								
	2007	<u>\$1,443,680,378</u>								
		<u>\$4,537,771,834</u>								
Average equalized valuation of taxable property		1,512,590,611								
Debt limit (2.5% of average equalized value)		37,814,765								
Total net debt applicable to limit		<u>10,250,000</u>								
Legal debt margin		<u>27,564,765</u>								
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	15,866,741	16,676,382	17,611,527	19,046,793	21,288,743	24,569,912	28,366,050	32,352,026	35,644,522	37,814,765
Municipal borrowing capacity utilized	4,339,259	3,383,618	1,313,473							
Total net debt applicable to limit	<u>20,206,000</u>	<u>20,060,000</u>	<u>18,925,000</u>	<u>17,830,000</u>	<u>16,695,000</u>	<u>15,490,000</u>	<u>14,235,000</u>	<u>12,940,000</u>	<u>11,605,000</u>	<u>10,250,000</u>
Legal debt margin	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>1,216,793</u>	<u>4,593,743</u>	<u>9,079,912</u>	<u>14,131,050</u>	<u>19,412,026</u>	<u>24,039,522</u>	<u>27,564,765</u>
Total net debt applicable to the limit as a percentage of debt limit	127.35%	120.29%	107.46%	93.61%	78.42%	63.04%	50.18%	40.00%	32.56%	27.11%

MANTUA TOWNSHIP SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	14,350	431,877,600	30,096	2.50%
2002	14,460	444,297,960	30,726	3.40%
2003	14,603	457,322,151	31,317	3.60%
2004	14,846	488,255,248	32,888	3.10%
2005	14,920	512,845,160	34,373	4.70%
2006	15,142	551,183,942	36,401	5.10%
2007	15,204	574,011,816	37,754	4.70%
2008	15,187	592,900,480	39,040	6.00%
2009	15,216	N/A	N/A	8.90%
2010	N/A	N/A	N/A	N/A

N/A information not available at the completion of the C.A.F.R.

Source: Data regarding School District population was provided by the Department of Education.

MANTUA TOWNSHIP SCHOOL DISTRICTPrincipal EmployersCurrent and Nine Years AgoUnaudited

<u>Employer</u>	<u>2010</u>		<u>2001</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Mantua Board of Education	190	1.96%		
Home Depot U.S.A. Inc.	170	1.75%		
Township of Mantua	123	1.27%		
Eastern Electric Corporation	80	0.82%		
Jge Enterprises Inc.	65	0.67%		
Acme Markets	52	0.54%		
Walgreen Co.	40	0.41%		
Marialena Corp.	40	0.41%		
Under the Sea Learning Center	40	0.41%		
A Better Janitorial Services	40	0.41%		
Hangsterfer's Laboratories Inc.	40	0.41%		
Manor Salon & Spa	40	0.41%		
	<u>730</u>	<u>5.77%</u>	<u>N/A</u>	<u>0.00%</u>

Source: Gloucester County Economic Development Office.

N/A Not available

MANTUA TOWNSHIP SCHOOL DISTRICT  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
Unaudited

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction										
Regular					88	88	88	84	84	90
Special					23	24	24	27	27	29
Support services:										
Student & instruction related services					20	21	21	21	21	25
General administration					2	2	2	2	2	2
School administration					10	10	10	10	10	11
Business administrative services					4	5	5	5	5	5
Plants operations and maintenance					18	18	18	18	18	18
Food service					10	10	10	16	15	14
Childcare					3	3	3	3	3	9
Total	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>178</u>	<u>181</u>	<u>181</u>	<u>186</u>	<u>185</u>	<u>203</u>

Source: District personnel records.

N/A Not available

MANTUA TOWNSHIP SCHOOL DISTRICT  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year ended June 30	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (A.D.E.)	Average Daily Attendance (A.D.A.)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2001	1,393	10,797,228	7,751	10.78%	96	1:14.5	1,393.0	1,326.0	-0.43%	95.19%
2002	1,413	11,902,979	8,424	8.68%	97	1:14.5	1,413.0	1,361.0	1.44%	96.32%
2003	1,420	12,423,848	8,749	3.86%	94	1:15.2	1,448.0	1,385.0	2.48%	95.65%
2004	1,444	13,769,557	9,536	8.99%	101	1:14.3	1,461.0	1,401.0	0.90%	95.89%
2005	1,515	15,125,061	9,984	4.70%	104	1:14.6	1,518.0	1,457.0	3.90%	95.98%
2006	1,560	16,187,453	10,377	3.94%	109	1:14.3	1,568.6	1,506.0	3.33%	96.01%
2007	1,538	17,544,846	11,408	9.94%	105	1:14.6	1,539.9	1,480.9	-1.83%	96.17%
2008	1,540	18,329,540	11,902	4.34%	110	1:14.0	1,543.2	1,485.3	0.21%	96.25%
2009	1,563	18,621,195	11,914	4.44%	111	1:14.09	1,562.5	1,504.2	1.25%	96.27%
2010	1,502	19,736,653	13,140	10.40%	119	1:12.62	1,484.7	1,374.9	-4.98%	92.60%

Source: District records.

Note: Enrollment based on June district count.

Teaching staff information from Report of Certificated Staff

MANTUA TOWNSHIP SCHOOL DISTRICT  
School Building Information  
Last Ten Fiscal Years  
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b><u>Centre City</u></b>										
Square feet	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305
Capacity (students)	444	444	444	444	444	444	444	444	444	444
Enrollment	761	389	461	503	561	592	620	571	578	576
<b><u>J. Mason Tomlin</u></b>										
Square feet	41,230	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500
Capacity (students)	341	641	641	641	641	641	641	641	641	641
Enrollment	323	727	681	655	646	632	603	650	688	633
<b><u>Sewell</u></b>										
Square feet	29,700	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500
Capacity (students)	350	333	333	333	333	333	333	333	333	333
Enrollment	318	300	299	319	320	353	334	330	308	294

Source: District records per Long Range Facilities Plan. Enrollment records at June 30.

Number of Schools at June 30, 2010  
 Elementary = 3

MANTUA TOWNSHIP SCHOOL DISTRICT  
General Fund  
Schedule of Required Maintenance Expenditures by School Facility  
For the Fiscal Year Ended June 30, 2010

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-xxx

	Gross Square Footage	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
* School Facilities	74,305		48,263	37,850	53,379	53,265	94,946	80,173	95,056	97,600	85,497	646,029
Centre City			48,263	37,850	53,379	53,265	94,946	80,173	95,056	97,600	85,497	646,029
J. Mason Tomlin	78,500		64,448	42,416	42,285	54,929	56,627	67,563	92,680	182,657	148,551	752,156
Sewell	41,500		31,203	39,501	53,339	47,246	55,653	62,210	65,030	83,120	68,884	506,186
Administration				35,597	48,411	52,101	43,176	44,829	58,960	51,955	43,963	378,992
		None	143,914	155,364	197,414	207,541	250,402	254,775	311,726	415,332	346,895	2,283,363

\* School facilities as defined under E.F.C.A.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

MANTUA TOWNSHIP SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2010  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Company		
Property - blanket buildings & contents	51,663,696	
Commercial General Liability		
General aggregate limit	3,000,000	
Products-Complete Operations Aggregate Limit	3,000,000	
Personal and advertising - injury limit	1,000,000	
Each Occurrence Limit	1,000,000	
Damage to premises	1,000,000	
Medical expense - any one person	10,000	
Legal Liability	1,000,000	
Employee Benefit Program Liability	1,000,000	
Crime- Head of the Class Uni-flex		
Employee blanket bond/per employee	100,000	
Employee blanket bond/forgery per occurrence	100,000	
Inside and Outside Premise	25,000	
Commercial Inland Marine	207,000	100
Valuable Papers & Records	100,000	
Signs	30,000	
Data Processing Coverage		
Blanket Hardware	177,000	100
Blanket Media and Computer Programs	20,000	
Blanket Extra Expense	10,000	
Commercial Automobile Liability		
Bodily injury and property damage	1,000,000	1,000
Commercial Umbrella Liability	10,000,000	10,000
Workers' Compensation - Educational Risk Insurance Consortium South		
Bodily injury - by accident - each accident	2,000,000	None
Bodily injury - by disease - each employee	2,000,000	None
Bodily injury - by disease - aggregate limit	2,000,000	None
Student Accident - Markel Insurance Company		
Accidental Death & Dismemberment	10,000	
Volunteer Workers	25,000	
Public employees' faithful performance bonds - The Ohio Casualty Insurance Company		
Employee bond - Gayle Tschopp, Treasurer	225,000	None
Employee bond - Steve Crispin, Business Administrator	10,000	None
Employee bond - Michelle Daminger, Board Secretary	10,000	None

Source: District records.

**SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
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MEMBER: AMERICAN INSTITUTE OF  
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Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and  
Members of the Board of Education  
Mantua Township School District  
County of Gloucester  
Mantua, New Jersey 08051

We have audited the financial federal and 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 Mantua Township School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the Mantua Township School District's basic financial statements and have issued our report thereon dated October 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misfederal and statements 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 misfederal and statement of the entity's financial federal and statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mantua Township School District's financial federal and statements are free of material misfederal and statement, 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 federal and 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as item 2010-1.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

October 18, 2010

# PETRONI & ASSOCIATES LLC

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Education  
Mantua Township School District  
County of Gloucester  
Mantua, New Jersey 08051

### Compliance

We have audited the compliance of the Board of Education of the Mantua Township School District, in the County of Gloucester, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Mantua Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Mantua Township School District's management. Our responsibility is to express an opinion on the Mantua Township School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, Federal and State Grants, and Federal and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about

the Mantua Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Mantua Township School District's compliance with those requirements.

In our opinion, the Mantua Township School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items OFAC-1 through OFAC-13.

#### Internal Control over Compliance

The management of the Mantua Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Mantua Township School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items OFAC-ADMIN1 through OFAC-ADMIN3. 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Mantua Township School District Board of Education's corrective action to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Mantua Township School District Board of Education's responses and, accordingly, we express no opinion on the responses.

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

PETRONI & ASSOCIATES LLC

A handwritten signature in black ink, appearing to read "Nick L. Petroni", with a long horizontal flourish extending to the right.

Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

October 18, 2010

MANTUA TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2010.

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of prior Years' Balances	Balance at June 30, 2010			MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S.Department of Education															
Passed-through State Department of Education:															
General Fund:															
ARRA-SFSF-ESF	84.394	n/a	921,969	07/1/09	06/30/10			921,969	(921,969)						921,969
ARRA-SFSF-GSF	84.397	n/a	35,691	07/1/09	06/30/10			35,691	(35,691)						
Medical Assistance Program	93.778	n/a	2,062	07/1/09	06/30/10			2,062	(2,062)						2,062
								<u>959,722</u>	<u>(959,722)</u>						<u>924,031</u>
U.S.Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010	NCLB299010	85,031	09/1/09	08/31/10				(77,168)			(77,168)			77,168
Title I - Part A	84.010	NCLB299009	73,267	09/1/08	08/31/09	(73,267)		73,267							73,267
Title II A, Teacher & Principal Training	84.367	NCLB299010	38,797	09/1/09	08/31/10				(35,529)			(35,529)			35,529
Title II A, Teacher & Principal Training	84.367	NCLB299009	40,620	09/1/08	08/31/09	(39,242)		40,620		(1,378)					39,242
Title II D, Enhancing Education through Tech.	84.318	NCLB299010	865	09/1/09	08/31/10				(685)			(685)			685
Title II D, Enhancing Education through Tech.	84.318	NCLB299009	612	09/1/08	08/31/09	(489)		612		(123)					489
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB299010	3,744	09/1/09	08/31/10				(2,969)			(2,969)			2,969
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB299008	3,649	09/1/08	08/31/09	(2,915)		3,649		(734)					2,915
I.D.E.A. Part B, Basic Regular	84.027A	IDEA299010	359,731	09/1/09	08/31/10			71,282	(196,331)			(125,049)			196,331
I.D.E.A. Part B, Basic Regular	84.027A	IDEA299009	356,722	09/1/08	08/31/09	(216,944)		260,288	(99,549)			(56,205)			316,493
I.D.E.A. Part B, Basic Regular	84.027A	IDEA299008	349,403	09/1/07	08/31/08	27				(27)					349,376
I.D.E.A. Part B, Preschool	84.173	IDEA299010	34,291	09/1/09	08/31/10				(28,984)			(28,984)			28,984
I.D.E.A. Part B, Preschool	84.173	IDEA299009	34,248	09/1/08	08/31/09	(29,698)		34,248	(4,550)						34,248
I.D.E.A. Part B, Preschool	84.173	IDEA299008	34,939	09/1/07	08/31/08	659				(659)					34,280
ARRA - Title I - Part A	84.389	n/a	27,938	09/1/09	08/31/11			10,100	(11,827)			(1,727)			11,827
ARRA - IDEA Basic	84.391	n/a	372,292	09/1/09	08/31/11			110,711	(170,121)			(59,410)			170,121
ARRA - IDEA Preschool	84.392	n/a	13,458	09/1/09	08/31/11										
Total Special Revenue Fund						<u>(361,869)</u>		<u>604,777</u>	<u>(627,713)</u>			<u>(2,921)</u>	<u>(387,726)</u>		<u>1,373,924</u>
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550		43,386	07/1/09	06/30/10			43,386	(33,378)				10,008		43,386
Food Distribution Program	10.550		33,204	07/1/08	06/30/09	8,252			(8,252)						33,204
National School Lunch Program	10.555		87,411	07/1/09	06/30/10			80,459	(87,411)			(6,952)			87,411
National School Lunch Program	10.555		79,091	07/1/08	06/30/09	(14,922)		14,922							79,091
Special Milk Program	10.556		3,280	07/1/09	06/30/10			3,038	(3,280)			(242)			3,280
Special Milk Program	10.556		3,892	07/1/08	06/30/09	(634)		634							3,892
Total Enterprise Fund						<u>(7,304)</u>		<u>142,439</u>	<u>(132,321)</u>			<u>(7,194)</u>	<u>10,008</u>		<u>250,264</u>
Total Federal Financial Awards						<u>(369,173)</u>		<u>1,706,938</u>	<u>(1,719,756)</u>			<u>(2,921)</u>	<u>(394,920)</u>	<u>10,008</u>	<u>2,548,219</u>

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2010			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Equalization Aid	10-495-034-5120-078	4,320,269	07/1/09	06/30/10			4,320,269	(4,320,269)					509,071	4,320,269	
Transportation Aid	10-495-034-5120-014	345,219	07/1/09	06/30/10			345,219	(345,219)					42,589	345,219	
Special Education Categorical Aid	10-495-034-5120-089	741,653	07/1/09	06/30/10			741,653	(741,653)					71,534	741,653	
Security Aid	10-495-034-5120-084	112,480	07/1/09	06/30/10			112,480	(112,480)					10,849	112,480	
Extraordinary Aid	10-495-034-5120-044	31,349	07/1/09	06/30/10				(31,349)		(31,349)				31,349	
Extraordinary Aid	09-495-034-5120-044	43,435	07/1/08	06/30/09		(43,435)	43,435							43,435	
Reimbursement for Nonpublic Transportation	n/a	12,832	07/1/09	06/30/10				(12,832)		(12,832)				12,832	
Reimbursement for Nonpublic Transportation	n/a	11,627	07/1/08	06/30/09		(11,627)	11,627							11,627	
Reimbursed T.P.A.F. Social Security Contributions	10-495-034-5095-002	670,707	07/1/09	06/30/10			611,967	(670,707)		(58,740)				670,707	
Reimbursed T.P.A.F. Social Security Contributions	09-495-034-5095-002	641,472	07/1/08	06/30/09		(30,708)	30,708							641,472	
On-Behalf T.P.A.F. Pension Contribution	09-495-034-5095-006	28,759	07/1/09	06/30/10			28,759	(28,759)						28,759	
On-Behalf T.P.A.F. Postretirement Contribution	09-495-034-5095-001	540,143	07/1/09	06/30/10			540,143	(540,143)						540,143	
<b>Total General Fund</b>						<b>(85,770)</b>	<b>6,786,260</b>	<b>(6,803,411)</b>		<b>(102,921)</b>			<b>634,043</b>	<b>7,499,945</b>	
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	10-100-034-5120-064	13,541	07/1/09	06/30/10			13,541	(4,265)				9,276		4,265	
Textbook Aid	09-100-034-5120-064	12,983	07/1/08	06/30/09					(7,455)					5,528	
Nursing Services	10-100-034-5120-070	16,057	07/1/09	06/30/10			16,057	(13,618)				2,439		13,618	
Nursing Services	09-100-034-5120-070	17,525	07/1/08	06/30/09					(1,622)					15,903	
Technology Initiative	10-100-034-5120-373	7,718	07/1/09	06/30/10										7,718	
Technology Initiative	09-100-034-5120-373	9,080	07/1/08	06/30/09					(426)					8,654	
Auxiliary Services:															
Compensatory Education	10-100-034-5120-067	53,167	07/1/09	06/30/10			53,167	(50,576)				2,591		50,576	
Transportation	10-100-034-5120-067	12,771	07/1/09	06/30/10			12,771	(12,771)						12,771	
English as a Second Language	09-100-034-5120-067	2,030	07/1/08	06/30/09					(2,030)						
Handicapped Services:															
Corrective Speech	10-100-034-5120-066	31,026	07/1/09	06/30/10			31,026	(26,901)				4,125		26,901	
Examination and Classification	10-100-034-5120-066	12,428	07/1/09	06/30/10			12,428	(12,427)				1		12,427	
Examination and Classification	09-100-034-5120-066	11,943	07/1/08	06/30/09					(6,064)					5,879	
Supplementary Instruction	10-100-034-5120-066	4,699	07/1/09	06/30/10			4,699	(3,982)				717		3,982	
Supplementary Instruction	09-100-034-5120-066	5,782	07/1/08	06/30/09					(1,652)					4,130	
<b>Total Special Revenue Fund</b>						<b>19,249</b>	<b>143,689</b>	<b>(124,540)</b>		<b>(19,249)</b>			<b>19,149</b>	<b>172,352</b>	
Debt Service Fund:															
Debt Service Aid Type II															
Debt Service Aid Type II	10-495-034-5120-017	777,552	07/1/09	06/30/10			777,552	(777,552)						777,552	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	10-100-010-3360-067	6,415	07/1/09	06/30/10			5,898	(6,415)		(517)				6,415	
National School Lunch Program (State Share)	09-100-010-3360-067	6,172	07/1/08	06/30/09		(1,161)	1,161							6,172	
<b>Total Enterprise Fund</b>						<b>(1,161)</b>	<b>7,059</b>	<b>(6,415)</b>		<b>(517)</b>				<b>12,587</b>	
<b>Total State Financial Assistance</b>						<b>(86,931)</b>	<b>19,249</b>	<b>7,714,560</b>	<b>(7,711,918)</b>	<b>(19,249)</b>	<b>(103,438)</b>		<b>19,149</b>	<b>634,043</b>	<b>8,462,436</b>

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2010

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Mantua Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a G.A.A.P. basis. Budgetary comparison statements or schedules (R.S.I.) 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 G.A.A.P. reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44-.2. For G.A.A.P. purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4-.2.

MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2010

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the G.A.A.P. basis is (\$30,987) for the General Fund and (\$19,557) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a G.A.A.P. basis as presented:

	Federal	State	Total
General Fund	959,722	6,772,424	7,732,146
Special Revenue Fund	608,156	124,540	732,696
Debt Service Fund		777,552	777,552
Food Service Fund	134,077	6,415	140,492
Total Financial Assistance	1,701,955	7,680,931	9,382,886

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: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2010, Mantua Township School District has food commodities totaling \$10,008 in inventory.

NOTE 6: OTHER

The amount reported as T.P.A.F. Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2010. T.P.A.F. Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for T.P.A.F. members for the year ended June 30, 2010.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I – Summary of Auditor’s Results

**Financial Statements:**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

2. Significant deficiencies identified that are not considered to be material weaknesses?    X    Yes        None

Noncompliance material to basic financial statements noted?        Yes    X    No

**Federal Awards**

Internal control over major programs:

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

2. Significant deficiencies identified that are not considered to be material weaknesses?    X    Yes        None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?    X    Yes        No

Identification of major programs:

CFDA Numbers  
84.394

Name of Federal Program or Cluster  
ARRA - ESF

Dollar threshold used to distinguish between type A and type B programs: \$300,000

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**Section I – Summary of Auditor’s Results (Continued)**

Auditee qualified as low-risk auditee?                      X   Yes                           No

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:     \$300,000 

Auditee qualified as low-risk auditee?                           Yes                      X   No

Internal control over major programs:

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

3. Significant deficiencies identified that  
are not considered to be material weaknesses?      X   Yes                           None reported

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

Any audit findings disclosed that are required to  
be reported in accordance with NJOMB Circular  
Letter 04-04?                      X   Yes                           No

Identification of major programs:

State Grant/Project Numbers

495-034-5120-078  
495-034-5120-089  
495-034-5120-084  
495-034-5120-017

Name of State Program

Equalization Aid  
Special Education Categorical Aid  
Security Aid  
Debt Service Aid

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**Section II – Financial Statement Findings**

**Classification of Expenditures**

Finding 2010-1

Criteria or Specific Requirement

The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2003 Edition, and other available reference materials, such as the Budget Guidelines, be referenced for the proper classification as required by N.J.A.C. 6A:23-2.2(f).

Condition

During our test of transactions it was noted that the District misclassified and misbudgeted the school resource officer as operation and maintenance salaries instead of school administration purchased professional services. The expenditure and related appropriation was reclassified for financial statement presentation.

Questioned Cost

\$30,000

Effect

The District is not following the Uniform Minimum Chart of Accounts for New Jersey Public Schools as required by N.J.A.C. 6A:23-2.2(f).

Cause

Funds for the school resource officer were appropriated in the wrong line-item.

Recommendation

The District should reference the *Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2003 Edition*, and other available reference materials, such as the Budget Guidelines, for the proper classification as required by N.J.A.C. 6A:23-2.2(f).

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Finding: OFAC-1:**

Title I, Part A CFDA # 84.010, Award 9/1/2009 – 8/31/2010 – Pass through Department of Education

**Criteria or specific requirement:** Requirements of NCLB §1120A(b): Fiscal Requirements (*Federal Funds to Supplement, Not Supplant, Non-Federal Funds*).

**Condition:** The District is supplanting state/local funds to operate the Basic Skills program at the Title I school (Center City). The use of *additional* state/local funds to support a program that meets the intents and purposes of a Title I program is allowable. If the District is not using *additional* state/local funds to support the Basic Skills program at its non-Title I schools (J. Mason Tomlin and Sewell).

**Context:** A test to compare eligible salaries totaling \$67,000 charged to the grant as of March 2010 was performed by OFAC.

**Questioned Costs:** None

**Effect:** The District is violating the Title I supplement not supplant provision.

**Cause:** Documentation was not provided to verify that the Basic Skills program at its non-Title I schools are funded with supplemental state/local funds.

**Recommendation:** The District must provide documentation to verify that the Basic Skills programs at its non-Title I schools are funded with supplemental state/local funds.

**Views of responsible officials:** The District provided the necessary documentation to Office of Fiscal Accountability and Compliance to clear this exception.

**Finding: OFAC-2:**

**Criteria or specific requirement:** Requirements of NCLB §1120A(b): Fiscal Requirements (*Federal Funds to Supplement, Not Supplant, Non-Federal Funds*).

**Condition:** The District is using Title I funds to purchase materials and supplies for its non-Title I schools. The District used Title I funds to purchase a subscription to Star Reading for the use of Basic Skills students in both the Title I funded and non-Title I funded schools.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Context:** A test of the Star Reading subscription totaling \$1,800 charged to the grant as of March 2010 was performed by OFAC.

**Questioned Costs:** \$1800

**Effect:** Thus, the Title I students' instructional program is not supplemental to the instructional program of the non-Title I students.

**Cause:** The District miscoded the expenditure to the grant.

**Recommendation:** The District must reverse its expenditure of Title I funds to purchase a subscription to Star Reading. The District must allocate state/local funds to support the subscription.

**Views of responsible officials:** The District reversed the expenditure and charged to state and local funds prior to the June 30<sup>th</sup> closeout.

**Finding: OFAC-3:**

**Criteria or specific requirement :** Requirements of NCLB §1120A(b): Fiscal Requirements (*Federal Funds to Supplement, Not Supplant, Non-Federal Funds*).

**Condition:** The District is using Title I funds to support the salary of a paraprofessional at the J. Mason Tomlin School, a non-Title I funded school.

**Context:** A test to compare eligible salary totaling \$9,500 charged to the grant as of March 2010 was performed by OFAC.

**Questioned Costs:** None

**Effect:** Thus, a non-Title I school is benefitting from Title I funds.

**Cause:** The District miscoded the salary to the grant.

**Recommendation:** The District must reverse its expenditures of Title I funds to support the salary of the one paraprofessional at the J. Mason Tomlin School. The paraprofessional's salary must be paid with state/local funds.

**Views of responsible officials:** The District reversed the expenditure and charged to state and local funds prior to the June 30<sup>th</sup> closeout.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Finding: OFAC-4:**

**Criteria or specific requirement:** NCLB §1118(a)(2): Parental Involvement (*Local Educational Agency Policy*).

**Condition:** The District's Parent Involvement Policy does not meet the legislative requirements. The policy, adopted in August 2006, is titled "*Cooperation Between Parents and School.*"

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The existing policy does not inform Title I parents of their rights and responsibilities such as participating in the planning of parental involvement activities, assisting in the development of the Title I plan and providing input in the evaluation of the District's parental involvement program.

**Cause:** This policy adopted in August of 2006 outlines expectations for parent intervention in student behavior and communication with the school. It is not specific to the Title I program.

**Recommendation:** The District must work with the parents of its Title I students to update the Parental Involvement Policy to include descriptions to be in compliance with NCLB §1118(a)(2).

**Views of responsible officials:** The District amended the policy to incorporate the required elements and a parent's involvement program was developed by the Supervisor of Curriculum.

**Finding: OFAC-5:**

**Criteria or specific requirement:** NCLB §1118(b): Parental Involvement (*School Parental Involvement Policy*).

**Condition:** The District's Title I funded school (Center City School) does not have a school-level parental involvement policy.

**Context:** Not applicable.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Questioned Costs:** None

**Effect:** The District is violating the Title I parental involvement provision.

**Cause:** A policy was not developed for parental involvement.

**Recommendation:** The District must provide technical assistance to the Center City School and its stakeholder group in the development of a school-level parent involvement policy. The school must distribute the policy to parents of all the Title I students and send a copy of the school-level parent involvement policy to the NJDOE for review.

**Views of responsible officials:** A parent involvement plan was developed by the Supervisor of Curriculum and principal at Centre City School.

**Finding: OFAC-6:**

**Criteria or specific requirement:** NCLB §1118(d): Parental Involvement (*Shared Responsibilities for High Student Academic Achievement*).

**Condition:** The District's Title I funded school (Center City School) does not have the required Title I school-parent compact.

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The District is violating the Title I parental involvement provision.

**Cause:** A school parent compact had not been created.

**Recommendation:** The administration of Center City School must work with its stakeholder group to develop the Title I school-parent compact. The school must distribute the compact to parents of all students and submit a copy of the school-parent compact to the NJDOE for review.

**Views of responsible officials:** A School Parent Compact was created as required by Title I.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Finding: OFAC-7:**

**Criteria or specific requirement:** NCLB §1120(a): Participation of Children Enrolled in Private Schools.

**Condition:** The District's FY 2010 Title I Application does not contain enrollment data on nonpublic students residing in its attendance areas.

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The District's NCLB application for FY 2010 was incomplete.

**Cause:** The enrollment data for the nonpublic students residing in the District's attendance area was overlooked when submitting the application.

**Recommendation:** The District must amend its FY 2010 Title I Application (Eligibility Page-Step 1) to include the number of nonpublic students residing in each attendance area.

**Views of responsible officials:** The appropriate amendment was made to the Title I application step 1 to include the nonpublic student data.

**Finding: OFAC-8:**

**Criteria or specific requirement:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 23, Period of Availability of Funds.

**Condition:** The District encumbered Title I funds in July and August of 2009 for expenses related to the 2009-2010 project period which was effective September 1.

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The District did not have authorization from the Office of Grants Management to expend funds prior to the start of the project period.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Cause:** The District inadvertently charged the grant for costs prior to the start date of the grant.

**Recommendation:** The District must review Title I, Part A expenditures charged in July and August of 2009. The District must reverse any expenditures encumbered prior to the start of the project period (September 1, 2009) and submit the list of reversed expenditures and a corrective action plan to the NJDOE.

**Views of responsible officials:** The District reversed the expenditure and charged to state and local funds prior to the June 30<sup>th</sup> closeout.

IDEA Part B CFDA # 84.027 Award 9/1/2009 – 8/31/2010 & ARRA - IDEA  
CFDA#84.391 Award 9/1/2009 – 8/31/2011 – Pass through Department of Education

**Finding: OFAC-9:**

**Criteria or specific requirement:** OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services)*.

**Condition:** The District does not have the required supporting documents, such as time sheets or verified master schedules to certify the activity of IDEA and ARRA-IDEA funded staff as required by federal law.

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The District did not have the required documentation on file to support the salaries funded with IDEA and ARRA-IDEA grant funds.

**Cause:** Staff schedules were not available at the time of the review.

**Recommendation:** The District must verify the time and activity of staff charged to the grant. The District must submit a list of FY 2009-2010 IDEA and ARRA-IDEA funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

**Views of responsible officials:** Staff schedules and federal grant salary breakdown were submitted to OFAC as required.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Finding: OFAC-10:**

**Criteria or specific requirement:** IDEA Regulation 34 CFR 300 and 301 (*Assistance to States for the Education of Children with Disabilities and Preschool Grants for Children with Disabilities*).

**Condition:** The District was not in compliance with the requirements for the provision of services to students enrolled in nonpublic schools. The contract with the service provider agency does not specify the frequency of invoices/bills to be issued by the provider agency or actual services to be rendered.

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The District was not able to provide affirmations of the consultation with the nonpublic representative although evidence of a meeting was on file. Services supported by the ARRA funds were indistinguishable from those provided using the FY 2010 IDEA funds.

**Cause:** Required consultation letters were not sent to the nonpublic schools as required. The District did not specifically address how the ARRA – IDEA funds would differentiate from regular IDEA Funds.

**Recommendation:** The District must develop procedures to capture consultations specifically for IDEA and ARRA-IDEA services, and obtain confirmation of consultation forms from the nonpublic schools. The ARRA plan should be revised to reflect how the nonpublic services purchased through this grant supplement services offered with regular IDEA funds.

**Views of responsible officials:** The required consultation letters were sent in April 2010. The ARRA plan was revised to reflect how this grant is utilized to supplement the regular IDEA funds.

**Finding: OFAC-11:**

**Criteria or specific requirement:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Condition:** The Board of Education did not review and approve the ARRA-IDEA grant application. The online application for ARRA funds reflects the board approval date for the FY 2010 IDEA application. There are no board minutes to demonstrate consideration of the ARRA grant plan or expenditures.

**Context:** The total amount of the ARRA-IDEA grant is \$372,292.

**Questioned Costs:** None

**Cause:** Nothing was noted in the minutes for the approval date submitted for the online application.

**Recommendation:** The ARRA-IDEA plan and grant application should be included on the next board agenda. A copy of the board resolution approving the application should be forwarded to the Office of Grants Management.

**Views of responsible officials:** The Board of Education reviewed and approved the ARRA-IDEA application on April 12, 2010.

Title IIA CFDA # 84.367 Award 9/1/2009 – 8/31/2010  
– Pass through Department of Education

**Finding: OFAC-12:**

**Criteria or specific requirement:** OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services)*.

**Condition:** The District does not have the required supporting documents to verify the activity of Title IIA funded staff as required by federal law.

**Context:** The District does not have the required supporting documents, such as time sheets or verified master schedules to certify the activity of IDEA and ARRA-IDEA funded staff as required by federal law.

**Questioned Costs:** None

**Effect:** The District did not have the required documentation on file to support the salaries funded with Title IIA grant funds.

**Cause:** Staff schedules were not available at the time of the review.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Recommendation:** The District must verify the time and activity of staff charged to the grant. The District must submit a list of FY 2009-2010 Title IIA funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

**Views of responsible officials:** Staff schedules and federal grant salary breakdown were submitted to OFAC as required.

Title III CFDA # 84.365 Award 9/1/2009 – 8/31/2010 – Pass through Department of Education

**Finding: OFAC-13:**

**Criteria or specific requirement:** NCLB §3122, Language Instruction for Limited English Proficient and Immigrant Students, Achievement Objectives and Accountability.

**Condition:** The District did not issue a letter to parents informing them that the District did not meet its Annual Measurable Achievement Objectives (AMAO).

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** Parents were not informed that the District did not meet its Annual Measurable Achievement Objectives.

**Cause:** Required letters were not sent to the ESL parents as required.

**Recommendation:** The District must mail a letter to the parents notifying them of the status and send a copy to the NJDOE.

**Views of responsible officials:** The required letters were sent in April 2010.

**Finding: OFAC-ADMIN-1:**

**Criteria or specific requirement:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

**Condition:** The District's internal controls should be updated to include policies and procedures to prevent non-allowable costs from being charged to grants, prevent contracting with disbarred vendors and perform competitive contracting.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The District's policies and procedures do not have procedures in place to prevent non-allowable costs from being charged to grants, nor prevent contracting with disbarred vendors and perform competitive contracting.

**Cause:** The policies and procedures of the District have not been updated as required.

**Recommendation:** The District should update internal control policies to prevent these errors from recurring.

**Views of responsible officials:** The Board policy for reimbursement of federal and other grant expenditures was updated by the Board.

**Finding: OFAC-ADMIN-2:**

**Criteria or specific requirement:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

**Condition:** The District does not have formal written policies for requesting reimbursement from the Electronic Web Enabled Grant system.

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** The District's practice for requesting reimbursement was verified through questions concerning the District's internal controls.

**Cause:** The policies and procedures of the District have not been updated as required.

**Recommendation:** The District must have a formal board policy concerning the reimbursement of grant funds and should submit this to the NJDOE for review.

**Views of responsible officials:** The Board policy for reimbursement of federal and other grant expenditures was updated by the Board.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**Finding: OFAC-ADMIN-3:**

**Criteria or specific requirement:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

**Condition:** In accordance with the PSCL [N.J.S.A. 18A:18A:10(a)], a board of education may place its order with a vendor offering the lowest price, including delivery charges, that best meets the requirements of the board of education. However, for ARRA and all federal funds, Districts need to review 34 CFR Part 80.36 on procurement requirements.

**Context:** Not applicable.

**Questioned Costs:** None

**Effect:** It is the DOE's position and recommendation to the federal government that state contracts do not need any additional documentation beyond the statutory requirement under N.J.S.A. 18A:18A:10(c) that prior to placing orders, the board of education shall document with specificity that the goods and services selected best meet the requirements of the board of education.

**Cause:** The federal procurement regulations under this section do not include all the exemptions allowed under the PSCL and therefore, it is our understanding these federal regulations require Districts to competitively contract or bid all goods and services over the bid threshold, whether exempt under PSCL or not.

**Recommendation:** The District should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The District should also analyze and include documentation in its files that demonstrates the District ensured the costs were reasonable.

**Views of responsible officials:** The District is implementing new procedures to ensure that all required bids and quotes are obtained.

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

STATE AWARDS

State of New Jersey  
Department of Education  
Equalization Aid 495-034-5120-078, 7/1/2009 – 6/30/2010  
Special Education Categorical Aid 495-034-5120-089, 7/1/2009 – 6/30/2010

Same as Finding 2010-1, Section II – Financial Statement Findings

MANTUA TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Finding 2009-2

Condition:

The salary of the vice-principal was paid in excess of the contract amount.

Current year status: Corrective action was implemented.

Finding 2009-5

Condition:

The December Board Secretary and Treasurer's reports are required to be on file in the County office by January 30th.

Current year status: Corrective action was implemented.

Finding 2009-6

Condition:

Quotes were not obtained in a few instances when the expenditure exceeds 15 percent or more of the bid threshold.

Current year status: Corrective action was implemented.