

**MANSFIELD TOWNSHIP**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
MANSFIELD TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by**

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

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## INTRODUCTORY SECTION

# *Mansfield Township Board of Education*

**50 Port Murray Road, Port Murray, NJ 07865**

**Phone: 908-689-3212, Ext. 1186**

**Fax: 908-689-9504**

October 17, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Mansfield Township School District (District) for the fiscal year ending June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (amended 1996) and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments' and the State Treasury Circular Letter 04-04 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** Mansfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Mansfield Township Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular classes and special education for handicapped youngsters. The District completed the 2010-11 fiscal year with an enrollment of 695 students, which is 24 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

#### **AVERAGE DAILY ENROLLMENT**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	695	-3.4%
2009-10	719	3.6%
2008-09	694	-1.4%
2007-08	704	0.0%
2006-07	705	1.0%
2005-06	698	-4.30%
2004-05	729	-4.25%

2) **ECONOMIC CONDITIONS AND OUTLOOK:** A new housing development is currently before the Mansfield Township Planning Board. This will be a mostly non age restricted development consisting of 159 dwellings. There will be 20% of the housing set aside for affordable housing. The builder projects that the development may result in an increase of 75 school-age children. Presently, thirty-one percent (31%) of the students come from the apartment and townhouse developments. This number is up by three percent (3%) from the previous year.

3) **MAJOR INITIATIVES:** Mansfield Township School District believes that all disciplines of the Academics and Arts are important to the development of well-educated students. To this end, all Mansfield students in grades K-6 not only receive the basic academic offerings of an elementary school program but also have the opportunity to expand these offerings through the use of hands-on science and interactive technology.

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

The major initiatives in technology for 2011-2012 were the installation of nine SMART Boards with projectors, completing our commitment to having every appropriate classroom equipped with an interactive white board. We also purchased a SMART table, two SMART response systems, two SMART document cameras, and a tablet. We added 60 new desktop computers as well as 31 laptops. We remediated our slow bandwidth both to the internet (WAN) as well as internally (LAN). This was accomplished by our switch to Comcast for internet (1.54 mbps – 8 mbps) and phone service at a substantial savings to the district and the installation of new switches with configured link aggregation. We continue to host an in-house email service using Microsoft exchange. We retain our improved ability to communicate with parents and to respond to emergency situations through the utilization of the Honeywell Instant Alert System. We utilize Discovery Video Streaming as a teacher resource. We upgraded our 20 SuccessMaker© licenses to address the new core content standards and added five more licenses. Additionally we began receiving e-rate rebates for some of our technology and communication costs. We anticipate rebates of approximately \$8,000.00.

Facility improvements involved the completion of four more sections of window replacements (15 classrooms) with the help of a ROD grant of \$195,691.00 from the NJ Department of Education. The cost of the entire project was \$493,662.00.

In terms of achievement, we revamped our Title I program by including an after-school component and an extended school year offering. More teachers are utilizing SuccessMaker© to support student growth. Teachers had three full days of training on improving student writing and student responses to written text. Twenty-four teachers received training in differentiating instruction and integrating technology into the classroom. Teachers continued Professional Learning Communities (PLC's) for staff development and to enhance district programs. The students in grades 3, 4, 5, and 6 participated in the State's NJ ASK test during May 2011. Students in grade 2 participated in the NJPASS achievement tests in the spring.

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

### NJ ASK 2011 Results

Test Type	Partially Proficient	Proficient	Advanced Proficient
NJ ASK-3 - Language Arts	20.9	69.8	9.3
NJ ASK-3 – Mathematics	18.6	53.5	27.9
NJ ASK-4 – Language Arts	25.8	61.9	12.4
NJ ASK-4 – Mathematics	17.5	56.7	25.8
NJ ASK-4 – Science	3.1	37.1	59.8
NJ ASK-5 – Language Arts*	31.3	65.6	3.0
NJ ASK-5 - Mathematics	13.0	52.0	35.0
NJ ASK-6 – Language Arts	18.9	73.3	7.8
NJ ASK-6 - Mathematics	11.1	53.3	35.6

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

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to

ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2011.

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

7) **DEBT ADMINISTRATION:** The District issued refunding bonds of \$2,540,000 on December 12, 2007, to refund the 1995 debt related to a Certificate of Participation ("COP") lease purchase obligation. The district issued \$250,000 in new debt in fiscal year 2008 for a window replacement project. There is actually a zero net cost to the taxpayers for this new debt issue since it is more than offset by the future debt savings from the refunding bond issue. The final payment (March 1, 2015) did not change from the original sunset date on the 1995 "COP" lease purchase obligation.

8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Notes 1 and 3. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in depositories located in New Jersey, where the funds are secured in accordance with the Act.

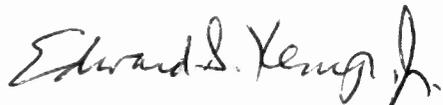
9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) **OTHER INFORMATION - INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., CPA. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 (amended 1996) and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules is included in the financial section of this

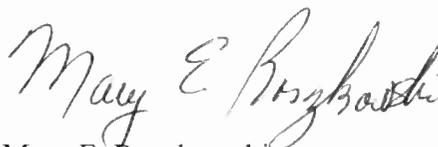
report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

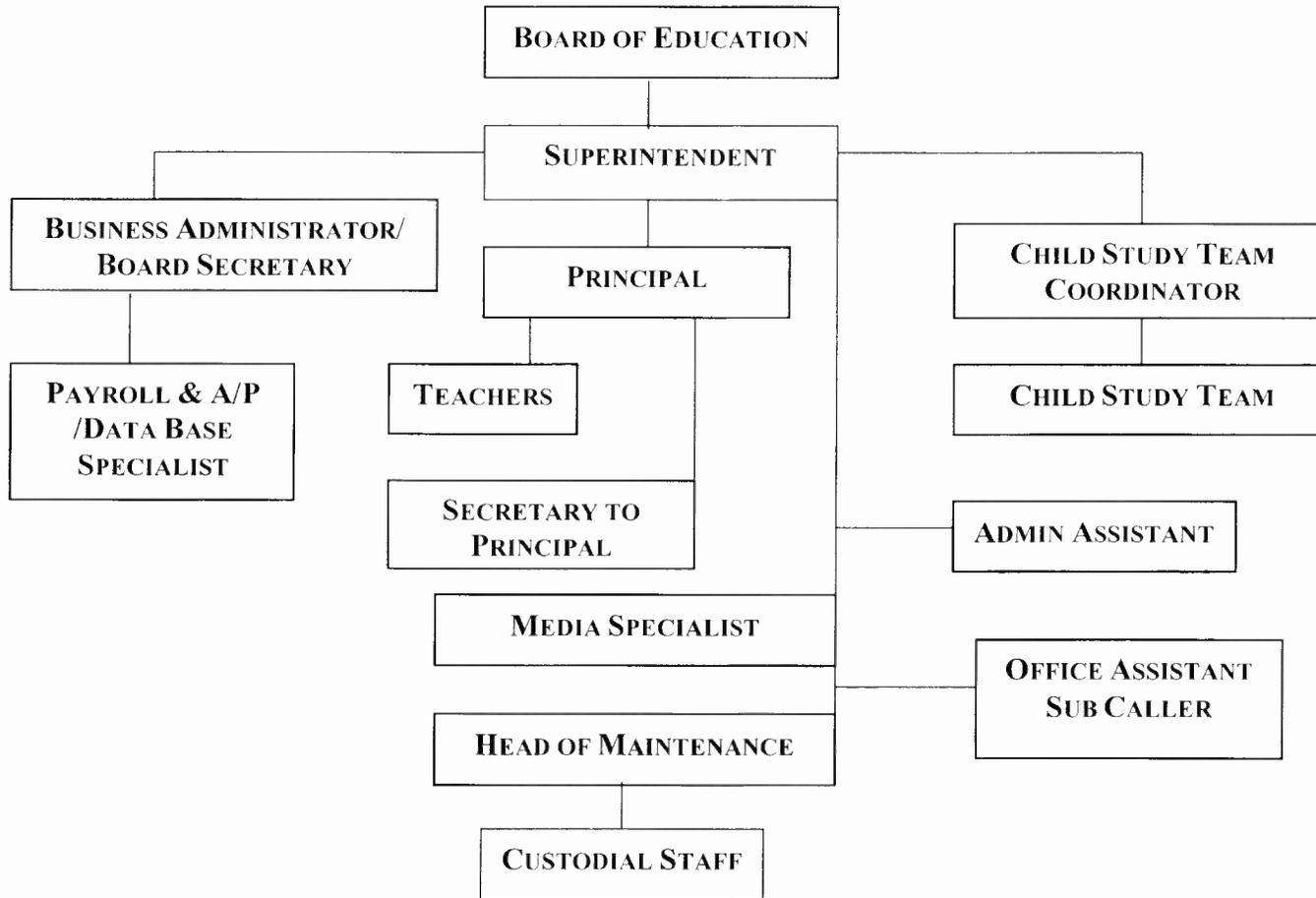


Edward S. Kemp, Jr.  
Superintendent



Mary E. Roszkowski  
Business Administrator/Board Secretary

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



**ROSTER OF OFFICIALS**  
**JUNE 30, 2011**

**Members of the Board of Education**

**Term Expires**

Russell Uhrig, President	2014
Karri Siena-Reyes, Vice President	2013
Timothy Barlow	2013
John Bell	2013
Terry Clancy	2012
Barbara Curto	2012
Tracey Janowski	2014
Jeff Stabile	2012
Jason Winch	2014

**Other Officials**

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

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

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEYS**

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

**OFFICIAL DEPOSITORIES**

SKYLANDS COMMUNITY BANK  
148 MOUNTAIN AVENUE  
HACKETTSTOWN, NJ 07840

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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

## INDEPENDENT AUDITOR'S REPORT

October 17, 2011

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Mansfield Township School District in the County of Warren, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Mansfield Township Board of Education management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Mansfield Township Board of Education in the County of Warren, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable for the fiscal 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 a report dated October 17, 2011 on our consideration of the Mansfield Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by US 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" and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The discussion and analysis of Mansfield Township School District's financial performance provide an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and notes to enhance their understanding of the District's financial performance.

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

**FINANCIAL HIGHLIGHTS**

- In total, net assets increased \$742,234 which is a 24.97 percent increase from fiscal year 2010.
- General revenue accounted for \$9,126,286 in revenue or 89.7 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,045,634 or 10.3 percent of the total revenue of \$10,171,920.
- The School District had \$9,329,686, in expenses; only \$1,045,634 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$9,126,286 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$8,734,188 in revenues and \$8,254,633 in expenditures. After considering transfers out of \$100,000, the General Fund's fund balance increased by \$379,525 from fiscal year 2010.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

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

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

**REPORTING THE DISTRICT AS A WHOLE**

**STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES**

While this document contains the various funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010/2011?" The Statement of New Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

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

**REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUNDS**

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

**ENTERPRISE FUNDS**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

**THE DISTRICT AS A WHOLE**

The Statement of Net Assets provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the district's net assets at June 30, 2011, with comparisons to June 30, 2010.

**Table 1  
Net Assets**

	6/30/11	6/30/10	Variance	
			Dollars	%
Current & Other Assets	\$ 966,121	\$ 1,019,632	\$ (53,511)	(5.25)
Capital Assets	4,850,094	4,540,325	309,769	6.82
Total Assets	5,816,215	5,559,957	256,258	4.61
Long-Term Liabilities	1,852,419	2,198,927	(346,508)	(15.76)
Other Liabilities	249,261	388,729	(139,468)	(35.88)
Total Liabilities	2,101,680	2,587,656	(485,976)	(18.78)
Net Assets				
Invested in Capital Assets,				
Net of Related Debt	3,280,094	2,610,325	669,769	25.66
Restricted	633,967	633,103	864	0.14
Unrestricted	(199,526)	(271,127)	71,601	(26.41)
Total Net Assets	\$ 3,714,535	\$ 2,972,301	\$ 742,234	24.97

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

Table 2 provides a summary of the district's changes in net assets in fiscal year 2011 with comparisons to 2010.

**Table 2  
Changes in Net Assets**

	Fiscal Year Ending		Variance	
	6/30/11	6/30/10	Dollars	%
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 376,032	\$ 458,542	\$ 82,510)	(17.99)
Operating Grants	473,911	407,484	66,427	16.30
Capital Grants	195,691		195,691	*
General Revenues:				
Property Taxes	5,114,832	4,839,109	275,723	5.70
Unrestricted Grants	3,995,416	4,311,169	(315,753)	(7.32)
Other	16,038	32,927	(16,889)	(51.29)
<b>Total Revenues</b>	<b>10,171,920</b>	<b>10,049,231</b>	<b>122,689</b>	<b>1.22</b>
<b>Program Expenses</b>				
Instruction:				
Regular	3,982,469	4,357,749	75,280)	(8.61)
Special	1,309,437	1,437,322	27,885)	(8.90)
Other	359,138	309,366	49,772	16.09
Support Services:				
Tuition	306,557	232,690	73,867	31.74
Student & Instructional Staff	1,095,002	1,161,165	(66,163)	(5.70)
General & Business Administration	583,913	559,412	24,501	4.38
School Administration	211,304	234,180	(22,876)	(9.77)
Maintenance	568,853	674,921	(106,068)	(15.72)
Transportation	559,630	640,255	(80,625)	(12.59)
Food Service	183,609	202,312	(18,703)	(9.24)
Child Care Program	94,688	98,518	(3,830)	(3.89)
Special Schools		17,137	(17,137)	(100.00)
Charter Schools	9,219	3,576	5,643	157.80
Interest on Long-Term Debt	65,867	78,301	(12,434)	(15.88)
<b>Total Expenses</b>	<b>9,329,686</b>	<b>10,006,904</b>	<b>(677,218)</b>	<b>(6.77)</b>
Increases (Decreases) Before Special Items				
	842,234	42,327	799,907	1889.83
Special Items:				
Transfers	(100,000)	(55,000)	(45,000)	81.82
Disposal of Capital Assets		(13,762)	13,762	(100.00)
<b>Total Special Items</b>	<b>(100,000)</b>	<b>(68,762)</b>	<b>(31,238)</b>	<b>45.43</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 742,234</b>	<b>\$ (26,435)</b>	<b>\$ 768,669</b>	<b>(2907.77)</b>

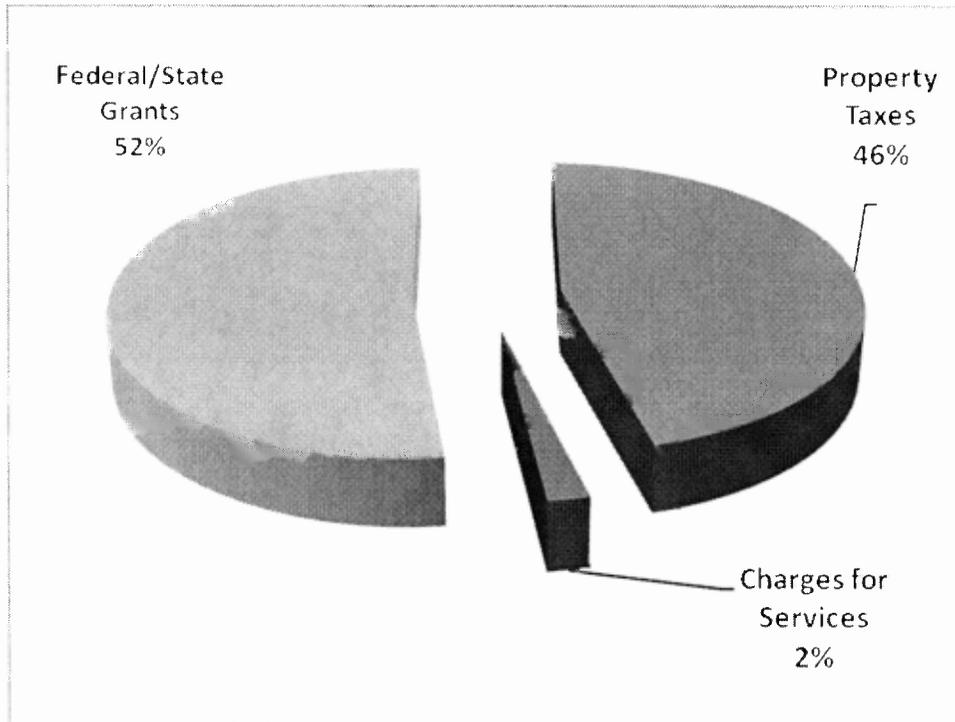
\* = Undefined

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

*Governmental Activities*

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 52% of revenues for governmental activities for the Mansfield School District for fiscal year 2011. Federal, state, and local grants accounted for another 46% of the revenues, and 2% was derived from charges for services and from other sources. The District's total revenues for governmental activities were \$9,880,804 for the year ended June 30, 2011.

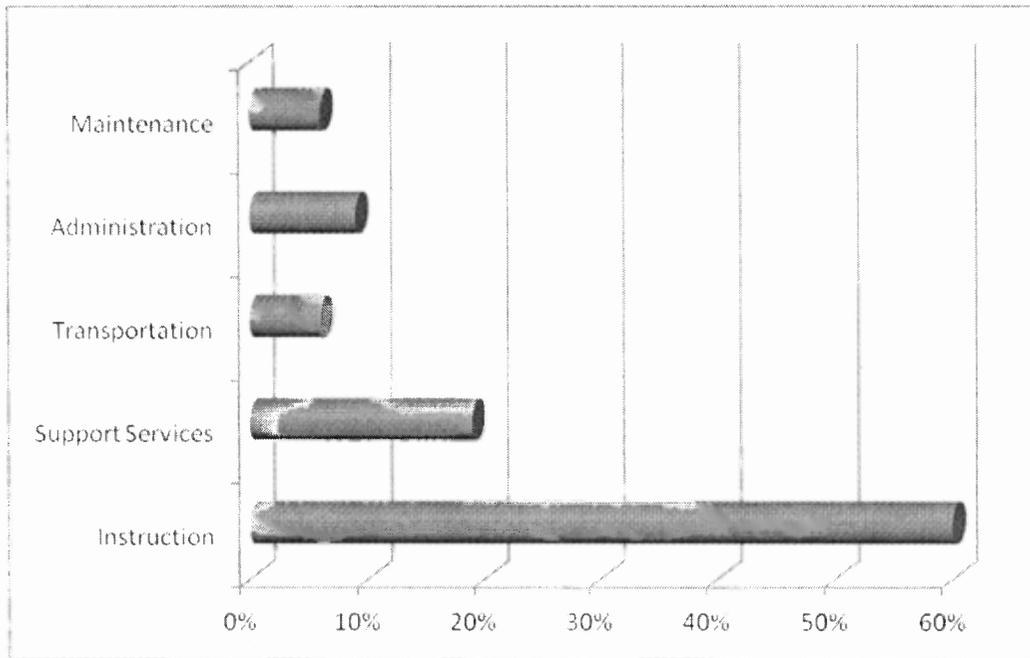
REVENUES  
YEAR ENDED 6/30/11



MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

The total cost of all program expenses and services for governmental activities was \$9,051,389. Expenditure categories and associated percentages are shown below.

EXPENDITURES  
YEAR ENDED 6/30/2011



*Business-Type Activities*

*Food Service*

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

Food service revenues exceeded expenditures by \$3,526.

Daily food sales amounted to \$109,843. This represents amounts paid by patrons for daily food services.

Federal and State reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$77,201.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
 UNAUDITED

*Business-Type Activities (continued)*

*Child Care Program*

Revenues for the district's child care program were comprised of charges for services. Child care revenues exceeded expenditures by \$9,293.

Charges for services represent \$103,981. This represents amounts paid by patrons for child care services.

Table 3 provides a summary of the School District's cost of governmental services in 2011 and 2010.

**Table 3  
 Cost of Government Services**

	Total Cost of Services		Net Cost of Services	
	6/30/11	6/30/10	6/30/11	6/30/10
Instruction	\$ 5,651,044	\$ 6,104,437	\$ 5,341,804	\$ 5,817,092
Support Services:				
Tuition	306,557	232,690	94,126	175,109
Student & Instructional Staff	1,095,002	1,161,165	999,290	1,105,675
General & Business Administration	583,913	559,412	568,578	559,412
School Administration	211,304	234,180	205,842	234,180
Plant Operations & Maintenance	568,853	674,921	568,631	669,489
Pupil Transportation	559,630	640,255	443,423	486,072
Food Service	183,609	202,312	(3,435)	4,305
Child Care Program	94,688	98,518	(9,293)	165
Special Schools		17,137		7,502
Charter Schools	9,219	3,576	9,219	3,576
Interest on Long-Term Debt	65,867	78,301	65,867	78,301
<b>Total Expenses</b>	<b>\$ 9,329,686</b>	<b>\$10,006,904</b>	<b>\$ 8,284,052</b>	<b>\$ 9,140,878</b>

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

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

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

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

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

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

**The School District's Funds**

All governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$9,756,552 and expenditures were \$9,574,997. After accounting for other financing sources of \$100,000, the net change in fund balance for the year was a increase of \$81,555.

**General Fund Budgeting Highlights**

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
 UNAUDITED

Capital Assets

At the end of fiscal year 2011, the district had \$4,850,094 invested in land, buildings, furniture, and equipment.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2011, with comparisons to June 30, 2010.

**Table 4**  
**Capital Assets**  
**(Net of Depreciation)**

	6/30/11	6/30/10	Variance	
			Dollars	%
Land	\$ 17,722	\$ 17,722		0.00
Land Improvements	131,195	146,725	\$ (15,530)	(10.58)
Buildings & Improvements	4,589,560	4,239,738	349,822	8.25
Furniture & Equipment	111,617	136,140	(24,523)	(18.01)
Total	<u>\$ 4,850,094</u>	<u>\$ 4,540,325</u>	<u>\$ 309,769</u>	6.82

During fiscal year, 2011, the District completed the second phase of its window replacement project in the Capital Projects Fund at a total cost of \$493,662.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

**Long Term Liabilities – Debt Administration**

As of June 30, 2011, the district had \$1,852,419 of long-term liabilities. This amount is detailed below.

**Table 5  
Outstanding Debt at 6/30/11**

	6/30/11	6/30/10	Variance	
			Dollars	%
2007 General Obligation Refunding Bonds	\$ 1,570,000	\$ 1,930,000	\$ (360,000)	(18.65)
Unamortized Bond Premium	16,785	21,297	(4,512)	(21.19)
Compensated Absences	265,634	247,630	18,004	7.27
	<u>\$ 1,852,419</u>	<u>\$ 2,198,927</u>	<u>\$ (346,508)</u>	(15.76)

**For the Future**

The 2010-2011 school year reminded us that the building is approximately 40 years old, and it owes us nothing. Administration continues to examine and to prepare for the future needs of the district. A long range facilities plan was developed in 2005 which addresses the many anticipated building needs. The heating/ventilation units in the 1963 portion of the building are original as are the lighting fixtures. We have replaced the lighting in 18 classrooms and plan to complete 21 classrooms and 5 outdoor fixtures during the 2011 – 2012 school year. The heating/ventilation units will need to be replaced in the foreseeable future with the intention of adding air conditioning where possible.

Phase I of the windows project was completed in August 2008, and Phase II was completed in August 2010. The District applied for and received a 40% grant for Phase II of the project to replace windows in the 1963 section. Mansfield received \$195,691 from the NJ Department of Education. The cost of the entire project was \$493,662. There are five classrooms of windows in the 1963 section of the building that still need to be replaced. We are also looking to replace the windows in the multi-purpose room.

Our technology goals for the future include: expanding responsive classroom technology, adding wireless tablets, improving classroom speakers, the addition of seamless wireless internet access throughout the entire building, and technology-based programs to reinforce the Core Content Standards.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The 2008–2009 addition of the district's rapid alert communication system for contacting parents in the event of an emergency was a major advance and will continue to be utilized. The system is now being used to help the district reduce paper through electronic distributions to parents. Our Education Foundation and PTA will help support the costs of expanding technology and funding programs.

Our team teaching model for inclusion special education students and Title I students continues to develop and provide benefits for struggling learners. We continue to improve our Intervention and Referral Services. Changes better support teachers by providing them with alternative methodologies to address the specific needs of an individual student. These changes will also more effectively support students who are experiencing difficulties in the classroom.

Mansfield Township School District has been committed to financial excellence for many years. We are constantly looking for ways to maximize the taxpayer's investment in our district by seeking out the best prices for everything we purchase, by joining purchasing cooperatives, by consulting with Township officials to find ways to share services, and by attending meetings with an eye out for ways to share services between school districts. We now share a behaviorist and a curriculum coordinator with the other districts in our cluster. Last year our efforts to combine bus routes with neighboring districts resulted in a significant savings. Last year we experienced savings by switching our phone and internet services to Comcast. This year we will be investigating savings through the possible addition of solar technologies and through continuing to upgrade our lighting.

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

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

## BASIC FINANCIAL STATEMENTS

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 1	\$ 45,014	\$ 45,015
Due from Other Funds	198		198
Receivables, Net	224,602	5,346	229,948
Inventory		2,380	2,380
Bond Issuance Costs, Net	54,613		54,613
Restricted Assets:			
Capital Projects Account	56,779		56,779
Capital Reserve Account-Cash	345,868		345,868
Maintenance Reserve Account-Cash	231,320		231,320
Capital Assets (Note 4):			
Land	17,722		17,722
Other Capital Assets, net of depreciation	4,818,847	13,525	4,832,372
<b>Total Assets</b>	<u>5,749,950</u>	<u>66,265</u>	<u>5,816,215</u>
<b>LIABILITIES</b>			
Accounts Payable	13,419	11,626	25,045
Accrued Interest	18,971		18,971
Deferred Revenue	126,821	951	127,772
Cash Deficit	77,473		77,473
Long-Term Liabilities (Note 5):			
Due Within One Year	390,277		390,277
Due Beyond One Year	1,462,142		1,462,142
<b>Total Liabilities</b>	<u>2,089,103</u>	<u>12,577</u>	<u>2,101,680</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	3,266,569	13,525	3,280,094
Restricted for:			
Capital Projects	56,779		56,779
Capital Reserve	345,868		345,868
Maintenance Reserve	231,320		231,320
Unrestricted	(239,689)	40,163	(199,526)
<b>TOTAL NET ASSETS</b>	<u>\$ 3,660,847</u>	<u>\$ 53,688</u>	<u>\$ 3,714,535</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Government Activities:</b>								
Instruction:								
Regular	\$ 2,747,279	\$ 1,235,190	\$ 15,200	\$ 16,632	\$ 103,110	\$ (3,847,527)		\$ (3,847,527)
Special Education	882,923	426,514	27,443	20,771	33,272	(1,227,951)		(1,227,951)
Other Special Education	259,020	100,118		83,049	9,763	(266,326)		(266,326)
Support Services:								
Tuition	306,557			212,431		(94,126)		(94,126)
Students & Instruction Related Services	767,167	327,835	3,136	63,827	28,749	(999,290)		(999,290)
General & Business Administration Services	408,127	175,786			15,335	(568,578)		(568,578)
School Administration Services	144,925	66,379			5,462	(205,842)		(205,842)
Plant Operations & Maintenance	466,894	101,959	222			(568,631)		(568,631)
Pupil Transportation	559,097	533	116,207			(443,423)		(443,423)
Charter Schools	9,219					(9,219)		(9,219)
Interest on Long-term Debt	65,867					(65,867)		(65,867)
<b>Total Government Activities</b>	<b>6,617,075</b>	<b>2,434,314</b>	<b>162,208</b>	<b>396,710</b>	<b>195,691</b>	<b>(8,296,780)</b>	<b>\$ -</b>	<b>(8,296,780)</b>
<b>Business-Type Activities:</b>								
Food Service	183,609		109,843	77,201			3,435	3,435
Before and After School Child Care	94,688		103,981				9,293	9,293
<b>Total Business-Type Activities</b>	<b>278,297</b>	<b>-</b>	<b>213,824</b>	<b>77,201</b>	<b>-</b>	<b>-</b>	<b>12,728</b>	<b>12,728</b>
<b>Total Primary Government</b>	<b>\$ 6,895,372</b>	<b>\$ 2,434,314</b>	<b>\$ 376,032</b>	<b>\$ 473,911</b>	<b>\$ 195,691</b>	<b>(8,296,780)</b>	<b>12,728</b>	<b>(8,284,052)</b>
<b>General Revenues and Transfers</b>								
						4,771,606		4,771,606
						343,226		343,226
						3,995,416		3,995,416
						4,170	91	4,261
						11,777		11,777
						(100,000)		(100,000)
						9,026,195	91	9,026,286
						729,415	12,819	742,234
						2,931,432	40,869	2,972,301
						<b>\$ 3,660,847</b>	<b>\$ 53,688</b>	<b>\$ 3,714,535</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## **FUND FINANCIAL STATEMENTS**

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents				\$ 1	\$ 1
Due from Other Funds	\$ 25,904				25,904
Receivables from Other Governments:					
Federal	2,087	\$ 152,527			154,614
State	57,076				57,076
Local	12,912				12,912
Restricted Cash & Equivalents	577,188		\$ 56,779		633,967
<b>TOTAL ASSETS</b>	<b>\$ 675,167</b>	<b>\$ 152,527</b>	<b>\$ 56,779</b>	<b>\$ 1</b>	<b>\$ 884,474</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ 77,473				\$ 77,473
Due to Other Funds		\$ 25,706			25,706
Accounts Payable	13,419				13,419
Deferred Revenue		126,821			126,821
<b>Total Liabilities</b>	<b>90,892</b>	<b>152,527</b>	<b>\$ -</b>	<b>\$ -</b>	<b>243,419</b>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve Account	345,868				345,868
Maintenance Reserve Account	231,320				231,320
<b>Committed Fund Balance:</b>					
Year-end Encumbrances	28,689				28,689
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures			56,779		56,779

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances: (Cont'd)					
Unassigned Fund Balance	\$ (21,602)			\$ 1	\$ (21,601)
Total Fund Balances	584,275	\$ -	\$ 56,779	1	641,055
TOTAL LIABILITIES AND FUND BALANCES	\$ 675,167	\$ 152,527	\$ 56,779	\$ 1	

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

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is	\$ 8,077,192			3,240,623	4,836,569
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds					(1,852,419)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.					(18,971)
Bond issuance costs are reported as expenditures in the governmental funds. The cost is and the accumulated amortization is				105,997	54,613
				51,384	
Total Net Assets of Governmental Activities					\$ 3,660,847

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 4,771,606			\$ 343,226	\$ 5,114,832
Tuition Charges	42,468				42,468
Interest Earned on Capital Reserve Funds	800				800
Interest on Investments	3,370				3,370
Miscellaneous	7,265	\$ 364			7,629
<b>Total</b>	<b>4,825,509</b>	<b>364</b>	<b>\$ -</b>	<b>343,226</b>	<b>5,169,099</b>
State Sources	3,891,630		195,691	86,737	4,174,058
Federal Sources	17,049	396,346			413,395
<b>Total Revenues</b>	<b>8,734,188</b>	<b>396,710</b>	<b>195,691</b>	<b>429,963</b>	<b>9,756,552</b>
<b>EXPENDITURES</b>					
Current :					
Instructional:					
Regular Instruction	2,722,072	13,564			2,735,636
Special Education Instruction	863,440	19,308			882,748
Other Special Instruction	184,518	74,502			259,020
Support Service & Undistributed Costs:					
Tuition	94,126	212,431			306,557
Student & Instruction Related Services	698,928	63,827			762,755
General & Business Administrative Services	406,851				406,851
School Administrative Services	144,925				144,925
Plant Operations & Maintenance	465,284				465,284
Pupil Transportation	442,890				442,890
Unallocated Benefits	2,219,565	13,078			2,232,643

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 2,590		\$ 493,662		\$ 496,252
Transfer of Funds to Charter Schools	9,219				9,219
Debt Service:					
Principal				\$ 360,000	360,000
Interest & Other Charges				69,962	69,962
Interest on NJ SDA obligations	255				255
Total Expenditures	<u>8,254,663</u>	<u>\$ 396,710</u>	<u>493,662</u>	<u>429,962</u>	<u>9,574,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>479,525</u>	<u>-</u>	<u>(297,971)</u>	<u>1</u>	<u>181,555</u>
Other Financing Sources (Uses):					
Transfers Out	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net Change in Fund Balance	379,525	-	(297,971)	1	81,555
Fund Balances, July 1	<u>204,750</u>		<u>354,750</u>		<u>559,500</u>
Fund Balances, June 30	<u>\$ 584,275</u>	<u>\$ -</u>	<u>\$ 56,779</u>	<u>\$ 1</u>	<u>\$ 641,055</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	81,555
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:</p>		
Capital Outlays	\$ 496,252	
Depreciation Expense	<u>(184,569)</u>	311,683
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p>		
Bond Principal Payments		360,000
<p>Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred &amp; amortized in the statement of activities:</p>		
Amortization of Bond Premium	4,512	
Amortization of Bond Issuance Costs	<u>(14,681)</u>	(10,169)
<p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		4,350
<p>In the statement of activities, compensated absences &amp; early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		<u>(18,004)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>729,415</u></u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	Food Service Fund	Before & After School Child Care Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 34,901	\$ 10,113	\$ 45,014
Receivables from Other Governments:			
State	344	-	344
Federal	5,002	-	5,002
Inventory	2,380	-	2,380
Total Current Assets	<u>42,627</u>	<u>10,113</u>	<u>52,740</u>
Noncurrent Assets:			
Capital Assets	44,657	-	44,657
Less: Accumulated Depreciation	31,132	-	31,132
Total Noncurrent Assets	<u>13,525</u>	<u>-</u>	<u>13,525</u>
Total Assets	<u>56,152</u>	<u>10,113</u>	<u>66,265</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	11,626	-	11,626
Deferred Revenues	951	-	951
Total Liabilities	<u>12,577</u>	<u>-</u>	<u>12,577</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	13,525	-	13,525
Unrestricted	<u>30,050</u>	<u>10,113</u>	<u>40,163</u>
TOTAL NET ASSETS	<u>\$ 43,575</u>	<u>\$ 10,113</u>	<u>\$ 53,688</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Food Service Fund	Before & After School Child Care Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 81,989		\$ 81,989
Daily Sales-Unreimbursable Programs	27,854		27,854
Child Care Program Fees		\$ 103,981	103,981
Total Operating Revenues	<u>109,843</u>	<u>103,981</u>	<u>213,824</u>
Operating Expenses:			
Salaries	66,964	84,807	151,771
Employee Benefits	17,555	6,174	23,729
Purchased Property Services (Repairs)	3,248		3,248
Insurance	2,454		2,454
Management Fee	9,100		9,100
Other Purchased Services	2,113	408	2,521
Supplies and Materials	4,907	3,299	8,206
Depreciation	1,914		1,914
Cost of Sales	73,105		73,105
Miscellaneous	2,249		2,249
Total Operating Expenses	<u>183,609</u>	<u>94,688</u>	<u>278,297</u>
Operating Income (Loss)	<u>(73,766)</u>	<u>9,293</u>	<u>(64,473)</u>
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,624		2,624
Federal Sources:			
National School Lunch Program	62,529		62,529
National School Breakfast Program	252		252
Child and Adult Care Food Program	437		437
Food Donation Program	11,359		11,359
Interest Earned on Investments	91		91
Total Non-operating Revenues (Expenses)	<u>77,292</u>	<u>-</u>	<u>77,292</u>
Change in Net Assets	3,526	9,293	12,819
Net Assets, Beginning	<u>40,049</u>	<u>820</u>	<u>40,869</u>
Net Assets, Ending	<u>\$ 43,575</u>	<u>\$ 10,113</u>	<u>\$ 53,688</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Food Service Fund	Before & After School Child Care Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 109,843	\$ 103,981	\$ 213,824
Payments to Food Service Management Company	(167,620)		(167,620)
Payments to Employees		(84,807)	(84,807)
Payments for Employee Benefits		(6,174)	(6,174)
Payments to Vendors (Net)	(8,247)	(3,801)	(12,048)
Net Cash Provided by (Used For) Operating Activities	<u>(66,024)</u>	<u>9,199</u>	<u>(56,825)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	2,533		2,533
Federal Sources	74,112		74,112
General Fund Interfund Activity	24,100		24,100
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>100,745</u>	<u>-</u>	<u>100,745</u>
Cash Flows from Investing Activities:			
Interest Earned on Investments	91		91
Net Increase (Decrease) in Cash and Cash Equivalents	34,812	9,199	44,011
Cash and Cash Equivalents, July 1, 2010	89	914	1,003
Cash and Cash Equivalents, June 30, 2011	<u>\$ 34,901</u>	<u>\$ 10,113</u>	<u>\$ 45,014</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (73,766)	\$ 9,293	\$ (64,473)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	1,914		1,914
Federal Food Donation Program	11,359		11,359
(Increase) Decrease in Inventory	553		553
Increase (Decrease) in Accounts Payable	(6,175)	(34)	(6,209)
Increase (Decrease) in Deferred Revenue	91		91
Increase (Decrease) in Other Current Liabilities		(60)	(60)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (66,024)</u>	<u>\$ 9,199</u>	<u>\$ (56,825)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents Due from Other Funds	\$ 185,423	\$ 23,669	\$ 36,114 1,078
TOTAL ASSETS	<u>185,423</u>	<u>\$ 23,669</u>	<u>\$ 37,192</u>
LIABILITIES			
Accounts Payable Due to Other Funds Due to Student Groups Payroll Deductions & Withholdings	3,978 1,078	\$ 23,669	\$ 198 36,994
TOTAL LIABILITIES	<u>5,056</u>	<u>\$ 23,669</u>	<u>\$ 37,192</u>
NET ASSETS	<u>\$ 180,367</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 7,912
Interest	493
Total Additions	8,405
DEDUCTIONS	
Unemployment Claims	89,986
Total Deductions	89,986
Other Financing Sources (Uses):	
Transfers In from General Fund	100,000
Change in Net Assets	18,419
Net Assets, Beginning of the Year	161,948
Net Assets, End of the Year	\$ 180,367

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

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

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

The basic financial statements include:

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

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

A. Reporting Entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-6. The District had an approximate enrollment at June 30, 2011 of 695 students.

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

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

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

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

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

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay sub fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

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

Fiduciary Fund Types

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

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

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

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund Types. Unencumbered appropriations lapse at fiscal year end.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

E. Encumbrances

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

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

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2010-2011 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

J. Capital Assets

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

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

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

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

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

L. Deferred Revenue

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

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

M. Long-Term Obligations

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

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

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2011 consists of the following:

Capital Reserve Account	\$ 345,868
Maintenance Reserve Account	231,320
Capital Projects Service	<u>56,779</u>
	<u>\$ 633,967</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

O. Comparative Data/Reclassifications

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

P. Allocation of Indirect Expenses

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

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

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

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

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

NJSA 17:9-41 e.t. seq establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Deposits at June 30, 2011 appear in the financial statements as summarized below:

Cash		<u>\$ 846,715</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 633,968
Governmental Funds, Statement of Net Assets -Cash Deficit	B-1	(77,473)
Proprietary Fund, Statement of Net Assets	B-4	45,014
Fiduciary Funds, Statement of Net Assets	B-7	<u>245,206</u>
Total Cash		<u>\$ 846,715</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2011 is \$846,715 and the bank balance is \$979,369. Of the bank balance, \$250,000 is covered by federal depository insurance and \$729,369 is insured by GUDPA.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

Deposit and Investment Risk

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

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2011, the district has no investments.

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 17,722			\$ 17,722
Total	<u>17,722</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>17,722</u>
Capital Assets, Being Depreciated:				
Land Improvements	310,600			310,600
Building & Improvements	6,917,691	493,662		7,411,353
Furniture & Equipment	334,927	2,590		337,517
Total	<u>7,563,218</u>	<u>496,252</u>	<u>-0-</u>	<u>8,059,470</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 4. CAPITAL ASSETS (Cont'd)**

Capital asset activity for the fiscal year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Accumulated Depreciation:				
Land Improvements	\$ 163,875	\$ 15,530		\$ 179,405
Building & Improvements	2,677,953	143,840		2,821,793
Furniture & Equipment	214,226	25,199		239,425
Total	<u>3,056,054</u>	<u>184,569</u>	<u>\$ -0-</u>	<u>3,240,623</u>
Total Capital Assets, Being Depreciated, Net	<u>4,507,164</u>	<u>311,683</u>	<u>-0-</u>	<u>4,818,847</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,524,886</u>	<u>\$ 311,683</u>	<u>\$ -0-</u>	<u>\$ 4,836,569</u>
Business-Type Activities:				
Furniture & Equipment	\$ 44,657			\$ 44,657
Less: Accum Depreciation	<u>29,218</u>	<u>\$ 1,914</u>	<u>\$ -0-</u>	<u>31,132</u>
Business-Type Activities Capital Assets, Net	<u>\$ 15,439</u>	<u>\$ (1,914)</u>	<u>\$ -0-</u>	<u>\$ 13,525</u>

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

Instruction:	
Regular	\$ 100,682
Special Education	28,731
Other Special Instruction	8,431
Support Services:	
Student & Instruction	26,102
General & Business Admin	14,518
School Administration	4,717
Plant & Maintenance	<u>1,388</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 184,569</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 5. LONG-TERM DEBT**

Long-Term Liability Activity for the Year Ended June 30, 2011 is as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 1,930,000		\$ 360,000	\$ 1,570,000	\$ 375,000
Unamortized Premium	21,297		4,512	16,785	4,512
Compensated Absences Payable	<u>247,630</u>	<u>\$ 18,004</u>		<u>265,634</u>	<u>10,765</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,198,927</u>	<u>\$ 18,004</u>	<u>\$ 364,512</u>	<u>\$ 1,852,419</u>	<u>\$ 390,277</u>

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011 including interest payments are listed as follows:

Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 375,000	\$ 56,912	\$ 431,912
2013	380,000	43,319	423,319
2014	400,000	29,544	429,544
2015	<u>415,000</u>	<u>15,044</u>	<u>430,044</u>
Total	<u>\$ 1,570,000</u>	<u>\$ 144,819</u>	<u>\$ 1,714,819</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

\$2,540,000—2007 general obligation refunding bonds, due in annual installments of \$265,000 to \$415,000 beginning March 1, 2009, through March 1, 2015 interest from 3.50% to 3.625%	\$ <u>1,570,000</u>
	\$ <u>1,570,000</u>

**NOTE 6. PENSION PLANS**

Description of Systems

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

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to 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. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

C. Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

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

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF, PERS and DCRP provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

Contribution Requirements (cont'd)

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

Year Funding	Post Retirement Benefit Cost	Percentage of APC Contributed
06/30/11	\$ 310,089	100%
06/30/10	309,496	100%
06/30/09	293,735	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/11	\$ 65,536	100%
06/30/10	53,060	100%
06/30/09	52,679	100%

During the year ended June 30, 2011, the State of New Jersey contributed \$296,146 to the TPAF for post-retirement medical benefits and \$13,943 for non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$328,966 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside 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, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2010, the State paid \$126.3 million toward Ch 126 benefits for 14,050 eligible retired members.

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-aug2010.pdf>

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

**NOTE 8. DEFERRED COMPENSATION**

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

Syracusa Benefits  
AXA Equitable-Equinvest  
Lincoln Investment Planning

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

The composition of Interfund balances as of June 30, 2011 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 25,904	
Special Revenue Fund		\$ 25,706
Unemployment Compensation Fund		1,078
Payroll Agency Fund	1,078	198
	<u>\$ 26,982</u>	<u>\$ 26,982</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES (Cond't)**

During the year ended June 30, 2011, the General Fund transferred \$100,000 to the Unemployment Compensation Fund representing a board contribution to the Unemployment Compensation Fund.

The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$25,706 due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the Unemployment Compensation Fund to the Payroll Agency Fund of \$1,078 represents an overpayment of employee withholdings transferred during the fiscal year. The balance due from the Payroll Agency Fund to the General Fund of \$198 represents interest and cancelled balances.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2011 consisted of the following:

Food	\$	1,728
Supplies		652
	\$	2,380

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

**NOTE 11. CONTINGENT LIABILITIES**

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

**NOTE 12. RISK MANAGEMENT**

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 12. RISK MANAGEMENT (Cont'd)**

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the current and previous two years:

Fiscal Year	Interest Earnings	District Contrib	Prior Year Refund	Employee Contrib	Amount Reimbursed	Ending Balance
2010-2011	\$ 493	\$100,000	\$ -0-	\$ 7,912	\$ 89,986	\$ 180,367
2009-2010	628	55,000	-0-	8,797	18,279	161,948
2008-2009	1,285	30,000	-0-	8,621	24,391	115,802

**NOTE 13. CAPITAL AND OTHER RESERVE ACCOUNTS**

A capital reserve account was established by the District by inclusion of \$100,000 on September 27, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$157,000 to their Capital Reserve and \$150,000 to their Maintenance Reserve accounts by board resolution in June 2011 as summarized in the following schedule.

The following schedule is a summarization of the Districts' legal reserve accounts:

Maintenance Reserve Account

Fiscal Year	District Contribution	Interest Earnings	Budgeted Withdrawal	Ending Balance
2008-2009	\$ 50,000	\$ -0-	\$ -0-	\$ 50,000
2009-2010	40,000	285	-0-	90,285
2010-2011	150,000	-0-	8,965	231,320

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 13. CAPITAL AND OTHER RESERVE ACCOUNTS (Cont'd)**

Capital Reserve Account

Fiscal Year	Unexpended Balance Returned	District Contribution	Interest Earnings	Budgeted Withdrawal	Ending Balance
2001-2002		\$ -0-	\$ 2,019		\$ 102,019
2002-2003		175,000	775		277,794
2003-2004		360,000	1,618	\$ 38,280	601,132
2004-2005			10,355	360,000	251,487
2005-2006	\$ 2,963		7,095		261,545
2006-2007			10,984		272,529
2007-2008		25,000	8,244		305,773
2008-2009		239,003	4,923	75,000	474,699
2009-2010		65,000	3,119	354,750	188,068
2010-2011		157,000	800		345,868

**NOTE 14. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2011 and 2010 is as follows:

	2011	2010
Restricted:		
Capital Reserve Account-Represents funds restricted to capital projects in the District's Long Range Facilities Plan.	\$ 345,868	\$ 188,068
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (18A:76-9)	231,320	90,285
Committed:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	28,689	22,696
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated.	289,146	263,133
Total Fund Balance	<u>\$ 895,023</u>	<u>\$ 564,182</u>

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$-0-.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 16. DEFICIT FUND BALANCE**

The district has a deficit fund balance of \$21,602 in the General Fund as of June 30, 2011 as reported in the fund statements. NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e. if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the June state aid payments, the unreserved, undesignated general fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$21,602 is less than the last state aid payment of \$310,748.

**NOTE 17. CASH DEFICIT BALANCE**

The District has a cash deficit balance of \$77,473 in the General Fund as of June 30, 2011 as reported in the fund statements. The District deposited \$157,000 and \$150,000 to the Capital and Maintenance Reserves respectively by board motion in June 2011. Since the amount available was less than the total amount transferred, the difference is noted as a cash deficit. In addition, the State of New Jersey is recording the final state aid payment totaling \$310,748 in fiscal year 2012. Due to timing differences of when the State recognizes the final state aid payment and when the district can recognize the revenue, actual cash within the General Fund was not available for transfer. Due to the timing difference noted above for state aid, the cash deficit does not alone indicate that the district is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

**BUDGETARY COMPARISON SCHEDULES**

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 4,771,606		\$ 4,771,606	\$ 4,771,606	
Tuition from Individuals	60,302		60,302	15,200	\$ (45,102)
Tuition from Other LEAs Within the State				27,268	27,268
Interest on Investments				3,370	3,370
Interest Earned on Capital Reserve Funds	1,000		1,000	800	(200)
Miscellaneous-Unrestricted	2,500		2,500	7,265	4,765
Total	4,835,408	\$ -	4,835,408	4,825,509	(9,899)
State Sources:					
Categorical Special Education Aid	328,176		328,176	362,499	34,323
Equalization Aid	2,835,591		2,835,591	2,801,268	(34,323)
Extraordinary Special Education Costs Aid				36,319	36,319
Non Public Transportation Aid				3,805	3,805
On-Behalf TPAF Pension Contribution				310,089	310,089
Reimbursed TPAF Social Security Contribution				328,966	328,966
Total	3,163,767	-	3,163,767	3,842,946	679,179
Federal Sources:					
Medicaid Reimbursement	8,228	-	8,228	17,049	8,821
<b>TOTAL REVENUES</b>	<b>\$ 8,007,403</b>	<b>\$ -</b>	<b>\$ 8,007,403</b>	<b>\$ 8,685,504</b>	<b>\$ 678,101</b>
<b>EXPENDITURES</b>					
Current:					
Regular Programs-Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 322,534	\$ 29,295	\$ 351,829	\$ 351,827	\$ 2
Grades 1-5	1,953,590	(80,094)	1,873,496	1,822,288	51,208
Grades 6-8	371,936	(24,482)	347,454	347,439	15
Regular Programs-Undistributed Instruction:					
Purchased Technical Services	400		400		400
Other Purchased Services	44,575	(13,435)	31,140	20,270	10,870
General Supplies	18,000	187,780	205,780	180,248	25,532
Textbooks	9,177	(9,177)			
Total	2,720,212	89,887	2,810,099	2,722,072	88,027
Special Education-Instruction:					
Cognitive-Mild:					
Purchased Technical Services	-	1,500	1,500	1,500	-
Learning and/or Language Disabilities:					
Salaries of Teachers	69,233	1,390	70,623	70,620	3
Other Salaries for Instruction	18,558	32,109	50,667	50,417	250
Total	87,791	33,499	121,290	121,037	253
Multiple Disabilities:					
Salaries of Teachers	72,518	850	73,368	73,355	13
Other Salaries for Instruction	50,572	(33,094)	17,478	15,704	1,774
Total	123,090	(32,244)	90,846	89,059	1,787
Resource Room/Resource Center:					
Salaries of Teachers	514,635		514,635	514,573	62
Other Salaries for Instruction	12,645	(12,645)			
General Supplies		980	980	876	104
Total	527,280	(11,665)	515,615	515,449	166
Autism:					
Salaries of Teachers	74,767	(72,670)	2,097	2,097	
Other Salaries for Instruction	30,992	(11,686)	19,306	19,306	
General Supplies		200	200	198	2
Other Objects	100		100		100
Total	105,859	(84,156)	21,703	21,601	102

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (Cont'd)</b>					
Current: (cont'd)					
Preschool Disabilities-Part-Time:					
Salaries of Teachers	\$ 98,609	\$ 1,205	\$ 99,814	\$ 99,811	\$ 3
Other Salaries for Instruction	16,616		16,616	14,662	1,954
Other Purchased Services	500	(325)	175		175
General Supplies		325	325	321	4
Total	<u>115,725</u>	<u>1,205</u>	<u>116,930</u>	<u>114,794</u>	<u>2,136</u>
Total Special Education-Instruction	<u>959,745</u>	<u>(91,861)</u>	<u>867,884</u>	<u>863,440</u>	<u>4,444</u>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	<u>174,667</u>	<u>(10,179)</u>	<u>164,488</u>	<u>164,460</u>	<u>28</u>
Bilingual Education-Instruction:					
Purchased Technical Services	<u>26,836</u>	<u>(6,778)</u>	<u>20,058</u>	<u>20,058</u>	<u>-</u>
Total Instruction	<u>\$ 3,881,460</u>	<u>\$ (18,931)</u>	<u>\$ 3,862,529</u>	<u>\$ 3,770,030</u>	<u>\$ 92,499</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State-Special		\$ 7,405	\$ 7,405	\$ 7,405	
Tuition to CSSD & Regional Day Schools		54,149	54,149	52,744	\$ 1,405
Tuition to Private School for the Disabled Within the State	\$ 79,377	(45,400)	33,977	33,977	
	<u>79,377</u>	<u>16,154</u>	<u>95,531</u>	<u>94,126</u>	<u>1,405</u>
Attendance & Social Work:					
Salaries	<u>10,139</u>	<u>-</u>	<u>10,139</u>	<u>10,139</u>	<u>-</u>
Health Services:					
Salaries	59,113	4,580	63,693	63,693	
Purchased Professional & Technical Services	3,500	(300)	3,200	3,000	200
Other Purchased Services	100		100		100
Supplies & Materials	3,000	52	3,052	1,385	1,667
Total	<u>65,713</u>	<u>4,332</u>	<u>70,045</u>	<u>68,078</u>	<u>1,967</u>
Speech, Occ. Therapy, Phys. Therapy & Related Services:					
Salaries	191,479	24,810	216,289	216,287	2
Purchased Professional Educational Services	21,000	2,853	23,853	9,753	14,100
Supplies & Materials		725	725	720	5
Total	<u>212,479</u>	<u>28,388</u>	<u>240,867</u>	<u>226,760</u>	<u>14,107</u>
Other Support Services - Extraordinary Services:					
Purchased Professional Educational Services	<u>-</u>	<u>13,596</u>	<u>13,596</u>	<u>-</u>	<u>13,596</u>
Guidance:					
Salaries of Other Professional Staff	51,899		51,899	51,898	1
Salaries of Secretaries & Clerical Assistants	9,775	(8,573)	1,202		1,202
Other Purchased Professional & Tech Services	3,200	2,222	5,422	5,422	
Supplies & Materials	3,000	8,225	11,225	2,812	8,413
Total	<u>67,874</u>	<u>1,874</u>	<u>69,748</u>	<u>60,132</u>	<u>9,616</u>
Child Study Team:					
Salaries of Other Professional Staff	203,329	(10,425)	192,904	190,414	2,490
Salaries of Secretarial & Clerical Assistants	41,397	406	41,803	41,802	1
Purchased Professional Educational Services	3,000	(432)	2,568		2,568
Other Purchased Professional & Tech Services		1,590	1,590		1,590
Miscellaneous Purchased Services		1,015	1,015	1,010	5
Supplies & Materials	3,950	(168)	3,782	3,773	9
Total	<u>251,676</u>	<u>(8,014)</u>	<u>243,662</u>	<u>236,999</u>	<u>6,663</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Educational Media Services/School Library:					
Salaries	\$ 103,961	\$ (5,417)	\$ 98,544	\$ 93,600	\$ 4,944
Supplies & Materials		3,475	3,475	493	2,982
Total	103,961	(1,942)	102,019	94,093	7,926
Instructional Staff Training Services:					
Purchased Professional Educational Services		1,680	1,680	1,680	
Other Purchased Services		1,047	1,047	1,047	
Total	-	2,727	2,727	2,727	-
Support Services General Administration:					
Salaries	180,173	(951)	179,222	176,660	2,562
Legal Services	15,000	25,386	40,386	14,821	25,565
Audit Fees	17,454	1,346	18,800	18,800	
Architectural / Engineering Services	9,063	(80)	8,983		8,983
Communications & Telephone	24,125	(365)	23,760	16,394	7,366
Board of Education Other Purchased Services	3,110	(661)	2,449		2,449
Other Purchased Services	27,100	1,106	28,206	28,205	1
General Supplies	3,200	951	4,151	4,151	
Miscellaneous Expenditures	2,325		2,325	1,506	819
Board of Education Membership Dues & Fees	6,250		6,250	4,958	1,292
Total	287,800	26,732	314,532	265,495	49,037
Support Services School Administration:					
Salaries of Principals & Assistant Principals	93,451		93,451	92,365	1,086
Salaries of Secretarial & Clerical Assistants	34,632	7,106	41,738	41,737	1
Purchased Professional and Technical Services	4,125	(1,791)	2,334		2,334
Other Purchased Services		8,215	8,215	8,212	3
Supplies & Materials	3,000		3,000	1,457	1,543
Other Objects	1,500		1,500	1,154	346
Total	136,708	13,530	150,238	144,925	5,313
Central Services:					
Salaries	129,206		129,206	129,176	30
Purchased Professional Services	4,895	11,484	16,379	3,400	12,979
Purchased Technical Service	3,905	1,420	5,325	5,322	3
Miscellaneous Purchased Services		35	35	35	
Supplies and Materials	1,700	186	1,886	1,886	
Miscellaneous Expenditures	1,075	475	1,550	1,537	13
Total	140,781	13,600	154,381	141,356	13,025
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	5,500	18,062	23,562	19,901	3,661
General Supplies	9,220	(6,453)	2,767	1,733	1,034
Total	14,720	11,609	26,329	21,634	4,695
Custodial Services:					
Salaries	230,954	(5,512)	225,442	219,130	6,312
Salaries of Non-Instructional Aides		1,639	1,639	1,134	505
Purchased Professional & Technical Services	1,700	5,952	7,652	7,652	
Cleaning Repair & Maintenance Services	6,000	5,210	11,210	11,209	1
Insurance	22,750	(321)	22,429	22,358	71
Miscellaneous Purchased Services		404	404	404	
General Supplies	32,000	(7,781)	24,219	23,944	275
Energy (Natural Gas)	3,000		3,000	2,638	362
Energy (Electricity)	115,000	(4,965)	110,035	91,347	18,688
Energy (Oil)	59,800	3,650	63,450	63,434	16
Other Objects		400	400	400	
Total	471,204	(1,324)	469,880	443,650	26,230

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School)-Regular	\$ 8,134		\$ 8,134	\$ 1,157	\$ 6,977
Management Fee-ESC & CTSA Transportation Program		\$ 3,575	3,575	3,574	1
Other Purchased Professional & Technical Services	8,900	1,100	10,000	9,996	4
Contracted Services-Aid In Lieu of Payments- Nonpublic Schools	23,500	(1,184)	22,316	7,072	15,244
Contracted Services-Aid In Lieu of Payments- Charter School Students		884	884	884	
Contracted Services (Between Home & School)- Vendors	296,126	(73,992)	222,134	199,132	23,002
Contracted Services (Other Than Between Home & School)-Vendors	1,000		1,000		1,000
Contracted Services (Between Home & School)- Joint Agreements	23,500	46,098	69,598	69,598	
Contracted Services (Special Education Students)-Vendors	58,169	640	58,809	58,789	20
Contracted Services (Special Education Students)-Joint Agreements		3,255	3,255	3,255	
Contracted Services (Regular Students)- ESC'S & CTSA'S		7,574	7,574	7,574	
Contracted Services (Special Education Students)-ESC'S & CTSA'S	105,544		105,544	81,859	23,685
Total	524,873	(12,050)	512,823	442,890	69,933
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	77,948	(14,859)	63,089	57,763	5,326
TPAF Contributions-ERIP	12,221	(12,221)			
Other Retirement Contributions-PERS	55,715	9,821	65,536	65,536	
Unemployment Compensation	15,000	(15,000)			
Workmen's Compensation	51,191	(3,175)	48,016	46,963	1,053
Health Benefits	1,513,497	(115,494)	1,398,003	1,398,003	
Tuition Reimbursement	22,500	(9,257)	13,243	12,245	998
Total	1,748,072	(160,185)	1,587,887	1,580,510	7,377
On-Behalf TPAF Pension Contribution				310,089	(310,089)
Reimbursed TPAF Social Security Contribution				328,966	(328,966)
Total	-	-	-	639,055	(639,055)
Total Undistributed Expenditures	\$ 4,115,377	\$ (50,973)	\$ 4,064,404	\$ 4,472,569	\$ (408,165)
TOTAL CURRENT	\$ 7,996,837	\$ (69,904)	\$ 7,926,933	\$ 8,242,599	\$ (315,666)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures- Instruction	\$ -	\$ 2,600	\$ 2,600	\$ 2,590	\$ 10
Facilities Acquisition and Construction Services:					
Other Objects	255	-	255	255	-
TOTAL CAPITAL OUTLAY	\$ 255	\$ 2,600	\$ 2,855	\$ 2,845	\$ 10
TRANSFER OF FUNDS TO CHARTER SCHOOLS	\$ 9,311	\$ -	\$ 9,311	\$ 9,219	\$ 92
TOTAL EXPENDITURES	\$ 8,006,403	\$ (67,304)	\$ 7,939,099	\$ 8,254,663	\$ (315,564)

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,000	\$ 67,304	\$ 68,304	\$ 430,841	\$ 362,537
Other Financing Sources (Uses): Transfer Out to Unemployment Compensation Fund	-	(100,000)	(100,000)	(100,000)	-
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	1,000	(32,696)	(31,696)	330,841	362,537
Fund Balances, July 1	564,182		564,182	564,182	
Fund Balances, June 30	\$ 565,182	\$ (32,696)	\$ 532,486	\$ 895,023	\$ 362,537
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (22,696)	\$ (22,696)	\$ (22,696)	
Increase in Capital Reserve	\$ 1,000	157,000	158,000	157,800	\$ (200)
Increase in Maintenance Reserve		150,000	150,000	150,000	
Decrease in Maintenance Reserve		(10,000)	(10,000)	(8,965)	1,035
Budgeted Fund Balance		(307,000)	(307,000)	54,702	361,702
TOTAL	\$ 1,000	\$ (32,696)	\$ (31,696)	\$ 330,841	\$ 362,537
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Capital Reserve				\$ 345,868	
Maintenance Reserve				231,320	
					\$ 577,188
Committed Fund Balance:					
Year-End Encumbrances					28,689
Unassigned Fund Balance					289,146
					895,023
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis					(310,748)
Fund Balance Per Governmental Funds (GAAP)					\$ 584,275

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
EDUCATION JOBS FUND PROGRAM-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 4,818		\$ 4,818	\$ 364	\$ (4,454)
Federal Sources	505,635		505,635	385,018	(120,617)
<b>TOTAL REVENUES</b>	<b>\$ 510,453</b>	<b>\$ -</b>	<b>\$ 510,453</b>	<b>\$ 385,382</b>	<b>\$ (125,071)</b>
EXPENDITURES					
Instruction:					
Salaries	\$ 129,230	\$ 1,600	\$ 130,830	\$ 100,158	\$ 30,672
Other Purchased Services	242,531	8,854	251,385	212,431	38,954
General Supplies	52,776	(28,515)	24,261	7,216	17,045
Other Objects	2,520	(20)	2,500		2,500
Totals	427,057	(18,081)	408,976	319,805	89,171
Support Services:					
Personal Services Employee Benefits	20,384	(652)	19,732		19,732
Purchased Professional & Technical Services	52,071	(1,002)	51,069	41,289	9,780
Other Purchased Services	8,096	19,097	27,193	22,784	4,409
Supplies & Materials	2,845	638	3,483	1,504	1,979
Total	83,396	18,081	101,477	65,577	35,900
<b>TOTAL EXPENDITURES</b>	<b>\$ 510,453</b>	<b>\$ -</b>	<b>\$ 510,453</b>	<b>\$ 385,382</b>	<b>\$ 125,071</b>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

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

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

	General Fund	Special Revenue Fund
	<u>                    </u>	<u>                    </u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,685,504	\$ 385,382
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		13,078
Outstanding Encumbrances-Current Year		(1,750)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable-Prior Year	359,432	
State Aid Receivable-Current Year	<u>(310,748)</u>	
Total Revenues (GAAP Basis)	<u>\$ 8,734,188</u>	<u>\$ 396,710</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 8,254,663	\$ 385,382
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
		<u>11,328</u>
Total Expenditures (GAAP Basis)	<u>\$ 8,254,663</u>	<u>\$ 396,710</u>

OTHER SUPPLEMENTAL INFORMATION

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Local Grants	NCLB Title I	NCLB Title II A	NCLB Title III	NCLB Title IV	ARRA Title I	IDEA Basic-ARRA	IDEA Basic	IDEA Preschool	Totals
<b>REVENUES</b>										
Local Sources	\$ 364									\$ 364
Federal Sources		\$ 66,466	\$ 21,290	\$ 12,625	\$ 1,504	\$ 18,147	\$ 76,097	\$ 184,901	\$ 3,988	385,018
<b>TOTAL REVENUES</b>	<u>\$ 364</u>	<u>\$ 66,466</u>	<u>\$ 21,290</u>	<u>\$ 12,625</u>	<u>\$ 1,504</u>	<u>\$ 18,147</u>	<u>\$ 76,097</u>	<u>\$ 184,901</u>	<u>\$ 3,988</u>	<u>\$ 385,382</u>
<b>EXPENDITURES</b>										
Instruction:										
Salaries		\$ 66,443	\$ 13,200			\$ 1,527		\$ 15,000	\$ 3,988	\$ 100,158
Other Purchased Services							\$ 68,767	143,664		212,431
General Supplies	\$ 364	23		\$ 6,509				320		7,216
Totals	<u>364</u>	<u>66,466</u>	<u>13,200</u>	<u>6,509</u>	<u>\$ -</u>	<u>1,527</u>	<u>68,767</u>	<u>158,984</u>	<u>3,988</u>	<u>319,805</u>
Support Services:										
Purchased Professional & Technical Services			2,000	6,042			7,330	25,917		41,289
Other Purchased Services			6,090	74		16,620				22,784
Supplies & Materials					1,504					1,504
Total	<u>-</u>	<u>-</u>	<u>8,090</u>	<u>6,116</u>	<u>1,504</u>	<u>16,620</u>	<u>7,330</u>	<u>25,917</u>	<u>-</u>	<u>65,577</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 364</u>	<u>\$ 66,466</u>	<u>\$ 21,290</u>	<u>\$ 12,625</u>	<u>\$ 1,504</u>	<u>\$ 18,147</u>	<u>\$ 76,097</u>	<u>\$ 184,901</u>	<u>\$ 3,988</u>	<u>\$ 385,382</u>

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/11
			Prior Years	Current Year	
Window Replacement Project	N/A	\$ 493,662		\$ 493,662	
		\$ 493,662	\$ -	\$ 493,662	\$ -

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources:	
State Sources-School Development Authority Grant	\$ (40,809)
Total Revenues and Other Financing Sources	<u>(40,809)</u>
Expenditures and Other Financing Uses:	
Legal Services	1,439
Purchased Professional & Technical Services	37,088
Construction Services	451,000
Supplies & Materials	4,135
Total Expenditures and Other Financing Uses	<u>493,662</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(534,471)
Fund Balance-Beginning	<u>591,250</u>
Fund Balance-Ending	<u>\$ 56,779</u>
Reconciliation of Fund Balance Difference for GAAP Purposes	
<u>Fund Balance-Budgetary Basis (Schedule F-2)</u>	<u>\$ 56,779</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 56,779</u>
Reconciliation of Financial Assistance Difference for GAAP Purposes	
<u>State Financial Assistance-Budgetary Basis (Schedule F-2)</u>	<u>\$ (40,809)</u>
Adjustment to GAAP Basis	<u>236,500</u>
State Financial Assistance-GAAP Basis (Schedule B-2)	<u>\$ 195,691</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS-BUDGETARY BASIS  
WINDOW REPLACEMENT PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 354,750		\$ 354,750	\$ 297,971
State Sources-School Development Authority Grant	236,500	\$ (40,809)	195,691	195,691
<b>Total Revenues</b>	<u>591,250</u>	<u>(40,809)</u>	<u>550,441</u>	<u>493,662</u>
Expenditures and Other Financing Uses:				
Legal Services		1,439	1,439	1,439
Purchased Professional & Technical Services		37,088	37,088	37,088
Construction Services		451,000	451,000	451,000
Supplies & Materials		4,135	4,135	4,135
<b>Total Expenditures</b>	<u>-</u>	<u>493,662</u>	<u>493,662</u>	<u>493,662</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 591,250</u>	<u>\$ (534,471)</u>	<u>\$ 56,779</u>	<u>\$ -</u>

Additional Project Information:

Project Number	2970-050-09-1002
Grant Date	7/9/2010
Bond Authorized Date	N/A
Bond Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 591,250
Reduced Authorized Cost	\$ (97,588)
Revised Authorized Cost	\$ 493,662
Percentage Completion	100%

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FUND NET ASSETS  
ENTERPRISE FUNDS  
JUNE 30, 2011

	Food Service Fund	Before & After School Child Care Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 34,901	\$ 10,113	\$ 45,014
Receivables from Other Governments:			
State	344		344
Federal	5,002		5,002
Inventory	2,380		2,380
Total Current Assets	<u>42,627</u>	<u>10,113</u>	<u>52,740</u>
Noncurrent Assets:			
Capital Assets	44,657		44,657
Less: Accumulated Depreciation	<u>31,132</u>		<u>31,132</u>
Total Noncurrent Assets	<u>13,525</u>	<u>-</u>	<u>13,525</u>
Total Assets	<u>56,152</u>	<u>10,113</u>	<u>66,265</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	11,626		11,626
Deferred Revenues	951		951
Total Liabilities	<u>12,577</u>	<u>-</u>	<u>12,577</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	13,525		13,525
Unrestricted	<u>30,050</u>	<u>10,113</u>	<u>40,163</u>
TOTAL NET ASSETS	<u>\$ 43,575</u>	<u>\$ 10,113</u>	<u>\$ 53,688</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES EXPENSES, AND  
 CHANGES IN FUND NET ASSETS  
 ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Food Service Fund	Before & After School Child Care Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 81,989		\$ 81,989
Daily Sales-Unreimbursable Programs	27,854		27,854
Child Care Program Fees		\$ 103,981	103,981
Total Operating Revenues	<u>109,843</u>	<u>103,981</u>	<u>213,824</u>
Operating Expenses:			
Salaries	66,964	84,807	151,771
Employee Benefits	17,555	6,174	23,729
Purchased Property Services (Repairs)	3,248		3,248
Insurance	2,454		2,454
Management Fee	9,100		9,100
Other Purchased Services	2,113	408	2,521
Supplies and Materials	4,907	3,299	8,206
Depreciation	1,914		1,914
Cost of Sales	73,105		73,105
Miscellaneous	2,249		2,249
Total Operating Expenses	<u>183,609</u>	<u>94,688</u>	<u>278,297</u>
Operating Income (Loss)	<u>(73,766)</u>	<u>9,293</u>	<u>(64,473)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,624		2,624
Federal Sources:			
National School Lunch Program	62,529		62,529
National School Breakfast Program	252		252
Child and Adult Care Food Program	437		437
Food Donation Program	11,359		11,359
Interest Earned on Investments	91		91
Total Nonoperating Revenues (Expenses)	<u>77,292</u>	<u>-</u>	<u>77,292</u>
Change in Net Assets	3,526	9,293	12,819
Net Assets, Beginning	<u>40,049</u>	<u>820</u>	<u>40,869</u>
Net Assets, Ending	<u>\$ 43,575</u>	<u>\$ 10,113</u>	<u>\$ 53,688</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Food Service Fund	Before & After School Child Care Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 109,843	\$ 103,981	\$ 213,824
Payments to Food Service Management Company	(167,620)		(167,620)
Payments to Employees		(84,807)	(84,807)
Payments for Employee Benefits		(6,174)	(6,174)
Payments to Vendors (Net)	(8,247)	(3,801)	(12,048)
Net Cash Provided by (Used For) Operating Activities	<u>(66,024)</u>	<u>9,199</u>	<u>(56,825)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	2,533		2,533
Federal Sources	74,112		74,112
General Fund Interfund Activity	24,100		24,100
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>100,745</u>	<u>-</u>	<u>100,745</u>
Cash Flows from Investing Activities:			
Interest Earned on Investments	91		91
Net Increase (Decrease) in Cash and Cash Equivalents	34,812	9,199	44,011
Cash and Cash Equivalents, July 1, 2010	<u>89</u>	<u>914</u>	<u>1,003</u>
Cash and Cash Equivalents, June 30, 2011	<u>\$ 34,901</u>	<u>\$ 10,113</u>	<u>\$ 45,014</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (73,766)	\$ 9,293	\$ (64,473)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	1,914		1,914
Federal Food Donation Program	11,359		11,359
(Increase) Decrease in Inventory	553		553
Increase (Decrease) in Accounts Payable	(6,175)	(34)	(6,209)
Increase (Decrease) in Deferred Revenue	91		91
Increase (Decrease) in Other Current Liabilities		(60)	(60)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (66,024)</u>	<u>\$ 9,199</u>	<u>\$ (56,825)</u>

**FIDUCIARY FUND**

**DETAIL STATEMENTS**

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS				
Cash & Cash Equivalents	\$ 185,423	\$ 23,669	\$ 36,114	\$ 245,206
Due from Other Funds			1,078	1,078
<b>TOTAL ASSETS</b>	<b>185,423</b>	<b>23,669</b>	<b>37,192</b>	<b>246,284</b>
LIABILITIES				
Accounts Payable	3,978			3,978
Due to Other Funds	1,078		198	1,276
Due to Student Groups		23,669		23,669
Payroll Deductions & Withholdings			36,994	36,994
<b>TOTAL LIABILITIES</b>	<b>5,056</b>	<b>23,669</b>	<b>37,192</b>	<b>65,917</b>
<b>NET ASSETS</b>	<b>\$ 180,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 180,367</b>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 7,912
Interest	493
Total Additions	<u>8,405</u>
DEDUCTIONS	
Unemployment Claims	<u>89,986</u>
Total Deductions	<u>89,986</u>
Other Financing Sources (Uses):	
Transfers In from General Fund	<u>100,000</u>
Change in Net Assets	18,419
Net Assets, Beginning of the Year	<u>161,948</u>
Net Assets, End of the Year	<u><u>\$ 180,367</u></u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
School Activities:				
Mansfield Twp Elementary School	\$ 25,015	\$ 29,894	\$ 31,240	\$ 23,669

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
ASSETS				
Cash & Cash Equivalents	\$ 50,359	\$ 5,592,178	\$ 5,606,423	\$ 36,114
Due From Other Funds		1,078		1,078
TOTAL ASSETS	<u>\$ 50,359</u>	<u>\$ 5,593,256</u>	<u>\$ 5,606,423</u>	<u>\$ 37,192</u>
LIABILITIES				
Due to Other Funds	\$ 10,216	\$ 8,110	\$ 18,128	\$ 198
Payroll Deductions & Withholdings	40,143	2,141,196	2,144,345	36,994
Net Payroll		3,443,950	3,443,950	
TOTAL LIABILITIES	<u>\$ 50,359</u>	<u>\$ 5,593,256</u>	<u>\$ 5,606,423</u>	<u>\$ 37,192</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/10	Issued	Retired	Balance 06/30/11
			Date	Amount					
School Addition & Renovations Refunding Issue	11/28/07	\$ 2,540,000	03/01/12	\$ 375,000	3.625%				
			03/01/13	380,000					
			03/01/14	400,000					
			03/01/15	415,000					
						<u>\$ 1,930,000</u>		<u>\$ 360,000</u>	<u>\$ 1,570,000</u>
						<u>\$ 1,930,000</u>	<u>\$ -</u>	<u>\$ 360,000</u>	<u>\$ 1,570,000</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 343,226		\$ 343,226	\$ 343,226	
State Sources:					
Debt Service Aid Type II	86,737		86,737	86,737	
Total Revenues	<u>429,963</u>	<u>\$ -</u>	<u>429,963</u>	<u>429,963</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest	69,963		69,963	69,962	1
Redemption of Principal	360,000		360,000	360,000	
Total Expenditures	<u>429,963</u>	<u>-</u>	<u>429,963</u>	<u>429,962</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**STATISTICAL SECTION**

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
<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.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
<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.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENT ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	\$ 814,442	\$ 1,758,156	\$ 1,828,279	\$ 1,960,067	\$ 1,978,629	\$ 2,401,972	\$ 2,594,886	\$ 3,266,569
Restricted	825,658	478,551	491,388	512,919	545,336	638,152	633,103	633,967
Unrestricted	977,606	317,984	315,865	275,850	41,016	(104,690)	(296,557)	(239,689)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS</b>	<b>\$ 2,617,706</b>	<b>\$ 2,554,691</b>	<b>\$ 2,635,532</b>	<b>\$ 2,748,836</b>	<b>\$ 2,564,981</b>	<b>\$ 2,935,434</b>	<b>\$ 2,931,432</b>	<b>\$ 3,660,847</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	\$ 8,890	\$ 7,820	\$ 6,749	\$ 5,841	\$ 19,268	\$ 17,354	\$ 15,439	\$ 13,525
Unrestricted	(884)	2,036	6,886	17,131	9,965	27,449	25,430	40,163
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 8,006</b>	<b>\$ 9,856</b>	<b>\$ 13,635</b>	<b>\$ 22,972</b>	<b>\$ 29,233</b>	<b>\$ 44,803</b>	<b>\$ 40,869</b>	<b>\$ 53,688</b>
<b>DISTRICT-WIDE</b>								
Invested in Capital Assets, Net of Related Debt	\$ 823,332	\$ 1,765,976	\$ 1,835,028	\$ 1,965,908	\$ 1,997,897	\$ 2,419,326	\$ 2,610,325	\$ 3,280,094
Restricted	825,658	478,551	491,388	512,919	545,336	638,152	633,103	633,967
Unrestricted	976,722	320,020	322,751	292,981	50,981	(77,241)	(271,127)	(199,526)
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 2,625,712</b>	<b>\$ 2,564,547</b>	<b>\$ 2,649,167</b>	<b>\$ 2,771,808</b>	<b>\$ 2,594,214</b>	<b>\$ 2,980,237</b>	<b>\$ 2,972,301</b>	<b>\$ 3,714,535</b>

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES								
Governmental Activities:								
Instruction:								
Regular	\$ 3,365,272	\$ 3,501,302	\$ 3,695,969	\$ 4,148,539	\$ 4,147,466	\$ 4,293,622	\$ 4,357,749	\$ 3,982,469
Special Education	1,060,096	1,122,099	1,139,400	1,233,506	1,343,184	1,332,142	1,437,322	1,309,437
Other Special Education	505,080	483,563	363,753	327,209	374,427	271,390	309,366	359,138
Support Services:								
Tuition	9,720	85,446	125,297	173,486	82,815	114,954	232,690	306,557
Student & Instruction Related Services	926,949	966,761	1,065,612	1,110,024	1,177,123	1,080,325	1,161,165	1,095,002
General & Business Administrative Services	448,419	511,955	505,404	540,260	678,334	553,615	559,412	583,913
School Administration	206,218	202,854	203,778	219,927	232,502	217,405	234,180	211,304
Plant Operations & Maintenance	506,873	543,585	537,011	579,489	689,270	642,171	674,921	568,853
Pupil Transportation	492,616	474,334	504,461	531,289	579,881	577,866	640,255	559,630
Special Schools	16,987	19,169	21,228	5,340	35,207	10,089	17,137	
Transfers to Charter Schools		8,385	16,943	8,609	9,311		3,576	9,219
Interest on Long-Term Debt	207,050	194,331	181,062	166,899	75,721	94,485	78,301	65,867
Total Governmental Activities Expenses	<u>7,745,280</u>	<u>8,113,784</u>	<u>8,359,918</u>	<u>9,044,577</u>	<u>9,425,241</u>	<u>9,188,064</u>	<u>9,706,074</u>	<u>9,051,389</u>
Business-Type Activities:								
Food Services	150,929	156,015	145,652	176,926	182,330	170,316	202,312	183,609
Before and After School Child Care				71,657	95,259	95,188	98,518	94,688
Total Business-Type Activities	<u>150,929</u>	<u>156,015</u>	<u>145,652</u>	<u>248,583</u>	<u>277,589</u>	<u>265,504</u>	<u>300,830</u>	<u>278,297</u>
TOTAL DISTRICT EXPENSES	<u>\$ 7,896,209</u>	<u>\$ 8,269,799</u>	<u>\$ 8,505,570</u>	<u>\$ 9,293,160</u>	<u>\$ 9,702,830</u>	<u>\$ 9,453,568</u>	<u>\$ 10,006,904</u>	<u>\$ 9,329,686</u>

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
PROGRAM REVENUES								
Governmental Activities:								
Charges for Services:								
Regular Instruction	\$ 170					\$ 15,200	\$ 12,900	\$ 15,200
Special Education Instruction	34,595	\$ 16,910	\$ 10,749	\$ 31,410	\$ 27,804	26,677	55,117	27,443
Student and Instruction Related Services	46				6,602	13,377	6,313	3,136
General & Business Administrative Services					160			
Plant Operations & Maintenance	535	1,796	1,093	14,920	15,771	8,789	5,432	222
Pupil Transportation	16,569	20,220	21,272	45,220	46,163	14,074	154,183	116,207
Special Schools	6,618	10,525	15,120		14,934	7,215	9,635	
Operating Grants & Contributions	331,783	328,276	348,662	373,260	338,608	321,155	326,086	396,710
Capital Grants & Contributions	23,544							195,691
Total Governmental Activities Program Revenues	<u>413,860</u>	<u>377,727</u>	<u>396,896</u>	<u>464,810</u>	<u>450,042</u>	<u>406,487</u>	<u>569,666</u>	<u>754,609</u>
Business-Type Activities:								
Charges for Services:								
Food Service	100,327	94,098	101,176	125,402	125,365	125,546	116,609	109,843
Before and After School Child Care				73,685	95,274	94,026	98,353	103,981
Operating Grants & Contributions	50,110	47,429	48,255	58,730	62,714	61,384	81,398	77,201
Total Business-Type Activities Program Revenues	<u>150,437</u>	<u>141,527</u>	<u>149,431</u>	<u>257,817</u>	<u>283,353</u>	<u>280,956</u>	<u>296,360</u>	<u>291,025</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 564,297</u>	<u>\$ 519,254</u>	<u>\$ 546,327</u>	<u>\$ 722,627</u>	<u>\$ 733,395</u>	<u>\$ 687,443</u>	<u>\$ 866,026</u>	<u>\$ 1,045,634</u>
NET (EXPENSE) REVENUES								
Governmental Activities	\$ (7,331,420)	\$ (7,736,057)	\$ (7,963,022)	\$ (8,579,767)	\$ (8,975,199)	\$ (8,781,577)	\$ (9,136,408)	\$ (8,296,780)
Business-Type Activities	(492)	(14,488)	3,779	9,234	5,764	15,452	(4,470)	12,728
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (7,331,912)</u>	<u>\$ (7,750,545)</u>	<u>\$ (7,959,243)</u>	<u>\$ (8,570,533)</u>	<u>\$ (8,969,435)</u>	<u>\$ (8,766,125)</u>	<u>\$ (9,140,878)</u>	<u>\$ (8,284,052)</u>

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET ASSETS</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 3,941,254	\$ 3,918,290	\$ 4,182,653	\$ 4,469,733	\$ 4,469,733	\$ 4,626,544	\$ 4,626,544	\$ 4,771,606
Taxes Levied for Debt Service	333,050	331,134	327,277	333,504	328,248	347,102	212,565	343,226
Unrestricted Grants & Contributions	3,308,587	3,395,489	3,486,893	3,841,904	4,067,587	4,159,141	4,311,169	3,995,416
Investment Earnings	16,791	37,103	37,459	57,778	50,791	24,744	9,168	4,170
Miscellaneous Income	10,296	7,364	10,081	10,152	6,385	24,499	23,223	11,777
Transfers In (Out)				(20,000)	(54,700)	(30,000)	(55,000)	(100,000)
Special Item-Prior Year Accounts Receivable Cancelled	(27,522)	(16,338)						
Special Item-Payment to Refunding Bond Agent					(76,700)			
Loss on Disposal of Capital Assets			(500)				(13,762)	
<b>Total Governmental Activities</b>	<u>7,582,456</u>	<u>7,673,042</u>	<u>8,043,863</u>	<u>8,693,071</u>	<u>8,791,344</u>	<u>9,152,030</u>	<u>9,113,907</u>	<u>9,026,195</u>
Business-Type Activities:								
Investment Earnings				103	10		144	91
Miscellaneous Income					487	118	392	
Special Item-Prior Year Accounts Receivable Cancelled	7,522	16,338						
<b>Total Business-Type Activities</b>	<u>7,522</u>	<u>16,338</u>	<u>-</u>	<u>103</u>	<u>497</u>	<u>118</u>	<u>536</u>	<u>91</u>
<b>TOTAL DISTRICT-WIDE</b>	<u>\$ 7,589,978</u>	<u>\$ 7,689,380</u>	<u>\$ 8,043,863</u>	<u>\$ 8,693,174</u>	<u>\$ 8,791,841</u>	<u>\$ 9,152,148</u>	<u>\$ 9,114,443</u>	<u>\$ 9,026,286</u>
<b>CHANGE IN NET ASSETS</b>								
Governmental Activities	\$ 251,036	\$ (63,015)	\$ 80,841	\$ 113,304	\$ (183,855)	\$ 370,453	\$ (22,501)	\$ 729,415
Business-Type Activities	7,030	1,850	3,779	9,337	6,261	15,570	(3,934)	12,819
<b>TOTAL DISTRICT</b>	<u>\$ 258,066</u>	<u>\$ (61,165)</u>	<u>\$ 84,620</u>	<u>\$ 122,641</u>	<u>\$ (177,594)</u>	<u>\$ 386,023</u>	<u>\$ (26,435)</u>	<u>\$ 742,234</u>

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:								
Reserved	\$ 1,125,616	\$ 701,163	\$ 581,992	\$ 395,894	\$ 402,240	\$ 686,567	\$ 301,049	\$ 605,877
Unreserved	205,795	60,792	185,803	363,589	106,372	(90,009)	(96,299)	(21,602)
Total General Fund	<u>\$ 1,331,411</u>	<u>\$ 761,955</u>	<u>\$ 767,795</u>	<u>\$ 759,483</u>	<u>\$ 508,612</u>	<u>\$ 596,558</u>	<u>\$ 204,750</u>	<u>\$ 584,275</u>
All Other Governmental Funds:								
Reserved, Reported In:								
Capital Projects Fund	\$ 220,042	\$ 319,638	\$ 228,265	\$ 232,763	\$ 325,000			
Debt Service Fund					120,000			
Unreserved, Reported In:								
Special Revenue Fund	(999)	(999)	(999)	(999)	(2,624)			
Capital Projects Fund	548,387	2,985	22		(75,000)		\$ 354,750	\$ 56,779
Debt Service Fund	1,521	1,582	1,578	7,627	119,563	\$ 113,453		1
Total All Other Governmental Funds	<u>\$ 768,951</u>	<u>\$ 323,206</u>	<u>\$ 228,866</u>	<u>\$ 239,391</u>	<u>\$ 486,939</u>	<u>\$ 113,453</u>	<u>\$ 354,750</u>	<u>\$ 56,780</u>

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Tax Levy	\$ 3,537,759	\$ 3,988,637	\$ 4,274,304	\$ 4,249,424	\$ 4,509,930	\$ 4,803,237	\$ 4,797,981	\$ 4,973,646	\$ 4,839,109	\$ 5,114,832
Tuition Charges	53,194	33,100	34,595	16,000	10,749	31,410	27,804	48,694	77,320	42,468
Interest Earnings	23,206	17,951	16,791	37,103	37,459	57,778	50,791	24,744	9,168	4,170
Miscellaneous	42,755	32,772	14,914	16,215	12,672	28,055	21,349	29,326	23,264	7,629
State Sources	2,735,970	3,088,939	3,347,889	3,417,753	3,508,295	3,857,320	4,109,823	4,149,294	3,814,254	3,978,367
State Sources-Capital Projects			23,544							195,691
Federal Sources	235,508	253,725	310,121	311,603	324,669	351,806	291,632	330,203	821,007	413,395
<b>Total Revenues</b>	<b>6,628,392</b>	<b>7,415,124</b>	<b>8,022,158</b>	<b>8,048,098</b>	<b>8,403,774</b>	<b>9,129,606</b>	<b>9,299,380</b>	<b>9,555,907</b>	<b>9,584,122</b>	<b>9,756,552</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	2,228,414	2,241,827	2,387,427	2,513,391	2,644,103	2,804,583	2,776,090	3,020,603	3,010,938	2,722,072
Special Education Instruction	549,829	584,272	626,315	761,120	761,964	840,350	888,290	877,154	904,573	863,440
Other Special Instruction	271,852	264,834	264,464	295,597	180,258	147,215	163,583	149,217	167,407	184,518
<b>Support Services:</b>										
Tuition	103,579	46,060	9,720	3,666	42,571	20,691			175,109	94,126
Student & Inst Related Services	500,475	556,692	630,668	697,601	742,900	743,935	777,621	717,752	750,829	698,928
General Administration	203,903	220,646	225,183	256,553	258,703	261,791	332,044	260,898	256,256	265,495
School Administration Services	138,204	146,895	154,142	146,803	147,185	152,247	160,795	151,466	162,033	144,925
Central Services	106,026	113,298	120,009	126,477	122,052	121,538	134,787	135,887	137,055	141,356
Plant Operations & Maintenance	382,560	417,342	424,055	469,685	461,258	492,421	598,927	543,483	566,031	465,284
Pupil Transportation	597,415	555,016	475,502	454,114	480,942	486,069	530,730	560,803	485,637	442,890
Employee Benefits	694,145	895,583	1,167,605	1,199,993	1,205,134	1,284,771	1,393,991	1,487,436	1,610,116	1,580,510
On-Behalf TPAF Pension & Social Security Contribution	262,000	397,456	450,276	458,088	538,662	884,345	929,440	627,266	657,061	639,055
Capital Outlay	61,426	48,148	60,212	58,480	6,594	42,863		13,302	27,467	2,590
Special Schools	17,156	15,296	10,369	8,644	6,108	5,340	14,306	7,155	11,990	
Transfer of Funds to Charter Schools				8,385	16,943	8,609	9,311		3,576	9,219
Special Revenue Funds	281,730	312,499	354,041	342,718	348,662	373,260	340,233	318,531	326,086	396,710
Capital Projects Fund	19,190	10,669	60,382	811,529	98,637	6,110	115,676	325,000		493,662
<b>Debt Service:</b>										
Principal	200,000	210,000	225,000	235,000	245,000	264,560	134,901	515,000	345,000	360,000
Interest & Other Charges	224,309	223,295	210,169	199,117	184,598	166,695	93,155	100,494	82,469	70,217
<b>Total Expenditures</b>	<b>6,842,213</b>	<b>7,259,828</b>	<b>7,855,539</b>	<b>9,046,961</b>	<b>8,492,274</b>	<b>9,107,393</b>	<b>9,393,880</b>	<b>9,811,447</b>	<b>9,679,633</b>	<b>9,574,997</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(213,821)</b>	<b>155,296</b>	<b>166,619</b>	<b>(998,863)</b>	<b>(88,500)</b>	<b>22,213</b>	<b>(94,500)</b>	<b>(255,540)</b>	<b>(95,511)</b>	<b>181,555</b>
<b>Other Financing Sources (Uses):</b>										
Proceeds from New Bond Issue							250,000			
Proceeds from Refunding Bond Issue							2,540,000			
Payment to Refunding Bond Escrow Agent							(2,676,700)			
Premium on Bond Issue							32,577			
Transfers In (Out)		(20,000)	(27,522)	(16,338)		(20,000)	(54,700)	(30,000)	(55,000)	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(20,000)</b>	<b>(27,522)</b>	<b>(16,338)</b>	<b>-</b>	<b>(20,000)</b>	<b>91,177</b>	<b>(30,000)</b>	<b>(55,000)</b>	<b>(100,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (213,821)</b>	<b>\$ 135,296</b>	<b>\$ 139,097</b>	<b>\$ (1,015,201)</b>	<b>\$ (88,500)</b>	<b>\$ 2,213</b>	<b>\$ (3,323)</b>	<b>\$ (285,540)</b>	<b>\$ (150,511)</b>	<b>\$ 81,555</b>
<b>Debt Service as a Percentage of Non- capital Expenditures</b>	<b>6.70%</b>	<b>6.40%</b>	<b>5.96%</b>	<b>5.61%</b>	<b>5.40%</b>	<b>5.00%</b>	<b>2.52%</b>	<b>6.95%</b>	<b>4.63%</b>	<b>4.97%</b>

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund and debt service.  
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Description	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Interest Income	\$ 17,168	\$ 9,642	\$ 11,925	\$ 31,380	\$ 30,195	\$ 47,192	\$ 34,629	\$ 24,744	\$ 9,168	\$ 4,170
Tuition	53,194	33,100	34,595	16,000	10,749	31,410	27,804	48,694	77,320	42,468
Payroll Balances Transferred			2,309		2,209					
Miscellaneous Refunds			312				84	133		
Prior Year Refunds	34,444	23,356	3,976	7,346	7,265	4,703	1,552	19,640	10,077	6,054
Rentals	515	35				11,865	12,320	8,540	2,559	
Miscellaneous Other		110	3,699	18	66		1,327	73	54	4
Interlocal Agreement for Technology Services						5,449				
Vendor Rebates									4,245	
Donations									4,000	1,050
Outstanding Checks Voided	1,377	4,171			541		1,326	141	335	157
<b>Annual Totals</b>	<b>\$ 106,698</b>	<b>\$ 70,414</b>	<b>\$ 56,816</b>	<b>\$ 54,744</b>	<b>\$ 51,025</b>	<b>\$ 100,619</b>	<b>\$ 79,042</b>	<b>\$ 101,965</b>	<b>\$ 107,758</b>	<b>\$ 53,903</b>

Source: District Records

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vacant Land	\$ 8,537,810	\$ 17,012,300	\$ 19,664,400	\$ 15,322,700	\$ 15,310,000	\$ 13,502,500	\$ 15,458,200	\$ 13,896,400	\$ 12,975,500	\$ 12,083,200
Residential	219,809,350	423,359,000	421,042,700	424,186,900	425,474,200	429,716,900	431,684,500	431,329,200	430,605,100	430,604,600
Farm Regular	21,258,200	45,120,400	46,883,300	48,128,800	50,163,600	50,595,400	50,829,400	51,820,800	51,652,000	51,652,000
Q Farm	2,034,050	2,839,000	2,706,000	2,825,200	2,759,200	2,751,200	2,668,700	3,612,000	2,903,275	2,959,050
Commercial	44,073,800	81,407,700	80,815,900	83,240,900	83,783,000	89,207,400	94,972,200	94,831,500	95,113,500	95,234,500
Industrial	11,123,400	16,182,500	16,107,900	16,513,100	16,101,700	16,054,300	16,094,300	16,094,300	16,100,300	16,100,300
Apartment	31,163,000	51,416,800	51,416,800	49,489,900	49,489,900	49,799,900	49,799,900	49,799,900	40,656,000	40,656,000
Total Assessed Value	337,999,610	637,337,700	638,637,000	639,707,500	643,081,600	651,627,600	661,507,200	661,384,100	650,005,675	649,289,650
Public Utilities (a)	1,459,200	2,278,075	2,123,585	1,825,320	1,413,210	1,333,868	1,304,575	1,335,310	1,434,922	1,262,054
Net Valuation Taxable	<u>\$ 339,458,810</u>	<u>\$ 639,615,775</u>	<u>\$ 640,760,585</u>	<u>\$ 641,532,820</u>	<u>\$ 644,494,810</u>	<u>\$ 652,961,468</u>	<u>\$ 662,811,775</u>	<u>\$ 662,719,410</u>	<u>\$ 651,440,597</u>	<u>\$ 650,551,704</u>
Estimated Actual County Equalized Value	<u>\$ 480,547,579</u>	<u>\$ 518,507,008</u>	<u>\$ 647,625,413</u>	<u>\$ 708,954,382</u>	<u>\$ 808,143,962</u>	<u>\$ 874,462,928</u>	<u>\$ 947,686,266</u>	<u>\$ 973,509,210</u>	<u>\$ 889,703,083</u>	<u>\$ 835,647,661</u>
Percentage of Net Valuation to Estimated Actual County Equalized Value	<u>70.64%</u>	<u>123.36%</u>	<u>98.94%</u>	<u>90.49%</u>	<u>79.75%</u>	<u>74.67%</u>	<u>69.94%</u>	<u>68.08%</u>	<u>73.22%</u>	<u>77.85%</u>
Total Direct School Tax Rate (b)	<u>\$ 1.17</u>	<u>\$ 0.67</u>	<u>\$ 0.66</u>	<u>\$ 0.70</u>	<u>\$ 0.75</u>	<u>\$ 0.74</u>	<u>\$ 0.75</u>	<u>\$ 0.73</u>	<u>\$ 0.78</u>	<u>\$ 0.80</u>

\*

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

- (a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
- (b) Tax rates are per \$100

\* Revalued/Reassessed

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

Assessment Year	School District Direct Rate					Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Regional School Rate	Municipality	County	
			Direct School Tax Rate	Total				
2002	\$ 1.08	\$ 0.09	\$ 1.17	\$ 1.20	\$ 0.53	\$ 1.01	\$ 3.91	
2003	* 0.62	0.05	0.67	0.72	0.30	0.54	2.23	
2004	0.61	0.05	0.66	0.75	0.34	0.67	2.42	
2005	0.65	0.05	0.70	0.80	0.34	0.70	2.54	
2006	0.70	0.05	0.75	0.89	0.34	0.78	2.76	
2007	0.69	0.05	0.74	0.87	0.35	0.82	2.78	
2008	0.70	0.05	0.75	0.86	0.39	0.87	2.87	
2009	0.70	0.03	0.73	0.91	0.45	0.89	2.98	
2010	0.73	0.05	0.78	0.89	0.52	0.84	3.03	
2011	0.75	0.05	0.80	0.90	0.56	0.81	3.07	

Sources: Municipal Tax Collector

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

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

\* Revalued/Reassessed

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

	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Plaza	\$ 45,104,800	1	6.93%	\$ 19,888,000	1	5.86%
Green Eagle Property Res. L.P.	26,000,000	2	4.00%	15,000,000	2	4.42%
Mansfield Plaza Associates	14,149,800	3	2.18%	7,250,000	5	2.14%
Middleberry Associates	14,000,000	4	2.15%	9,100,000	4	2.68%
Borealis Compounds	6,560,900	5	1.01%	4,200,000	6	1.24%
NYK Logistics	3,611,800	6	0.56%	3,000,000	7	0.88%
Mansfield Commons II LLC	3,324,900	7	0.51%			
Sarva Mangle LLC	3,077,900	8	0.47%			
Eden Mansfield LLC	2,667,600	9	0.41%			
The Shoppes at Mansfield LLC	2,653,900	10	0.41%			
Mansfield Plaza Inc				11,450,000	3	3.37%
Verizon				1,353,934	8	0.40%
Mian Realty LLC				1,215,000	9	0.36%
Tahoe Partners				1,105,100	10	0.33%
	<u>\$ 121,151,600</u>		<u>18.63%</u>	<u>\$ 73,562,034</u>		<u>21.68%</u>

Source: Municipal Tax Assessor

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

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2001	\$ 12,592,089	\$ 11,947,635	94.88%
2002	13,385,411	13,091,766	97.81%
2003	14,326,199	13,877,408	96.87%
2004	15,648,288	15,174,424	96.97%
2005	16,347,422	15,982,200	97.76%
2006	17,954,283	17,544,317	97.71%
2007	18,365,546	17,972,662	97.86%
2008	19,109,031	18,564,828	97.15%
2009	19,752,369	19,164,940	97.02%
2010	19,759,480	19,238,201	97.36%

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

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

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

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2002	\$ 3,915,000					\$ 3,915,000	1.44%	\$ 476
2003	3,705,000					3,705,000	1.33%	450
2004	3,480,000					3,480,000	1.23%	423
2005	3,245,000					3,245,000	1.11%	396
2006	3,000,000					3,000,000	1.00%	367
2007	2,735,000					2,735,000	0.85%	337
2008	2,790,000					2,790,000	0.82%	344
2009	2,275,000					2,275,000	0.65%	281
2010	1,930,000					1,930,000	0.56%	239
2011	1,570,000					1,570,000	N/A	194

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

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

(b) Represents lease project obligations until fiscal year ending June 30, 2007

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation Bonds(c)	Deductions			
2002	\$ 3,915,000		\$ 3,915,000	1.15%	\$ 476
2003	3,705,000		3,705,000	0.58%	450
2004	3,480,000		3,480,000	0.54%	423
2005	3,245,000		3,245,000	0.51%	396
2006	3,000,000		3,000,000	0.47%	367
2007	2,735,000		2,735,000	0.42%	337
2008	2,790,000		2,790,000	0.42%	344
2009	2,275,000		2,275,000	0.34%	281
2010	1,930,000		1,930,000	0.30%	239
2011	1,570,000		1,570,000	0.24%	194

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2010

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 3,282,970	100.00	\$ 3,282,970
Regional High School	27,959,000	31.81	8,894,481
County General Obligation Debt	21,978,878	6.82	1,498,786
Subtotal, Overlapping Debt			13,676,237
School District Direct Debt			1,930,000
Total Direct and Overlapping Debt			\$ 15,606,237

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

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

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



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

Year	Population ( a )	Personal Income ( b )	Per Capita Personal Income ( c )	Unemployment Rate ( d )
2002	8,223	\$ 272,789,802	\$ 33,174	5.5%
2003	8,236	278,747,420	33,845	6.0%
2004	8,226	283,920,390	34,515	4.4%
2005	8,185	291,205,930	35,578	3.9%
2006	8,168	301,252,176	36,882	4.2%
2007	8,124	320,475,552	39,448	3.9%
2008	8,120	340,455,360	41,928	5.2%
2009	8,089	347,616,686	42,974	9.2%
2010	8,089	344,842,159	42,631	9.5%
2011	8,089	N/A	N/A	N/A

Sources:

- ( a ) Population information provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal income has been estimated based upon the municipal population and per capita personal income presented
- ( c ) Per capita personal income by county estimated based upon the 2000 census published by the US Bureau of Economic Analysis.
- ( d ) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular	48.0	46.8	46.5	46.0	48.0	48.3	48.0	44.0	46.0	42.1
Special Education	11.6	10.0	12.0	12.0	13.5	12.5	11.5	13.5	14.0	12.0
Other Special Education	10.0	9.0	8.3	5.0	8.0	9.0	9.0	8.0	8.0	8.0
Other Instruction	3.0	3.0	4.0	7.0	5.0	4.5	4.5	8.5	8.5	3.0
Support Services:										
Student and Instruction Related Services	6.0	6.0	4.0	8.6	8.8	10.1	6.6	6.0	6.0	7.4
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Services						2.0	2.0	2.0	2.0	2.8
Central Services	2.0	2.0	2.0	2.5	2.2	2.0	2.0	2.0	2.0	2.0
Administrative Information Technology					1.0	1.0	1.0	1.0	1.0	1.0
Plant Operations and Maintenance	5.8	5.8	5.8	5.0	6.0	6.5	6.5	5.0	5.0	5.0
Child Care						1.5	1.5	1.5	1.5	1.5
<b>Total</b>	<b>88.4</b>	<b>84.5</b>	<b>84.5</b>	<b>88.1</b>	<b>94.5</b>	<b>99.4</b>	<b>94.6</b>	<b>93.5</b>	<b>96.0</b>	<b>85.8</b>

Sources: District Personnel Records

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures ( a )</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff ( b )</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) ( c )</u>	<u>Average Daily Attendance (ADA) ( c )</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2002	730	\$ 6,337,288	\$ 8,681	6.74%	65	1 to 11.66	730.5	690.9	-3.18%	94.58%
2003	745	6,767,716	9,084	4.64%	65	1 to 11.23	744.4	708.2	1.90%	95.14%
2004	760	7,299,776	9,605	5.73%	65	1 to 11.46	759.4	725.4	2.02%	95.52%
2005	729	7,742,835	10,621	10.58%	65	1 to 11.69	717.2	685.0	-5.56%	95.51%
2006	698	7,957,445	11,400	7.34%	65	1 to 11.22	699.8	668.2	-2.43%	95.48%
2007	703	8,627,165	12,272	7.65%	65	1 to 10.82	706.3	675.5	0.93%	95.64%
2008	707	9,050,148	12,801	4.31%	65	1 to 10.88	715.6	685.4	1.32%	95.78%
2009	697	8,857,651	12,708	-0.72%	64.5	1 to 10.81	690.2	656.0	-3.55%	95.04%
2010	723	9,224,697	12,759	0.40%	67	1 to 10.79	722.9	691.2	4.74%	95.61%
2011	695	8,648,528	12,444	-2.47%	57	1 to 12.20	695.8	659.9	-3.75%	94.84%

Source: District Records

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Mansfield Township School (1964)</u>										
Square Feet	88,000	88,000	88,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Capacity (Students)	651	651	651	835	835	835	835	835	835	835
Enrollment	725	746	752	722	711	698	703	689	710	683

Number of Schools at June 30, 2011:  
 Elementary

1

Source: District Facilities Office  
 N/A=Not Available

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

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

UNDISTRIBUTED EXPENDITURES-REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

	Mansfield Township Elementary School	Total
* School Facilities		
2002	\$ 44,396	\$ 44,396
2003	16,765	16,765
2004	37,621	37,621
2005	40,248	40,248
2006	44,625	44,625
2007	57,064	57,064
2008	79,318	79,318
2009	69,706	69,706
2010	90,010	90,010
2011	21,634	21,634
Total School Facilities	<u>\$ 501,387</u>	<u>\$ 501,387</u>

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

Source: District Records

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Fund Limit)	\$ 250,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	1,000
Medical Expense Limit	5,000	1,000
School Board Legal Liability-School Alliance Insurance Fund:		
Directors and Officers Policy	5,000,000	25,000
Workers Compensation-School Alliance Insurance Fund:		
Injury by Accident Per Accident	5,000,000	
Injury by Disease Per Employee	5,000,000	
Injury by Disease Policy Limit	5,000,000	
Environmental Impairment Liability-Illinois Insurance Co:		
Policy Limit	1,000,000	
Student Accident Insurance-QBE Insurance Corporation:		
Maximum Benefit Amount	500,000	
Employee Blanket Position Bond-School Alliance Insurance Fund	500,000	1,000
Public Employees' Faithful Performance-Selective Insurance:		
Treasurer's Bond	195,000	
Board Secretary's Bond	85,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
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INDEPENDENT AUDITORS' 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 STANDARD

October 17, 2011

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

We have audited the financial statements of the Board of Education of the Mansfield School District in the County of Warren as of and for the year ended June 30, 2011, and have issued our report thereon dated October 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

This report is intended solely for the information of the management of the Board of Education and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



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

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Registered Municipal Accountant

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INDEPENDENT AUDITORS' 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

October 17, 2011

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

Compliance

We have audited the compliance of the Board of Education of the Mansfield School District in the County of Warren, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2011. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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 Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the 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, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". 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 Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education 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 fiscal year ended June 30, 2011.

## Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance at 6/30/2010	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2011		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education:													
General Fund:													
Education Jobs Fund	84.410A	ARRA-297011	\$ 119,118	08/10/2010-09/30/2012									
US Department of Health & Human Services:													
General Fund:													
Medical Assistance Program	93.778	N/A	16,510	07/01/2009-06/30/2010	\$ (1,759)		\$ 1,759						
Medical Assistance Program	93.778	N/A	17,049	07/01/2010-06/30/2011			14,962	\$ 17,049			\$ (2,087)		
Total General Fund					(1,759)	\$ -	16,721	17,049	\$ -	\$ -	(2,087)	\$ -	
US Department of Education Passed Through													
State Department of Education:													
Special Revenue Fund:													
NCLB Title I	84.010A	NCLB-297009	70,271	09/01/2008-08/31/2009	(3,193)		3,193						
NCLB Title I	84.010A	NCLB-297010	77,193	09/01/2009-08/31/2010	(45,350)		51,874	6,363	\$ 3,268	\$ 3,268	(771)	932	
NCLB Title I	84.010A	NCLB-297011	94,494	09/01/2010-08/31/2011			53,235	60,103			(41,259)	34,391	
NCLB Title IIA	84.367A	NCLB-297009	32,259	09/01/2008-08/31/2009	(4,932)		4,932						
NCLB Title IIA	84.367A	NCLB-297010	33,245	09/01/2009-08/31/2010	(18,655)		18,655	6,190			(6,190)		
NCLB Title IIA	84.367A	NCLB-297011	33,357	09/01/2010-08/31/2011			13,200	15,100			(20,157)	18,257	
NCLB Title IID	84.318X	NCLB-297010	772	09/01/2009-08/31/2010	(772)		772						
NCLB Title IID	84.318X	NCLB-297011	209	09/01/2010-08/31/2011							(209)	209	
NCLB Title III	84.365A	NCLB-297009	637	09/01/2008-08/31/2009	266				371			637	
NCLB Title III	84.365A	NCLB-297010	10,168	09/01/2009-08/31/2010	(3,633)		8,343					4,710	
NCLB Title III	84.365A	NCLB-297011	15,659	09/01/2010-08/31/2011			4,617	12,625			(11,042)	3,034	
NCLB Title IV	84.186A	NCLB-297010	1,882	09/01/2009-08/31/2010				1,504			(1,882)	378	
IDEA Basic	84.027	IDEA-297010	162,408	09/01/2009-08/31/2010	(22,248)		70,022	66,990			(19,216)		
IDEA Basic	84.027	IDEA-297011	169,029	09/01/2010-08/31/2011			156,366	117,911			(12,663)	51,118	
IDEA Preschool	84.173	IDEA-297010	7,029	09/01/2009-08/31/2010	(4,853)		4,853						
IDEA Preschool	84.173	IDEA-297011	7,331	09/01/2010-08/31/2011			3,666	3,988			(3,665)	3,343	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance at 6/30/2010	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2011		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education: Special Revenue Fund (continued):													
ARRA Title I, Part A	84.389	ARRA-297010	\$ 21,756	07/01/2009-08/31/2011				\$ 18,147			\$ (21,756)	\$ 3,609	
ARRA IDEA Basic	84.391	ARRA-297010	151,927	07/01/2009-08/31/2011	\$ (53,990)		\$ 116,370	76,097			(13,717)		
ARRA IDEA Preschool	84.392	ARRA-297010	5,486	07/01/2009-08/31/2011	(4,141)		4,141						
Total Special Revenue Fund					(161,501)	\$ -	514,239	385,018	\$ 3,639	\$ 3,268	(152,527)	120,618	\$ -
US Department of Agriculture Passed Through State Department of Agriculture: Enterprise Fund:													
Food Donation Program	10.550	N/A	10,943	07/01/2009-06/30/2010	860			860					
Food Donation Program	10.550	N/A	11,450	07/01/2010-06/30/2011			11,450	10,499				951	
National School Breakfast Program	10.553	N/A	568	07/01/2009-06/30/2010	(69)		69						
National School Breakfast Program	10.553	N/A	252	07/01/2010-06/30/2011			225	252			(27)		
National School Lunch Program	10.555	N/A	65,402	07/01/2009-06/30/2010	(4,402)		4,402						
National School Lunch Program	10.555	N/A	62,529	07/01/2010-06/30/2011			57,587	62,529			(4,942)		
Child and Adult Care Food Program	10.558	N/A	558	07/01/2009-06/30/2010	(66)		66						
Child and Adult Care Food Program	10.558	N/A	437	07/01/2010-06/30/2011			404	437			(33)		
Total Enterprise Fund					(3,677)	-	74,203	74,577	-	-	(5,002)	951	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (166,937)	\$ -	\$ 605,163	\$ 476,644	\$ 3,639	\$ 3,268	\$ (159,616)	\$ 121,569	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE-SCHEDULE B  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance at 6/30/2010	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2011			Memo		
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	11-495-034 -5120-078	\$ 2,801,268	07/01/2010- 06/30/2011		\$ 2,801,268	\$ 2,801,268						\$ 275,143	\$ 2,801,268
Categorical Special Education Aid	11-495-034 -5120-089	362,499	07/01/2010- 06/30/2011		362,499	362,499						35,605	362,499
Extraordinary Special Education Costs Aid	10-100-034 -5120-473	12,787	07/01/2009- 06/30/2010	\$ (12,787)	12,787								12,787
Extraordinary Special Education Costs Aid	11-100-034 -5120-473	36,319	07/01/2010- 06/30/2011			36,319		\$ (36,319)					36,319
Non-public Remote Transportation Aid	N/A	4,316	07/01/2009- 06/30/2010	(4,316)	4,316								4,316
Non-public Remote Transportation Aid	N/A	3,805	07/01/2010- 06/30/2011			3,805		(3,805)					3,805
Reimbursed TPAF Social Security Contribution	10-495-034 -5095-002	347,565	07/01/2009- 06/30/2010	(17,095)	17,095								347,565
Reimbursed TPAF Social Security Contribution	11-495-034 -5095-002	328,966	07/01/2010- 06/30/2011		312,014	328,966		(16,952)					328,966
On-Behalf TPAF Pension Contribution-Post Retirement Medical	11-495-034 -5095-001	296,146	07/01/2010- 06/30/2011		296,146	296,146							296,146
On-Behalf TPAF Pension Contribution-Non Contributory Group Insurance	11-495-034 -5095-007	13,943	07/01/2010- 06/30/2011		13,943	13,943							13,943
<b>Total General Fund</b>				<u>(34,198)</u>	<u>3,820,068</u>	<u>3,842,946</u>	<u>\$ -</u>	<u>(57,076)</u>	<u>\$ -</u>	<u>\$ -</u>		<u>310,748</u>	<u>4,207,614</u>
Capital Projects Fund:													
New Jersey Schools Development Authority- Remove and Replace Existing Windows	2970-050-09 -1002	195,691	07/01/2009- 06/30/2010	(236,500)	195,691	(40,809)	-	-	-	-	-	-	195,691
Debt Service Fund:													
Debt Service Aid-State Support	11-495-034 -5120-017	86,737	07/01/2010- 06/30/2011	-	86,737	86,737	-	-	-	-	-	-	86,737
<b>State Department of Agriculture</b>													
Enterprise Fund:													
State School Breakfast Program	10-100-010 -3350-021	74	07/01/2009- 06/30/2010	(8)	8								74
State School Lunch Program	10-100-010 -3350-023	3,650	07/01/2009- 6/30/2010	(245)	245								3,650
State School Lunch Program	11-100-010 -3350-023	2,624	07/01/2010- 06/30/2011		2,280	2,624		(344)					2,624
<b>Total Enterprise Fund</b>				<u>(253)</u>	<u>2,533</u>	<u>2,624</u>	<u>-</u>	<u>(344)</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>6,348</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>\$ (270,951)</u>	<u>\$ 4,105,029</u>	<u>\$ 3,891,498</u>	<u>\$ -</u>	<u>\$ (57,420)</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 310,748</u>	<u>\$ 4,496,390</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

**NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$48,684 for the general fund, \$16,328 for the special revenue fund and \$236,500 for the Capital Project Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for the Capital Project Fund.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 17,049	\$3,891,630	\$ 3,908,679
Special Revenue Fund	\$ 364	396,346		396,710
Capital Projects Fund			195,691	195,691
Debt Service Fund			86,737	86,737
Food Service Fund		<u>74,577</u>	<u>2,624</u>	<u>77,201</u>
	<u>\$ 364</u>	<u>\$ 487,972</u>	<u>\$4,176,682</u>	<u>\$ 4,665,018</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011  
(Continued)

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

MANSFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

Federal Awards NOT APPLICABLE

Internal Control Over Major Programs:

1. Material weakness(es) identified?        Yes        No

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

Type of Auditor's Report Issued on Compliance for Major Programs? NOT APPLICABLE

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

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
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MANSFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

NOT APPLICABLE

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:

\_\_\_\_\_

Auditee qualified as a low-risk auditee

\_\_\_\_\_ Yes \_\_\_\_\_ No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:

\_\_\_\_\_ \$300,000 \_\_\_\_\_

Auditee Qualified as low-risk auditee

\_\_\_X\_\_\_ Yes \_\_\_\_\_ No

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

\_\_\_\_\_ Unqualified \_\_\_\_\_

Internal Control Over Major Programs:

1. Material weakness(es) identified?

\_\_\_\_\_ Yes \_\_\_X\_\_\_ No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?

\_\_\_\_\_ Yes \_\_\_X\_\_\_ No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 04-04?

\_\_\_\_\_ Yes \_\_\_X\_\_\_ No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
11-495-034-5095-002	\$ 328,966	Reimbursed TPAF Social Security Contribution
11-495-034-5120-078	2,801,268	Equalization Aid
11-495-034-5120-089	362,499	Categorical Special Education Aid

MANSFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2011.

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

There were no findings or questioned costs for the year ended June 30, 2011.

MANSFIELD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

K-7

There were no prior year findings or questioned costs.