

**MANSFIELD TOWNSHIP**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
MANSFIELD TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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

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November 16, 2012

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, 2012, 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 2011-12 fiscal year with an enrollment of 717 students, which is 22 students more 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>
2011-12	717	3.17%
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%

2) **ECONOMIC CONDITIONS AND OUTLOOK:** A new housing development was presented to the Mansfield Township Planning Board. The builder was asking to change from an age-restricted development to a non-age restricted development, consisting of 159 dwellings. There was to be 20% of the housing set aside for affordable housing. The builder projected that the development could result in an increase of 75 school-age children. The request was denied by the planning board but is still in litigation.

#### 3) **MAJOR INITIATIVES:**

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

The district continues to focus its major initiatives on improving instruction and curriculum to boost student achievement. Teachers have been working diligently to transition to the Common Core State Standards in the areas of Mathematics and

Language Arts. Committees have been formed, curriculums have been revised, and resources and professional development needs are being explored. Our district work has been based on the State Model Curriculum and Assessment initiatives.

Arts are also well-represented in the district's initiatives with vocal and instrumental music classes, weekly art lessons, and biannual performances by the band and chorus. In addition, the gifted and talented program includes students in grades K-6. These offerings continue as essential components of the District's programming. The Mansfield Education Foundation 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.

In an effort to improve instruction and student achievement, the Mansfield District Evaluation Advisory Committee selected the Marzano Causal Teacher Evaluation Model. Training will be provided for the staff and administration, and the model will be piloted during the 2012-2013 school year. The model will be fully implemented for the 2013-2014 school 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 retain our improved ability to communicate with parents and to respond to emergency situations through the utilization of the Honeywell Instant Alert System. It is now being used to reduce paper through electronic distributions. We utilize Discovery Video Streaming as a teacher resource. We upgraded our 20 SuccessMaker© licenses to address the new core content state 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 \$6,000.00.

In terms of achievement, we continued our bolstered Title I program by maintaining an extended school year offering. Many teachers are utilizing SuccessMaker© to support student growth. Teachers had two full days of training on the Marzano Evaluation System which identifies elements of teaching that lead to greater student success. All teachers with SMART Boards in their classrooms were trained in how to best improve instruction through the use of interactive technology. 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  
2012 Results**

<b>Test Type</b>	<b>Partially Proficient</b>	<b>Proficient</b>	<b>Advanced Proficient</b>
NJ ASK-3 - Language Arts	33.6	60.7	5.6
NJ ASK-3 – Mathematics	28.0	42.1	29.9
NJ ASK-4 – Language Arts	19.3	70.5	10.2
NJ ASK-4 – Mathematics	9.1	55.7	35.2
NJ ASK-4 – Science	1.1	44.3	54.5
NJ ASK-5 – Language Arts*	30.5	60.0	9.5
NJ ASK-5 - Mathematics	7.4	47.4	45.3
NJ ASK-6 – Language Arts	22.5	73.5	3.9
NJ ASK-6 - Mathematics	9.8	52.9	37.3

*\* 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, 2012.

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.

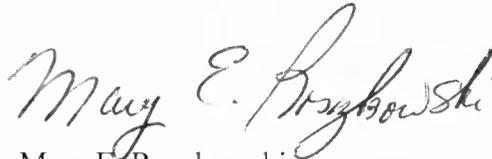
10) **OTHER INFORMATION - INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., CPA. was selected by the Board. In addition to meeting the requirements set forth in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

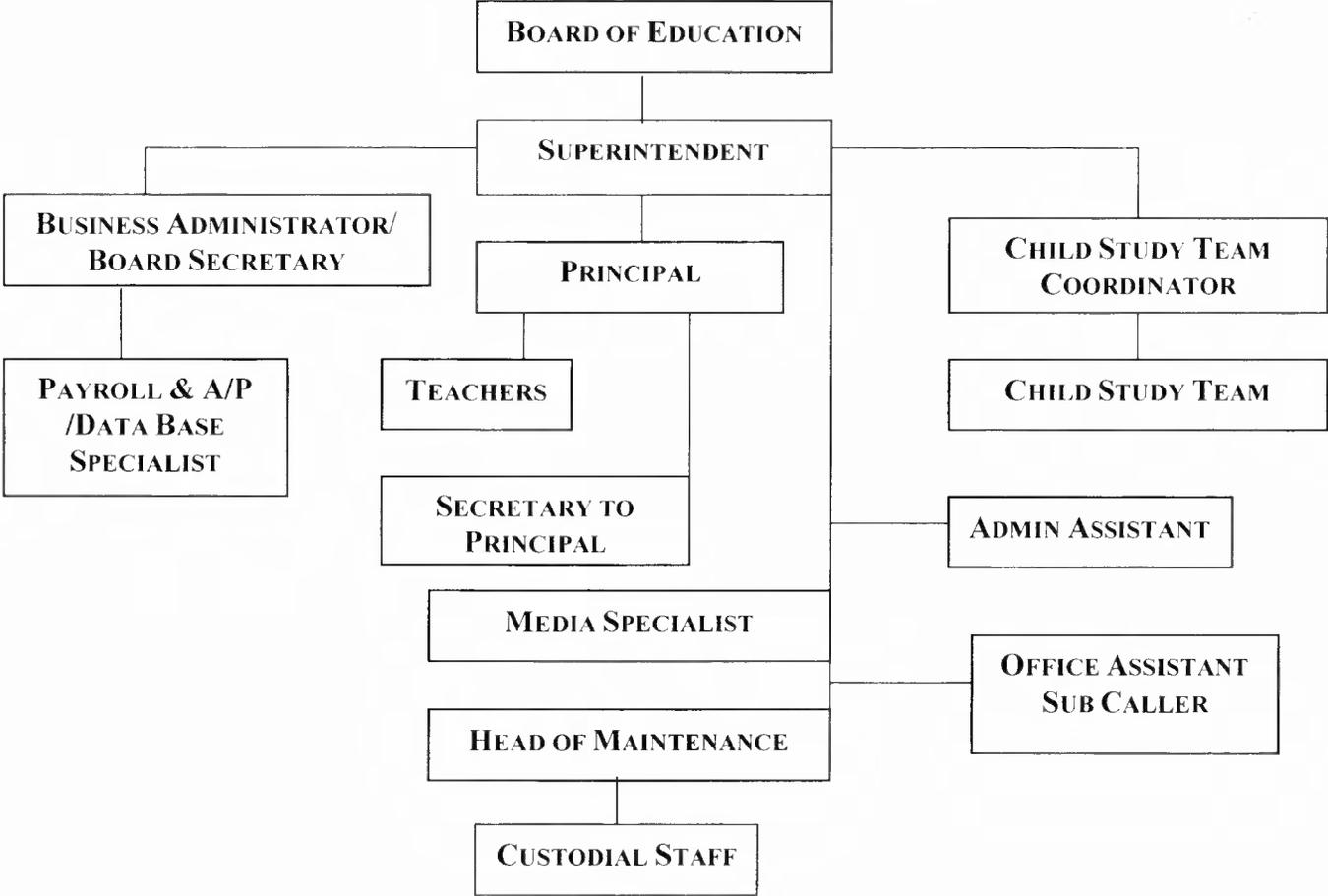


Edward S. Kemp, Jr.  
Superintendent



Mary E. Roszkowski  
Business Administrator/Board Secretary

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



**ROSTER OF OFFICIALS**  
**JUNE 30, 2012**

**Members of the Board of Education**

**Term Expires**

Karri Reyes, President	2013
Jeff Stabile, Vice President	2012
John Bell	2013
Timothy Barlow	2013
Terry Clancy	2012
Barbara Curto	2012
Tracey Janowski	2014
Sharon McAlpin	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**

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

FINANCIAL SECTION

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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

## INDEPENDENT AUDITOR'S REPORT

November 16, 2012

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Mansfield Township Board of Education's 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 Office of School 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 previously 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, 2012, 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 our report dated November 16, 2012 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.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's financial statements. The schedules of expenditures of federal awards and state financial assistance as required by Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations", and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", respectively and other accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance and other accompanying supplementary information are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's basic financial statements. The introductory section, statistical section and other accompanying information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



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, 2012  
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, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the 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 \$722,664 which is a 19.46 percent increase from fiscal year 2011.
- General revenue accounted for \$9,611,917 in revenue or 92.3 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$801,794 or 7.7 percent of the total revenue of \$10,413,711.
- The School District had \$9,676,047, in expenses; only \$801,794 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$9,611,917 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$9,190,276 in revenues and \$8,674,828 in expenditures. After considering net transfers in of \$41,779, the General Fund's fund balance increased by \$557,227 from fiscal year 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
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 2011/2012?" The Statement of Net 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, 2012  
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, 2012  
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, 2012, with comparisons to June 30, 2011.

**Table 1  
Net Assets**

	<u>6/30/12</u>	<u>6/30/11</u>	<u>Variance</u>	
			Dollars	%
Current & Other Assets	\$ 1,408,864	\$ 966,121	\$ 442,743	45.83
Capital Assets	4,712,031	4,850,094	(138,063)	(2.85)
Total Assets	<u>6,120,895</u>	<u>5,816,215</u>	<u>304,680</u>	<u>5.24</u>
Long-Term Liabilities	1,508,047	1,852,419	(344,372)	(18.59)
Other Liabilities	175,649	249,261	(73,612)	(29.53)
Total Liabilities	<u>1,683,696</u>	<u>2,101,680</u>	<u>(417,984)</u>	<u>(19.89)</u>
Net Assets				
Invested in Capital Assets,				
Net of Related Debt	3,517,031	3,280,094	236,937	7.22
Restricted	939,494	633,967	305,527	48.19
Unrestricted	<u>(19,326)</u>	<u>(199,526)</u>	<u>180,200</u>	<u>(90.31)</u>
Total Net Assets	<u>\$ 4,437,199</u>	<u>\$ 3,714,535</u>	<u>\$ 722,664</u>	<u>19.46</u>

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

Table 2 provides a summary of the district's changes in net assets in fiscal year 2012 with comparisons to 2011.

**Table 2  
Changes in Net Assets**

	Fiscal Year Ending		Variance	
	6/30/12	6/30/11	Dollars	%
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 400,963	\$ 376,032	\$ 24,931	6.63
Operating Grants	400,831	473,911	(73,080)	(15.42)
Capital Grants		195,691	(195,691)	(100.00)
General Revenues:				
Property Taxes	5,211,821	5,114,832	96,989	1.90
Unrestricted Grants	4,357,864	3,995,416	362,448	9.07
Other	42,232	16,038	26,194	163.32
<b>Total Revenues</b>	<b>10,413,711</b>	<b>10,171,920</b>	<b>241,791</b>	<b>2.38</b>
<b>Program Expenses</b>				
Instruction:				
Regular	4,273,829	3,982,469	291,360	7.32
Special	1,402,918	1,309,437	93,481	7.14
Other	408,872	359,138	49,734	13.85
Support Services:				
Tuition	46,951	306,557	(259,606)	(84.68)
Student & Instructional Staff	1,236,731	1,095,002	141,729	12.94
General & Business Administration	569,400	583,913	(14,513)	(2.49)
School Administration	209,801	211,304	(1,503)	(0.71)
Maintenance	595,046	568,853	26,193	4.60
Transportation	529,235	559,630	(30,395)	(5.43)
Food Service	195,341	183,609	11,732	6.39
Child Care Program	100,893	94,688	6,205	6.55
Charter Schools	54,501	9,219	45,282	491.18
Interest on Long-Term Debt	52,529	65,867	(13,338)	(20.25)
<b>Total Expenses</b>	<b>9,676,047</b>	<b>9,329,686</b>	<b>346,361</b>	<b>3.71</b>
Increases (Decreases) Before				
Special Items	737,664	842,234	(104,570)	(12.42)
Special Items:				
Transfers	(15,000)	(100,000)	85,000	(85.00)
<b>Total Special Items</b>	<b>(15,000)</b>	<b>(100,000)</b>	<b>85,000</b>	<b>(85.00)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$722,664</b>	<b>\$ 742,234</b>	<b>\$ (19,570)</b>	<b>(2.64)</b>

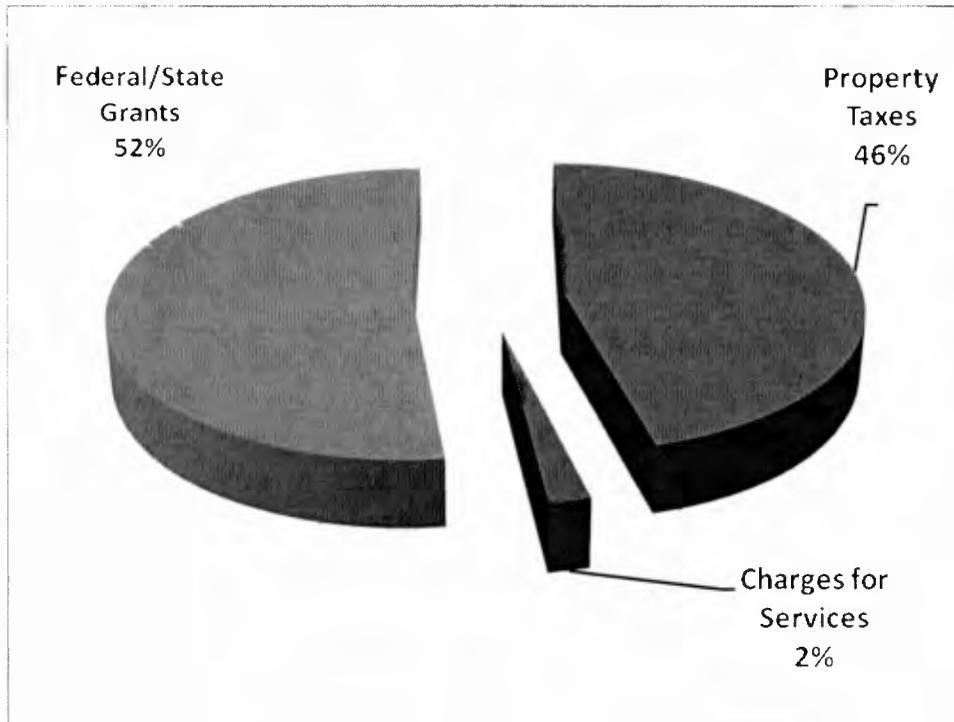
\* = Undefined

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
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 2012. 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 \$10,093,336 for the year ended June 30, 2012.

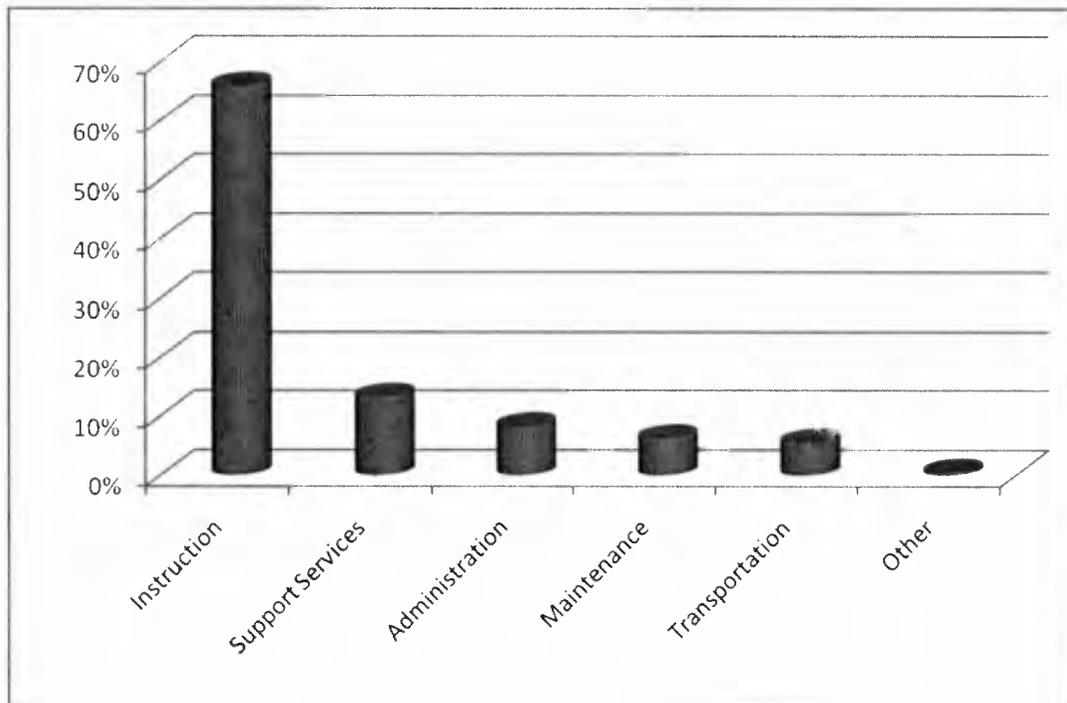
REVENUES  
YEAR ENDED 6/30/12



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

The total cost of all program expenses and services for governmental activities was \$9,379,813. Expenditure categories and associated percentages are shown below.

EXPENDITURES  
YEAR ENDED 6/30/2012



*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 \$13,575.

Daily food sales amounted to \$114,630. 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 \$94,187.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
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 \$10,566.

Charges for services represent \$111,459. 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 2012 and 2011.

**Table 3  
Cost of Government Services**

	Total Cost of Services		Net Cost of Services	
	6/30/12	6/30/11	6/30/12	6/30/11
Instruction	\$6,085,619	\$5,651,044	\$5,868,021	\$ 5,341,804
Support Services:				
Tuition	46,951	306,557		94,126
Student & Instructional Staff	1,236,731	1,095,002	1,180,086	999,290
General & Business Administration	569,400	583,913	569,400	568,578
School Administration	209,801	211,304	209,801	205,842
Plant Operations & Maintenance	595,046	568,853	592,208	568,631
Pupil Transportation	529,235	559,630	371,498	443,423
Food Service	195,341	183,609	(13,225)	(3,435)
Child Care Program	100,893	94,688	(10,566)	(9,293)
Charter Schools	54,501	9,219	54,501	9,219
Interest on Long-Term Debt	52,529	65,867	52,529	65,867
<b>Total Expenses</b>	<b><u>\$9,676,047</u></b>	<b><u>\$9,329,686</u></b>	<b><u>\$8,874,253</u></b>	<b><u>\$ 8,284,052</u></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, 2012  
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 \$9,928,833 and expenditures were \$9,413,385. After accounting for other financing sources/(uses) of (\$15,000), the net change in fund balance for the year was an increase of \$500,448.

**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, 2012  
UNAUDITED**

**Capital Assets**

At the end of fiscal year 2012, the district had \$4,712,031 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, 2012, with comparisons to June 30, 2011.

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

	6/30/12	6/30/11	Variance	
			Dollars	%
Land	\$ 17,722	\$ 17,722		0.00
Land Improvements	115,665	131,195	\$ (15,530)	(11.84)
Buildings & Improvements	4,440,843	4,589,560	(148,717)	(3.24)
Furniture & Equipment	137,801	111,617	26,184	23.46
Total	\$ 4,712,031	\$ 4,850,094	\$ (138,063)	(2.85)

During fiscal year, 2012, the District received an audio/visual system for the all-purpose room which was donated by the PTA with a cost of \$26,264. The District purchased various network switches and servers costing \$26,193 during fiscal year 2012.

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

Long Term Liabilities – Debt Administration

As of June 30, 2012, the district had \$1,508,047 of long-term liabilities. This amount is detailed below.

**Table 5  
 Outstanding Debt at 6/30/12**

	6/30/12	6/30/11	Variance	
			Dollars	%
2007 General Obligation Refunding Bonds	\$ 1,195,000	\$ 1,570,000	\$ (375,000)	(23.89)
Unamortized Bond Premium	12,273	16,785	(4,512)	(26.88)
Compensated Absences	300,774	265,634	35,140	13.23
	<u>\$ 1,508,047</u>	<u>\$ 1,852,419</u>	<u>\$ (344,372)</u>	<u>(18.59)</u>

For the Future

For the Future

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 39 classrooms and replaced 5 outdoor fixtures to date. Rooms remaining to be completed are music, art, nurse, board office, office area, library, visitors' center, faculty lounge, kitchen, boiler, and ESL. The heating/ventilation units will need to be replaced or retrofitted in the foreseeable future. We are scheduled to begin the installation of new valves and heater controls and to modify the piping system for the 1963 heaters in the 2012 – 2013 school year. Other projects anticipated for 2012 - 2013 include: upgrading the girls' bathroom facility in the third grade; replacing our generator that failed during Hurricane Sandy; and, if funds are available, repaving the back driveway.

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

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

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, wireless tablets, and technology-based programs to reinforce the Core Content Standards. The major initiatives in technology to be completed during the 2012-2013 school year include: installing one additional SMART Board with projector; installing classroom speakers for every interactive white board; adding one additional SMART response systems (3 total), a SMART podium, and a tablet (2 total). We will also add 100 new laptops, 3 new servers, 11 desktop computers, a laptop cart, and 23 iPads. We will migrate our email Microsoft Exchange Server to South Jersey Technology Partners for a savings in our archiving fees. We will complete installation of a seamless Meru wireless network in preparation for future computer based assessments. We also will add 25 new SuccessMaker licenses to expand our ability to support student learning in the areas of mathematics and language arts literacy. A new website will be launched with added features to enhance communication with the community. We will continue to utilize Discovery Video Streaming as a teacher resource. Additionally we will continue to receive e-rate rebates for our eligible technology and communication costs.

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 and reduce paper consumption 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 and with municipalities. We now share a behaviorist, a curriculum coordinator, and an ESL teacher with the other districts in our cluster. We will reduce the cost of implementing a new teacher and principal evaluation system by making it a cluster-wide initiative. We continue to save money through combining bus routes with neighboring districts.

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

*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, 2012

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 105,850	\$ 59,248	\$ 165,098
Internal Balances	(9,214)	9,214	
Due from Other Funds	209		209
Receivables, Net	257,525	4,253	261,778
Inventory		2,353	2,353
Bond Issuance Costs, Net	39,932		39,932
Restricted Assets:			
Capital Reserve Account-Cash	668,636		668,636
Maintenance Reserve Account-Cash	270,858		270,858
Capital Assets (Note 4):			
Land	17,722		17,722
Other Capital Assets, Net of Depreciation	4,682,699	11,610	4,694,309
<b>Total Assets</b>	<u>6,034,217</u>	<u>86,678</u>	<u>6,120,895</u>
<b>LIABILITIES</b>			
Accounts Payable	23,632	7,694	31,326
Accrued Interest	14,439		14,439
Deferred Revenue	128,729	1,155	129,884
Long-Term Liabilities (Note 5):			
Due Within One Year	416,807		416,807
Due Beyond One Year	1,091,240		1,091,240
<b>Total Liabilities</b>	<u>1,674,847</u>	<u>8,849</u>	<u>1,683,696</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	3,505,421	11,610	3,517,031
Restricted for:			
Capital Reserve	668,636		668,636
Maintenance Reserve	270,858		270,858
Unrestricted	(85,545)	66,219	(19,326)
<b>TOTAL NET ASSETS</b>	<u>\$ 4,359,370</u>	<u>\$ 77,829</u>	<u>\$ 4,437,199</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

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
Government Activities:								
Instruction:								
Regular	\$ 2,920,005	\$ 1,353,824	\$ 14,550	\$ 26,544		\$ (4,232,735)		\$ (4,232,735)
Special Education	946,155	456,763		50,390		(1,352,528)		(1,352,528)
Other Special Education	288,999	119,873		126,114		(282,758)		(282,758)
Support Services:								
Tuition	46,951			46,951				
Students & Instruction Related Services	863,820	372,911		56,645		(1,180,086)		(1,180,086)
General & Business Administration Services	401,159	168,241				(569,400)		(569,400)
School Administration Services	144,256	65,545				(209,801)		(209,801)
Plant Operations & Maintenance	501,965	93,081	2,838			(592,208)		(592,208)
Pupil Transportation	528,751	484	157,737			(371,498)		(371,498)
Charter Schools	54,501					(54,501)		(54,501)
Interest on Long-term Debt	52,529					(52,529)		(52,529)
Total Government Activities	<u>6,749,091</u>	<u>2,630,722</u>	<u>175,125</u>	<u>306,644</u>	<u>\$ -</u>	<u>(8,898,044)</u>	<u>\$ -</u>	<u>(8,898,044)</u>
Business-Type Activities:								
Food Service	195,341		114,379	94,187			13,225	13,225
Before and After School Child Care	100,893		111,459				10,566	10,566
Total Business-Type Activities	<u>296,234</u>	<u>-</u>	<u>225,838</u>	<u>94,187</u>	<u>-</u>	<u>-</u>	<u>23,791</u>	<u>23,791</u>
Total Primary Government	<u>\$ 7,045,325</u>	<u>\$ 2,630,722</u>	<u>\$ 400,963</u>	<u>\$ 400,831</u>	<u>\$ -</u>	<u>(8,898,044)</u>	<u>23,791</u>	<u>(8,874,253)</u>
General Revenues and Transfers								
						4,867,038		4,867,038
Property Taxes Levied for General Purposes						344,783		344,783
Property Taxes Levied for Debt Service						4,357,864		4,357,864
Federal & State Aid Not Restricted						4,733	99	4,832
Investment Earnings						37,149	251	37,400
Miscellaneous Income						(15,000)		(15,000)
Transfers						9,596,567	350	9,596,917
Total General Revenues & Transfers						698,523	24,141	722,664
Change in Net Assets						3,660,847	53,688	3,714,535
Net Assets-Beginning						<u>\$ 4,359,370</u>	<u>\$ 77,829</u>	<u>\$ 4,437,199</u>
Net Assets-Ending								

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, 2012

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 105,849			\$ 1	\$ 105,850
Due from Other Funds	74,973				74,973
Receivables from Other Governments:					
Federal	2,886	\$ 222,956			225,842
State	31,683				31,683
Restricted Cash & Equivalents	939,494				939,494
<b>TOTAL ASSETS</b>	<b>\$ 1,154,885</b>	<b>\$ 222,956</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1,377,842</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Due to Other Funds	\$ 9,214	\$ 74,764			\$ 83,978
Accounts Payable	4,169	19,463			23,632
Deferred Revenue		128,729			128,729
<b>Total Liabilities</b>	<b>13,383</b>	<b>222,956</b>	<b>\$ -</b>	<b>\$ -</b>	<b>236,339</b>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve Account	668,636				668,636
Maintenance Reserve Account	270,858				270,858
<b>Committed Fund Balance:</b>					
Year-End Encumbrances	192,469				192,469
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures	89,943			1	89,944

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012  
(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	\$ (80,404)				\$ (80,404)
Total Fund Balances	1,141,502	\$ -	\$ -	\$ 1	1,141,503
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,154,885</u>	<u>\$ 222,956</u>	<u>\$ -</u>	<u>\$ 1</u>	

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	\$ 8,121,649				
	<u>3,421,228</u>				4,700,421
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds					(1,508,047)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.					(14,439)
Bond issuance costs are reported as expenditures in the governmental funds. The cost is and the accumulated amortization is				105,997	
				<u>66,065</u>	
					39,932
Total Net Assets of Governmental Activities					<u>\$ 4,359,370</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 4,867,038			\$ 344,783	\$ 5,211,821
Tuition Charges	14,550				14,550
Interest Earned on Capital Reserve Funds	989				989
Interest on Investments	3,744				3,744
Miscellaneous	33,221	\$ 1,163			34,384
<b>Total</b>	<b>4,919,542</b>	<b>1,163</b>	<b>\$ -</b>	<b>344,783</b>	<b>5,265,488</b>
State Sources	4,130,252			87,130	4,217,382
Federal Sources	140,482	305,481			445,963
<b>Total Revenues</b>	<b>9,190,276</b>	<b>306,644</b>	<b>-</b>	<b>431,913</b>	<b>9,928,833</b>
<b>EXPENDITURES</b>					
Current :					
Instructional:					
Regular Instruction	2,891,836	21,000			2,912,836
Special Education Instruction	905,969	40,186			946,155
Other Special Instruction	195,821	93,178			288,999
Support Service & Undistributed Costs:					
Tuition		46,951			46,951
Student & Instruction Related Services	805,899	56,645			862,544
General & Business Administrative Services	399,883				399,883
School Administrative Services	144,256				144,256
Plant Operations & Maintenance	498,437				498,437
Pupil Transportation	371,014				371,014
Unallocated Benefits	2,354,607	48,684			2,403,291

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, 2012  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 52,457				\$ 52,457
Transfer of Funds to Charter Schools	54,501				54,501
Debt Service:					
Principal				\$ 375,000	375,000
Interest & Other Charges				56,913	56,913
Interest on NJ SDA Obligations	148				148
Total Expenditures	<u>8,674,828</u>	<u>\$ 306,644</u>	<u>\$ -</u>	<u>431,913</u>	<u>9,413,385</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>515,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,448</u>
Other Financing Sources (Uses):					
Transfers In	56,779				56,779
Transfers Out	(15,000)		(56,779)		(71,779)
Total Other Financing Sources (Uses)	<u>41,779</u>	<u>-</u>	<u>(56,779)</u>	<u>-</u>	<u>(15,000)</u>
Net Change in Fund Balance	557,227	-	(56,779)	-	500,448
Fund Balances, July 1	<u>584,275</u>	<u>-</u>	<u>56,779</u>	<u>1</u>	<u>641,055</u>
Fund Balances, June 30	<u>\$ 1,141,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,141,503</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, 2012

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	500,448
<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 depreciation exceeds capital outlays in the period:</p>		
Capital Outlays	\$	52,457
Depreciation Expense		<u>(188,605)</u>
		(136,148)
<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		375,000
<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>		
		4,532
<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>(35,140)</u>
Change in Net Assets of Governmental Activities	\$	<u>698,523</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Food Service Fund	Before & After School Child Care Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 38,989	\$ 20,259	\$ 59,248
Due from Other Funds	9,214		9,214
Receivables from Other Governments:			
State	136		136
Federal	3,697		3,697
Other Accounts Receivable		420	420
Inventory	2,353		2,353
Total Current Assets	<u>54,389</u>	<u>20,679</u>	<u>75,068</u>
Noncurrent Assets:			
Capital Assets	44,657		44,657
Less: Accumulated Depreciation	33,047		33,047
Total Noncurrent Assets	<u>11,610</u>	<u>-</u>	<u>11,610</u>
Total Assets	<u>65,999</u>	<u>20,679</u>	<u>86,678</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	7,694		7,694
Deferred Revenues	1,155		1,155
Total Liabilities	<u>8,849</u>	<u>-</u>	<u>8,849</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	11,610		11,610
Unrestricted	<u>45,540</u>	<u>20,679</u>	<u>66,219</u>
TOTAL NET ASSETS	<u>\$ 57,150</u>	<u>\$ 20,679</u>	<u>\$ 77,829</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, 2012

	Food Service Fund	Before & After School Child Care Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 89,575		\$ 89,575
Daily Sales-Nonreimbursable Programs	24,804		24,804
Child Care Program Fees		\$ 111,459	111,459
Miscellaneous	251		251
Total Operating Revenues	<u>114,630</u>	<u>111,459</u>	<u>226,089</u>
Operating Expenses:			
Salaries	66,489	89,292	155,781
Employee Benefits	18,550	6,517	25,067
Purchased Property Services (Repairs)	5,359		5,359
Insurance	2,659		2,659
Management Fee	9,282		9,282
Other Purchased Services	3,647	852	4,499
Supplies and Materials	4,898	4,232	9,130
Depreciation	1,915		1,915
Cost of Sales	79,517		79,517
Miscellaneous	3,025		3,025
Total Operating Expenses	<u>195,341</u>	<u>100,893</u>	<u>296,234</u>
Operating Income (Loss)	<u>(80,711)</u>	<u>10,566</u>	<u>(70,145)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,704		2,704
Federal Sources:			
National School Lunch Program	74,946		74,946
National School Breakfast Program	370		370
Child and Adult Care Food Program	850		850
Food Donation Program	15,317		15,317
Interest Earned on Investments	99		99
Total Nonoperating Revenues (Expenses)	<u>94,286</u>	<u>-</u>	<u>94,286</u>
Change in Net Assets	13,575	10,566	24,141
Net Assets, Beginning	<u>43,575</u>	<u>10,113</u>	<u>53,688</u>
Net Assets, Ending	<u>\$ 57,150</u>	<u>\$ 20,679</u>	<u>\$ 77,829</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Food Service Fund	Before & After School Child Care Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 114,657	\$ 111,039	\$ 225,696
Payments to Food Service Management Company	(174,878)		(174,878)
Payments to Employees		(89,292)	(89,292)
Payments for Employee Benefits		(6,517)	(6,517)
Payments to Vendors (Net)	(6,959)	(5,084)	(12,043)
Net Cash Provided by (Used For) Operating Activities	<u>(67,180)</u>	<u>10,146</u>	<u>(57,034)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	2,912		2,912
Federal Sources	77,471		77,471
General Fund Interfund Activity	(9,214)		(9,214)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>71,169</u>	<u>-</u>	<u>71,169</u>
Cash Flows from Investing Activities:			
Interest Earned on Investments	99	-	99
Net Increase (Decrease) in Cash and Cash Equivalents	4,088	10,146	14,234
Cash and Cash Equivalents, July 1, 2010	<u>34,901</u>	<u>10,113</u>	<u>45,014</u>
Cash and Cash Equivalents, June 30, 2011	<u>\$ 38,989</u>	<u>\$ 20,259</u>	<u>\$ 59,248</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (80,711)	\$ 10,566	\$ (70,145)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	1,915		1,915
Federal Food Donation Program	15,317		15,317
(Increase) Decrease in Other Accounts Receivable		(420)	(420)
(Increase) Decrease in Inventory	27		27
Increase (Decrease) in Accounts Payable	(3,932)		(3,932)
Increase (Decrease) in Deferred Revenue	204		204
Net Cash Provided by (Used For) Operating Activities	<u>\$ (67,180)</u>	<u>\$ 10,146</u>	<u>\$ (57,034)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
ASSETS			
Cash & Cash Equivalents	\$ 177,881	\$ 27,685	\$ 40,937
Due from Other Funds			1,146
	<u>177,881</u>	<u>\$ 27,685</u>	<u>\$ 42,083</u>
TOTAL ASSETS			
LIABILITIES			
Accounts Payable	3,784		
Due to Other Funds	1,146		\$ 209
Due to Student Groups		\$ 27,685	
Payroll Deductions & Withholdings			41,874
	<u>4,930</u>	<u>\$ 27,685</u>	<u>\$ 42,083</u>
TOTAL LIABILITIES			
NET ASSETS	<u>\$ 172,951</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 7,993
Interest	516
Total Additions	8,509
DEDUCTIONS	
Unemployment Claims	30,925
Total Deductions	30,925
Other Financing Sources (Uses):	
Transfers In from General Fund	15,000
Change in Net Assets	(7,416)
Net Assets, Beginning of the Year	180,367
Net Assets, End of the Year	\$ 172,951

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

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

The financial statements of the Board of Education (Board) of the 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, 2012 of 717 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, 2012  
(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, 2012  
(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, 2012  
 (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, 2012  
 (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, 2012 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, 2012  
(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 2011-2012 and 2010-2011 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, 2012.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012  
 (Continued)

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

J. Capital Assets

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

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

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

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

K. Compensated Absences

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

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012  
 (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, 2012 consists of the following:

Capital Reserve Account	\$ 668,636
Maintenance Reserve Account	<u>270,858</u>
	<u>\$ 939,494</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012  
(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, 2012  
 (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, 2012 appear in the financial statements as summarized below:

Cash		<u>\$ 1,351,095</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 1,045,344
Proprietary Fund, Statement of Net Assets	B-4	59,248
Fiduciary Funds, Statement of Net Assets	B-7	<u>246,503</u>
Total Cash		<u>\$ 1,351,095</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2012 is \$1,351,095 and the bank balance is \$1,609,964. Of the bank balance, \$250,000 is covered by federal depository insurance and \$1,359,964 is insured by GUDPA.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012  
 (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, 2012, the district has no investments.

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 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	7,411,353			7,411,353
Furniture & Equipment	337,517	52,457	8,000	381,974
Total	<u>8,059,470</u>	<u>52,457</u>	<u>8,000</u>	<u>8,103,927</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012  
 (Continued)

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

Capital asset activity for the fiscal year ended June 30, 2012 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	\$ 179,405	\$ 15,530		\$ 194,935
Building & Improvements	2,821,793	148,717		2,970,510
Furniture & Equipment	<u>239,425</u>	<u>24,358</u>	\$ 8,000	<u>255,783</u>
Total	<u>3,240,623</u>	<u>188,605</u>	<u>8,000</u>	<u>3,421,228</u>
 Total Capital Assets, Being Depreciated, Net	 <u>4,818,847</u>	 <u>(136,148)</u>	 <u>-0-</u>	 <u>4,682,699</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 4,836,569</u>	 <u>\$ (136,148)</u>	 <u>\$ -0-</u>	 <u>\$ 4,700,421</u>
 Business-Type Activities:				
Furniture & Equipment	\$ 44,657			\$ 44,657
Less: Accum Depreciation	<u>31,132</u>	\$ 1,915	\$ -0-	<u>33,047</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 13,525</u>	 <u>\$ (1,915)</u>	 <u>\$ -0-</u>	 <u>\$ 11,610</u>

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

Instruction:	
Regular	\$ 100,368
Special Education	30,231
Other Special Instruction	9,234
Support Services:	
Student & Instruction	28,836
General & Business Admin	14,053
School Administration	4,609
Plant & Maintenance	<u>1,274</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 188,605</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012  
 (Continued)

**NOTE 5. LONG-TERM DEBT**

Long-Term Liability Activity for the Year Ended June 30, 2012 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	\$ 1,570,000		\$ 375,000	\$ 1,195,000	\$ 380,000
Unamortized Premium	16,785		4,512	12,273	4,512
Compensated Absences Payable	<u>265,634</u>	\$ 49,665	<u>14,525</u>	<u>300,774</u>	<u>32,295</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,852,419</u>	<u>\$ 49,665</u>	<u>\$ 394,037</u>	<u>\$ 1,508,047</u>	<u>\$ 416,807</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, 2012 including interest payments are listed as follows:

Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,195,000</u>	<u>\$ 87,907</u>	<u>\$ 1,282,907</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012  
 (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>1,195,000</u>
	\$ <u>1,195,000</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, 2012  
(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 2011) 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 state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012  
(Continued)

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

Contribution Requirements (Cont'd)

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

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

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/12	\$ 436,916	100%
06/30/11	310,089	100%
06/30/10	309,496	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/12	\$ 68,048	100%
06/30/11	65,536	100%
06/30/10	53,060	100%

During the year ended June 30, 2012, the State of New Jersey contributed \$291,774 to the TPAF for post-retirement medical benefits and \$14,066 for non-contributory insurance premiums, and \$131,076 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$353,621 during the year ended June 30, 2012 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, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with 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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012  
(Continued)

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

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 2011, the State paid \$144 million toward Ch 126 benefits for 15,709 eligible retired members.

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

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State 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-july2011.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:

Siracusa Benefits  
AXA Equitable-Equivest  
Lincoln Investment Planning

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012  
 (Continued)

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

The composition of Interfund balances as of June 30, 2012 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 74,973	\$ 9,214
Special Revenue Fund		74,764
Food Service Fund	9,214	
Unemployment Compensation Fund		1,146
Payroll Agency Fund	1,146	209
	\$ 85,333	\$ 85,333

During the year ended June 30, 2012, the General Fund transferred \$15,000 to the Unemployment Compensation Fund representing a board contribution to the Unemployment Contribution Fund. In addition, the Capital Projects Fund transferred \$56,779 to the General Fund representing a return of local funding for the balance remaining of a completed capital project.

The balance due from the General Fund to the Food Service Fund of \$9,214 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$74,764 due to cash flow issues relating to the delayed receipt of grant revenues. The balance due from the Unemployment Compensation Fund to the Payroll Agency Fund of \$1,146 represents an overpayment of employee withholdings transferred during the fiscal year. The balance due from the Payroll Agency Fund to the General Fund of \$209 represents interest and cancelled balances.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2012 consisted of the following:

Food	\$ 1,734
Supplies	619
	\$ 2,353

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

**NOTE 11. CONTINGENT LIABILITIES**

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
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**NOTE 12. RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>District Contrib</u>	<u>Prior Year Refund</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 516	\$ 15,000	\$ -0-	\$ 7,993	\$ 30,925	\$ 172,951
2010-2011	493	100,000	-0-	7,912	89,986	180,367
2009-2010	628	55,000	-0-	8,797	18,279	161,948

**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 \$355,000 to their Capital Reserve and \$81,538 to their Maintenance Reserve accounts by board resolution in June 2012 as summarized in the following schedule.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
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**NOTE 13. CAPITAL AND OTHER RESERVE ACCOUNTS (Cont'd)**

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

Maintenance Reserve Account

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Budgeted Withdrawal</u>	<u>Ending Balance</u>
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
2011-2012	81,538	-0-	42,000	270,858

Capital Reserve Account

<u>Fiscal Year</u>	<u>Unexpended Balance Returned</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Budgeted Withdrawal</u>	<u>Ending Balance</u>
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
2011-2012	56,779	355,000	989	90,000	668,636

**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, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Restricted:		
Capital Reserve Account-Represents funds restricted to capital projects in the District's Long Range Facilities Plan.	\$ 668,636	\$ 345,868
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (18A:76-9)	270,858	231,320
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,	192,469	28,689
Assigned:		
Designated for Subsequent Year's Expenditures- Amount appropriated in the succeeding year's budget to reduce tax requirements	89,943	

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012  
(Continued)

**NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)**

	<u>2012</u>	<u>2011</u>
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated.	\$ 252,350	\$ 289,146
Total Fund Balance	<u>\$ 1,474,256</u>	<u>\$ 895,023</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, 2012 is \$-0-.

**NOTE 16. DEFICIT FUND BALANCE**

The district has a deficit fund balance of \$80,404 in the General Fund as of June 30, 2012 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 \$80,404 is less than the last state aid payment of \$332,754.

**REQUIRED SUPPLEMENTARY INFORMATION-PART II**

**BUDGETARY COMPARISON SCHEDULES**

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 4,867,038		\$ 4,867,038	\$ 4,867,038	
Tuition from Individuals				14,550	\$ 14,550
Interest on Investments				3,744	3,744
Interest Earned on Maintenance Reserve Funds	200		200		(200)
Interest Earned on Capital Reserve Funds	500		500	989	489
Miscellaneous-Unrestricted	1,200		1,200	6,957	5,757
<b>Total</b>	<b>4,868,938</b>	<b>\$ -</b>	<b>4,868,938</b>	<b>4,893,278</b>	<b>24,340</b>
State Sources:					
Categorical Special Education Aid	362,499		362,499	362,499	
Categorical Transportation Aid				57,274	57,274
Equalization Aid	2,835,591		2,835,591	2,835,591	
Categorical Security Aid	51,887		51,887	80,824	28,937
Non Public Transportation Aid				2,695	2,695
Other State Aid				22,838	22,838
On-Behalf TPAF Pension Contribution				436,916	436,916
Reimbursed TPAF Social Security Contribution				353,621	353,621
<b>Total</b>	<b>3,249,977</b>	<b>-</b>	<b>3,249,977</b>	<b>4,152,258</b>	<b>902,281</b>
Federal Sources:					
Medicaid Reimbursement	8,016		8,016	17,632	9,616
Education Jobs Fund	119,118	3,732	122,850	122,850	
<b>Total</b>	<b>127,134</b>	<b>3,732</b>	<b>130,866</b>	<b>140,482</b>	<b>9,616</b>
<b>TOTAL REVENUES</b>	<b>\$ 8,246,049</b>	<b>\$ 3,732</b>	<b>\$ 8,249,781</b>	<b>\$ 9,186,018</b>	<b>\$ 936,237</b>
<b>EXPENDITURES</b>					
Current:					
Regular Programs-Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 368,985	\$ 10,588	\$ 379,573	\$ 379,573	
Grades 1-5	2,031,783	(45,988)	1,985,795	1,960,403	\$ 25,392
Grades 6-8	375,580	8,600	384,180	384,118	62
Regular Programs-Home Instruction:					
Salaries of Teachers		80	80	80	
Regular Programs-Undistributed Instruction:					
Purchased Technical Services	400	10,698	11,098		11,098
Other Purchased Services	44,575	(22,973)	21,602	20,805	797
General Supplies	72,500	128,955	201,455	125,352	76,103
Textbooks	9,000	22,000	31,000	21,505	9,495
Other Objects		8,950	8,950		8,950
<b>Total</b>	<b>2,902,823</b>	<b>120,910</b>	<b>3,023,733</b>	<b>2,891,836</b>	<b>131,897</b>
Learning and/or Language Disabilities:					
Salaries of Teachers	75,665	2,792	78,457	78,443	14
Other Salaries for Instruction	30,653	34,708	65,361	65,361	
<b>Total</b>	<b>106,318</b>	<b>37,500</b>	<b>143,818</b>	<b>143,804</b>	<b>14</b>
Multiple Disabilities:					
Salaries of Teachers	74,940	1,100	76,040	75,962	78
Other Salaries for Instruction	33,646	(33,000)	646	245	401
<b>Total</b>	<b>108,586</b>	<b>(31,900)</b>	<b>76,686</b>	<b>76,207</b>	<b>479</b>
Resource Room/Resource Center:					
Salaries of Teachers	554,613	26,573	581,186	581,186	
Other Salaries for Instruction	12,645	(2,773)	9,872		9,872
<b>Total</b>	<b>567,258</b>	<b>23,800</b>	<b>591,058</b>	<b>581,186</b>	<b>9,872</b>
Autism:					
Salaries of Teachers	54,090	(52,000)	2,090	800	1,290
Other Salaries for Instruction	21,925		21,925	20,147	1,778
Other Objects	100		100		100
<b>Total</b>	<b>76,115</b>	<b>(52,000)</b>	<b>24,115</b>	<b>20,947</b>	<b>3,168</b>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Preschool Disabilities-Part-Time:					
Salaries of Teachers	\$ 105,263	\$ (27,100)	\$ 78,163	\$ 76,990	\$ 1,173
Other Salaries for Instruction	15,586	(5,700)	9,886	6,316	3,570
General Supplies		4,520	4,520	519	4,001
Total	120,849	(28,280)	92,569	83,825	8,744
Extended School Year:					
Purchased Professional Educational Services	-	1,700	1,700	-	1,700
Total Special Education-Instruction	979,126	(49,180)	929,946	905,969	23,977
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	149,895	22,460	172,355	172,353	2
Bilingual Education-Instruction:					
Purchased Professional Educational Services	27,009	-	27,009	23,468	3,541
Total Instruction	\$ 4,058,853	\$ 94,190	\$ 4,153,043	\$ 3,993,626	\$ 159,417
Attendance & Social Work:					
Salaries	\$ 10,139	\$ -	\$ 10,139	\$ 10,139	\$ -
Health Services:					
Salaries	69,860	4,995	74,855	74,855	
Purchased Professional & Technical Services	3,500	(405)	3,095	3,000	95
Supplies & Materials	3,100		3,100	2,508	592
Total	76,460	4,590	81,050	80,363	687
Speech, OT, PT & Related Services:					
Salaries	225,515	6,000	231,515	231,468	47
Purchased Professional Educational Services	21,000	(19,160)	1,840	1,840	
Total	246,515	(13,160)	233,355	233,308	47
Guidance:					
Salaries of Other Professional Staff	60,572	2,111	62,683	62,683	
Salaries of Secretarial & Clerical Assistants	9,775	(7,289)	2,486		2,486
Other Purchased Professional & Technical Services	3,200		3,200		3,200
Supplies & Materials	3,000	1,703	4,703	4,702	1
Total	76,547	(3,475)	73,072	67,385	5,687
Child Study Team:					
Salaries of Other Professional Staff	204,752	4,820	209,572	209,571	1
Salaries of Secretarial & Clerical Assistants	42,840	1,900	44,740	44,711	29
Purchased Professional Educational Services	3,000	(345)	2,655		2,655
Miscellaneous Purchased Services		1,000	1,000	848	152
Supplies & Materials	3,950	(1,525)	2,425	1,446	979
Total	254,542	5,850	260,392	256,576	3,816
Improvement of Instructional Services					
Salaries of Other Professional Staff	1,500		1,500	1,500	
Supplies & Materials		10,000	10,000	10,000	
Total	1,500	10,000	11,500	11,500	-
Educational Media Services/School Library:					
Salaries	107,518	24,161	131,679	131,679	
Other Purchased Services		1,330	1,330	1,326	4
Supplies & Materials		17,787	17,787	11,248	6,539
Total	107,518	43,278	150,796	144,253	6,543

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Instructional Staff Training Services:					
Other Purchased Services	\$ -	\$ 2,375	\$ 2,375	\$ 2,375	\$ -
Support Services General Administration:					
Salaries	183,776		183,776	183,719	57
Legal Services	15,000	9,940	24,940	9,278	15,662
Audit Fees	17,803		17,803	17,200	603
Architectural/Engineering Services	9,063	4,100	13,163		13,163
Communications & Telephone	24,125	(225)	23,900	4,841	19,059
Board of Education Other Purchased Services	3,110		3,110	327	2,783
Miscellaneous Purchased Services	27,100	10,645	37,745	24,175	13,570
General Supplies	3,200		3,200	2,698	502
Miscellaneous Expenditures	2,325		2,325	1,556	769
Board of Education Membership Dues & Fees	6,250		6,250	4,932	1,318
Total	291,752	24,460	316,212	248,726	67,486
Support Services School Administration:					
Salaries of Principals & Assistant Principals	95,320	(145)	95,175	94,222	953
Salaries of Secretarial & Clerical Assistants	41,393	2,145	43,538	43,538	
Purchased Professional & Technical Services	4,125	525	4,650		4,650
Other Purchased Services		7,575	7,575	5,191	2,384
Supplies & Materials	3,000	(100)	2,900	131	2,769
Other Objects	1,500	(100)	1,400	1,174	226
Total	145,338	9,900	155,238	144,256	10,982
Central Services:					
Salaries	130,701		136,276	136,267	9
Purchased Professional Services	12,305	(2,545)	9,760	265	9,495
Purchased Technical Services	4,895	6,337	11,232	11,230	2
Miscellaneous Purchased Services	805		805	364	441
Supplies & Materials	1,700	575	2,275	1,624	651
Miscellaneous Expenditures	1,075	333	1,408	1,407	1
Total	151,481	10,275	161,756	151,157	10,599
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	28,000	41,801	69,801	69,801	
General Supplies	9,220	(6,900)	2,320	2,320	
Total	37,220	34,901	72,121	72,121	-
Custodial Services:					
Salaries	230,954	(1,004)	229,950	219,346	10,604
Purchased Professional & Technical Services	1,700	1,286	2,986	2,296	690
Cleaning, Repair & Maintenance Services	6,000	9,517	15,517	15,425	92
Insurance	23,100	(590)	22,510	22,428	82
Miscellaneous Purchased Services		540	540	540	
General Supplies	32,000	9,969	41,969	38,410	3,559
Energy (Natural Gas)	3,000		3,000	1,582	1,418
Energy (Electricity)	115,000	(21,411)	93,589	76,429	17,160
Energy (Oil)	59,800	(3,250)	56,550	49,327	7,223
Other Objects		535	535	533	2
Total	471,554	(4,408)	467,146	426,316	40,830

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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 Management Fee-ESC & CTSA Transportation Program	\$ 8,134		\$ 8,134	\$ 1,157	\$ 6,977
Other Purchased Professional & Technical Services	10,300	\$ 2,200	2,200	910	1,290
Contracted Services-Aid In Lieu of Payments-Nonpublic Schools	23,500	1,027	11,327	11,327	
Contracted Services-Aid In Lieu of Payments-Charter School Students		(14,042)	9,458	7,072	2,386
Contracted Services (Between Home & School)-Vendors	69,013	3,536	3,536	3,536	
Contracted Services (Other Than Between Home & School)-Vendors	1,000	141,906	210,919	196,513	14,406
Contracted Services (Between Home & School)-Joint Agreements	199,508	(27)	973		973
Contracted Services (Special Education Students)-Vendors	58,168	(125,700)	73,808	70,503	3,305
Contracted Services (Special Education Students)-Joint Agreements		(406)	57,762	56,864	898
Contracted Services (Regular Students)-ESC'S & CTSA'S		506	506	506	
Contracted Services (Special Education Students)-ESC'S & CTSA'S		7,498	7,498	6,977	521
Total	56,300	(31,298)	25,002	15,649	9,353
Total	425,923	(14,800)	411,123	371,014	40,109
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	81,066	15,510	96,576	64,443	32,133
Social Security Contributions-TPAF	12,710	(12,710)			
Other Retirement Contributions-PERS	73,696	(4,705)	68,991	68,048	943
Unemployment Compensation	15,000	(15,000)			
Workmen's Compensation	51,191	(500)	50,691	48,768	1,923
Health Benefits	1,625,281	(186,988)	1,438,293	1,358,016	80,277
Tuition Reimbursement	22,500	(11,198)	11,302	11,302	
Other Employee Benefits		13,590	13,590	13,493	97
Total	1,881,444	(202,001)	1,679,443	1,564,070	115,373
On-Behalf TPAF Pension Contribution				436,916	(436,916)
Reimbursed TPAF Social Security Contribution				353,621	(353,621)
Total				790,537	(790,537)
Total Undistributed Expenditures	\$ 4,177,933	\$ (92,215)	\$ 4,085,718	\$ 4,574,096	\$ (488,378)
TOTAL CURRENT	\$ 8,236,786	\$ 1,975	\$ 8,238,761	\$ 8,567,722	\$ (328,961)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures-Instruction	\$ -	\$ 42,572	\$ 42,572	\$ 26,193	\$ 16,379
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		4,200	4,200		4,200
Construction Services		93,574	93,574		93,574
Assessment for Debt Service on SDA Funding	148		148	148	
Total	148	97,774	97,922	148	97,774
TOTAL CAPITAL OUTLAY	\$ 148	\$ 140,346	\$ 140,494	\$ 26,341	\$ 114,153

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
TRANSFER OF FUNDS TO CHARTER SCHOOLS	\$ 8,415	\$ 46,900	\$ 55,315	\$ 54,501	\$ 814
TOTAL EXPENDITURES	\$ 8,245,349	\$ 189,221	\$ 8,434,570	\$ 8,648,564	\$ (213,994)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 700	\$ (185,489)	\$ (184,789)	\$ 537,454	\$ 722,243
Other Financing Sources (Uses):					
Transfer Out of Capital Reserve to Capital Projects	(90,000)	90,000			
Transfers In from Capital Projects Fund				56,779	56,779
Transfer Out to Unemployment Compensation Fund		(15,000)	(15,000)	(15,000)	
Total Other Financing Sources (Uses):	(90,000)	75,000	(15,000)	41,779	56,779
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(89,300)	(110,489)	(199,789)	579,233	779,022
Fund Balances, July 1	895,023		895,023	895,023	
Fund Balances, June 30	\$ 805,723	\$ (110,489)	\$ 695,234	\$ 1,474,256	\$ 779,022
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (28,689)	\$ (28,689)	\$ (28,689)	
Increase in Capital Reserve	\$ 500	355,000	355,500	412,768	\$ 57,268
Withdrawal from Capital Reserve	(90,000)		(90,000)	(90,000)	
Increase in Maintenance Reserve	200	81,538	81,738	81,538	(200)
Withdrawal from Maintenance Reserve		(42,000)	(42,000)	(42,000)	
Budgeted Fund Balance		(476,338)	(476,338)	245,616	721,954
TOTAL	\$ (89,300)	\$ (110,489)	\$ (199,789)	\$ 579,233	\$ 779,022
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Capital Reserve				\$ 668,636	
Maintenance Reserve				270,858	
					\$ 939,494
Committed Fund Balance:					
Year-End Encumbrances					192,469
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures					89,943
Unassigned Fund Balance					252,350
					1,474,256
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis					(332,754)
Fund Balance Per Governmental Funds (GAAP)					\$ 1,141,502

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, 2012

(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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources:					
Education Jobs Fund	\$ 119,118	\$ 3,732	\$ 122,850	\$ 122,850	\$ -
TOTAL REVENUES	<u>\$ 119,118</u>	<u>\$ 3,732</u>	<u>\$ 122,850</u>	<u>\$ 122,850</u>	<u>\$ -</u>
EXPENDITURES					
Education Jobs Fund:					
Custodial Services:					
Salaries	\$ 119,118	\$ 3,732	\$ 122,850	\$ 122,850	\$ -
TOTAL EXPENDITURES	<u>\$ 119,118</u>	<u>\$ 3,732</u>	<u>\$ 122,850</u>	<u>\$ 122,850</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 8,286		\$ 8,286	\$ 1,163	\$ (7,123)
Federal Sources	425,337		425,337	311,677	(113,660)
TOTAL REVENUES	<u>\$ 433,623</u>	<u>\$ -</u>	<u>\$ 433,623</u>	<u>\$ 312,840</u>	<u>\$ (120,783)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 189,086	\$ (12,140)	\$ 176,946	\$ 128,749	\$ 48,197
Other Purchased Services	62,005	(15,053)	46,952	46,952	
General Supplies	27,761	18,300	46,061	33,561	12,500
Other Objects	4,391	(300)	4,091		4,091
Totals	<u>283,243</u>	<u>(9,193)</u>	<u>274,050</u>	<u>209,262</u>	<u>64,788</u>
Support Services:					
Personal Services Employee Benefits	42,962	13,654	56,616	48,683	7,933
Purchased Professional & Technical Services	68,658	7,057	75,715	50,088	25,627
Other Purchased Services	27,239	(13,139)	14,100	3,723	10,377
Supplies & Materials	11,521	1,621	13,142	1,084	12,058
Total	<u>150,380</u>	<u>9,193</u>	<u>159,573</u>	<u>103,578</u>	<u>55,995</u>
TOTAL EXPENDITURES	<u>\$ 433,623</u>	<u>\$ -</u>	<u>\$ 433,623</u>	<u>\$ 312,840</u>	<u>\$ 120,783</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

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

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

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 9,186,018	\$ 312,840
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		1,750
Outstanding Encumbrances-Current Year		(7,946)
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	310,748	
State Aid Receivable-Current Year	(332,754)	
Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes	26,264	
Total Revenues (GAAP Basis)	\$ 9,190,276	\$ 306,644
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 8,648,564	\$ 312,840
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		
		(6,196)
Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes	26,264	
Total Expenditures (GAAP Basis)	\$ 8,674,828	\$ 306,644

**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, 2012

	Local Grants	NCLB Title I	NCLB Title II A	NCLB Title II D	NCLB Title III	NCLB Title IV	ARRA Title I	IDEA Basic	IDEA Preschool	Totals
<b>REVENUES</b>										
Local Sources	\$ 1,163									\$ 1,163
Federal Sources		\$ 112,701	\$ 40,357	\$ 209	\$ 16,350	\$ 378	\$ 3,609	\$ 128,466	\$ 9,607	311,677
<b>TOTAL REVENUES</b>	<b>\$ 1,163</b>	<b>\$ 112,701</b>	<b>\$ 40,357</b>	<b>\$ 209</b>	<b>\$ 16,350</b>	<b>\$ 378</b>	<b>\$ 3,609</b>	<b>\$ 128,466</b>	<b>\$ 9,607</b>	<b>\$ 312,840</b>
<b>EXPENDITURES</b>										
Instruction:										
Salaries		\$ 75,581	\$ 21,000				\$ 3,609	\$ 22,295	\$ 6,264	\$ 128,749
Other Purchased Services								46,952		46,952
General Supplies		1,858			\$ 12,130			19,573		33,561
Totals	\$ -	77,439	21,000	\$ -	12,130	\$ -	3,609	88,820	6,264	209,262
Support Services:										
Personal Services Employee Benefits		32,935	5,544					6,861	3,343	48,683
Purchased Professional & Technical Services	1,163		12,863	1	4,120			31,941		50,088
Other Purchased Services		1,750	950	208	100			715		3,723
Supplies & Materials		577				378		129		1,084
Total	1,163	35,262	19,357	209	4,220	378	-	39,646	3,343	103,578
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,163</b>	<b>\$ 112,701</b>	<b>\$ 40,357</b>	<b>\$ 209</b>	<b>\$ 16,350</b>	<b>\$ 378</b>	<b>\$ 3,609</b>	<b>\$ 128,466</b>	<b>\$ 9,607</b>	<b>\$ 312,840</b>

## **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 REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE-BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Expenditures and Other Financing Uses:	
Transfers out to Capital Reserve Account	\$ (56,779)
Total Expenditures and Other Financing Uses	<u>(56,779)</u>
Excess (Deficiency) of Revenues and Other Financing Sources	
Over (Under) Expenditures and Other Financing Uses	(56,779)
Fund Balance-Beginning	<u>56,779</u>
Fund Balance-Ending	<u>\$ -</u>

## **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, 2012

	Food Service Fund	Before & After School Child Care Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 38,989	\$ 20,259	\$ 59,248
Due from Other Funds	9,214		9,214
Receivables from Other Governments:			
State	136		136
Federal	3,697		3,697
Other Accounts Receivable		420	420
Inventory	2,353		2,353
Total Current Assets	<u>54,389</u>	<u>20,679</u>	<u>75,068</u>
Noncurrent Assets:			
Capital Assets	44,657		44,657
Less: Accumulated Depreciation	33,047		33,047
Total Noncurrent Assets	<u>11,610</u>	<u>-</u>	<u>11,610</u>
Total Assets	<u>65,999</u>	<u>20,679</u>	<u>86,678</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	7,694		7,694
Deferred Revenues	1,155		1,155
Total Liabilities	<u>8,849</u>	<u>-</u>	<u>8,849</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	11,610		11,610
Unrestricted	45,540	20,679	66,219
TOTAL NET ASSETS	<u>\$ 57,150</u>	<u>\$ 20,679</u>	<u>\$ 77,829</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES EXPENSES, AND  
 CHANGES IN FUND NET ASSETS  
 ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	Food Service Fund	Before & After School Child Care Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 89,575		\$ 89,575
Daily Sales-Nonreimbursable Programs	24,804		24,804
Child Care Program Fees		\$ 111,459	111,459
Miscellaneous	251		251
Total Operating Revenues	<u>114,630</u>	<u>111,459</u>	<u>226,089</u>
Operating Expenses:			
Salaries	66,489	89,292	155,781
Employee Benefits	18,550	6,517	25,067
Purchased Property Services (Repairs)	5,359		5,359
Insurance	2,659		2,659
Management Fee	9,282		9,282
Other Purchased Services	3,647	852	4,499
Supplies and Materials	4,898	4,232	9,130
Depreciation	1,915		1,915
Cost of Sales	79,517		79,517
Miscellaneous	3,025		3,025
Total Operating Expenses	<u>195,341</u>	<u>100,893</u>	<u>296,234</u>
Operating Income (Loss)	<u>(80,711)</u>	<u>10,566</u>	<u>(70,145)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,704		2,704
Federal Sources:			
National School Lunch Program	74,946		74,946
National School Breakfast Program	370		370
Child and Adult Care Food Program	850		850
Food Donation Program	15,317		15,317
Interest Earned on Investments	99		99
Total Nonoperating Revenues (Expenses)	<u>94,286</u>	<u>-</u>	<u>94,286</u>
Change in Net Assets	13,575	10,566	24,141
Net Assets, Beginning	<u>43,575</u>	<u>10,113</u>	<u>53,688</u>
Net Assets, Ending	<u>\$ 57,150</u>	<u>\$ 20,679</u>	<u>\$ 77,829</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Food Service Fund	Before & After School Child Care Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 114,657	\$ 111,039	\$ 225,696
Payments to Food Service Management Company	(174,878)		(174,878)
Payments to Employees		(89,292)	(89,292)
Payments for Employee Benefits		(6,517)	(6,517)
Payments to Vendors (Net)	(6,959)	(5,084)	(12,043)
Net Cash Provided by (Used For) Operating Activities	<u>(67,180)</u>	<u>10,146</u>	<u>(57,034)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	2,912		2,912
Federal Sources	77,471		77,471
General Fund Interfund Activity	(9,214)		(9,214)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>71,169</u>	<u>-</u>	<u>71,169</u>
Cash Flows from Investing Activities:			
Interest Earned on Investments	99	-	99
Net Increase (Decrease) in Cash and Cash Equivalents	4,088	10,146	14,234
Cash and Cash Equivalents, July 1, 2011	<u>34,901</u>	<u>10,113</u>	<u>45,014</u>
Cash and Cash Equivalents, June 30, 2012	<u>\$ 38,989</u>	<u>\$ 20,259</u>	<u>\$ 59,248</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (80,711)	\$ 10,566	\$ (70,145)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	1,915		1,915
Federal Food Donation Program	15,317		15,317
(Increase) Decrease in Other Accounts Receivable		(420)	(420)
(Increase) Decrease in Inventory	27		27
Increase (Decrease) in Accounts Payable	(3,932)		(3,932)
Increase (Decrease) in Deferred Revenue	204		204
Net Cash Provided by (Used For) Operating Activities	<u>\$ (67,180)</u>	<u>\$ 10,146</u>	<u>\$ (57,034)</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, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS				
Cash & Cash Equivalents	\$ 177,881	\$ 27,685	\$ 40,937	\$ 246,503
Due from Other Funds			1,146	1,146
TOTAL ASSETS	<u>177,881</u>	<u>27,685</u>	<u>42,083</u>	<u>247,649</u>
LIABILITIES				
Accounts Payable	3,784			3,784
Due to Other Funds	1,146		209	1,355
Due to Student Groups		27,685		27,685
Payroll Deductions & Withholdings			41,874	41,874
TOTAL LIABILITIES	<u>4,930</u>	<u>27,685</u>	<u>42,083</u>	<u>74,698</u>
NET ASSETS	<u>\$ 172,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,951</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 7,993
Interest	516
Total Additions	<u>8,509</u>
DEDUCTIONS	
Unemployment Claims	<u>30,925</u>
Total Deductions	<u>30,925</u>
Other Financing Sources (Uses):	
Transfers In from General Fund	<u>15,000</u>
Change in Net Assets	(7,416)
Net Assets, Beginning of the Year	<u>180,367</u>
Net Assets, End of the Year	<u>\$ 172,951</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance 07/01/11	Additions	Deletions	Balance 06/30/12
School Activities:				
Mansfield Twp Elementary School	\$ 23,669	\$ 29,084	\$ 25,068	\$ 27,685

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance 07/01/11	Additions	Deletions	Balance 06/30/12
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 36,114	\$ 6,030,839	\$ 6,026,016	\$ 40,937
Due From Other Funds	1,078	9,140	9,072	1,146
<b>TOTAL ASSETS</b>	<b>\$ 37,192</b>	<b>\$ 6,039,979</b>	<b>\$ 6,035,088</b>	<b>\$ 42,083</b>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 198	\$ 209	\$ 198	\$ 209
Payroll Deductions & Withholdings	36,994	2,413,528	2,408,648	41,874
Net Payroll		3,626,242	3,626,242	
<b>TOTAL LIABILITIES</b>	<b>\$ 37,192</b>	<b>\$ 6,039,979</b>	<b>\$ 6,035,088</b>	<b>\$ 42,083</b>

## **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, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/11	Issued	Retired	Balance 06/30/12
			Date	Amount					
School Addition & Renovations Refunding Issue	11/28/07	\$ 2,540,000	03/01/13	\$ 380,000	3.625%				
			03/01/14	400,000					
			03/01/15	415,000		\$ 1,570,000		\$ 375,000	\$ 1,195,000
						<u>\$ 1,570,000</u>	<u>\$ -</u>	<u>\$ 375,000</u>	<u>\$ 1,195,000</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 344,783		\$ 344,783	\$ 344,783	
State Sources:					
Debt Service Aid Type II	87,130		87,130	87,130	
Total Revenues	<u>431,913</u>	<u>\$ -</u>	<u>431,913</u>	<u>431,913</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest	56,913		56,913	56,913	
Redemption of Principal	375,000		375,000	375,000	
Total Expenditures	<u>431,913</u>	<u>-</u>	<u>431,913</u>	<u>431,913</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	\$ 3,505,421
Restricted	825,658	478,551	491,388	512,919	545,336	638,152	633,103	633,967	939,494
Unrestricted	977,606	317,984	315,865	275,850	41,016	(104,690)	(296,557)	(239,689)	(85,545)
<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>\$ 4,359,370</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	\$ 11,610
Unrestricted	(884)	2,036	6,886	17,131	9,965	27,449	25,430	40,163	66,219
<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>\$ 77,829</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	\$ 3,517,031
Restricted	825,658	478,551	491,388	512,919	545,336	638,152	633,103	633,967	939,494
Unrestricted	976,722	320,020	322,751	292,981	50,981	(77,241)	(271,127)	(199,526)	(19,326)
<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>	<b>\$ 4,437,199</b>

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>EXPENSES</b>									
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	\$ 4,273,829
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	1,402,918
Other Special Education	505,080	483,563	363,753	327,209	374,427	271,390	309,366	359,138	408,872
Support Services:									
Tuition	9,720	85,446	125,297	173,486	82,815	114,954	232,690	306,557	46,951
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	1,236,731
General & Business Administrative Services	448,419	511,955	505,404	540,260	678,334	553,615	559,412	583,913	569,400
School Administration	206,218	202,854	203,778	219,927	232,502	217,405	234,180	211,304	209,801
Plant Operations & Maintenance	506,873	543,585	537,011	579,489	689,270	642,171	674,921	568,853	595,046
Pupil Transportation	492,616	474,334	504,461	531,289	579,881	577,866	640,255	559,630	529,235
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	54,501
Interest on Long-Term Debt	207,050	194,331	181,062	166,899	75,721	94,485	78,301	65,867	52,529
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>	<u>9,379,813</u>
Business-Type Activities:									
Food Services	150,929	156,015	145,652	176,926	182,330	170,316	202,312	183,609	195,341
Before and After School Child Care				71,657	95,259	95,188	98,518	94,688	100,893
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>	<u>296,234</u>
<b>TOTAL DISTRICT EXPENSES</b>	<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>	<u>\$ 9,676,047</u>

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PROGRAM REVENUES</b>									
Governmental Activities:									
Charges for Services:									
Regular Instruction	\$ 170					\$ 15,200	\$ 12,900	\$ 15,200	\$ 14,550
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	2,838
Pupil Transportation	16,569	20,220	21,272	45,220	46,163	14,074	154,183	116,207	157,737
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	306,644
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>	<u>481,769</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	114,379
Before and After School Child Care				73,685	95,274	94,026	98,353	103,981	111,459
Operating Grants & Contributions	50,110	47,429	48,255	58,730	62,714	61,384	81,398	77,201	94,187
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>	<u>320,025</u>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<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>	<u>\$ 801,794</u>
<b>NET (EXPENSE) REVENUES</b>									
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)	\$ (8,898,044)
Business-Type Activities	(492)	(14,488)	3,779	9,234	5,764	15,452	(4,470)	12,728	23,791
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<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>	<u>\$ (8,874,253)</u>

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	\$ 4,867,038
Taxes Levied for Debt Service	333,050	331,134	327,277	333,504	328,248	347,102	212,565	343,226	344,783
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	4,357,864
Investment Earnings	16,791	37,103	37,459	57,778	50,791	24,744	9,168	4,170	4,733
Miscellaneous Income	10,296	7,364	10,081	10,152	6,385	24,499	23,223	11,777	37,149
Transfers In (Out)				(20,000)	(54,700)	(30,000)	(55,000)	(100,000)	(15,000)
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>	<b>7,582,456</b>	<b>7,673,042</b>	<b>8,043,863</b>	<b>8,693,071</b>	<b>8,791,344</b>	<b>9,152,030</b>	<b>9,113,907</b>	<b>9,026,195</b>	<b>9,596,567</b>
Business-Type Activities:									
Investment Earnings				103	10		144	91	99
Miscellaneous Income					487	118	392		251
Special Item-Prior Year Accounts Receivable Cancelled	7,522	16,338							
<b>Total Business-Type Activities</b>	<b>7,522</b>	<b>16,338</b>	<b>-</b>	<b>103</b>	<b>497</b>	<b>118</b>	<b>536</b>	<b>91</b>	<b>350</b>
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 7,589,978</b>	<b>\$ 7,689,380</b>	<b>\$ 8,043,863</b>	<b>\$ 8,693,174</b>	<b>\$ 8,791,841</b>	<b>\$ 9,152,148</b>	<b>\$ 9,114,443</b>	<b>\$ 9,026,286</b>	<b>\$ 9,596,917</b>
<b>CHANGE IN NET ASSETS</b>									
Governmental Activities	\$ 251,036	\$ (63,015)	\$ 80,841	\$ 113,304	\$ (183,855)	\$ 370,453	\$ (22,501)	\$ 729,415	\$ 698,523
Business-Type Activities	7,030	1,850	3,779	9,337	6,261	15,570	(3,934)	12,819	24,141
<b>TOTAL DISTRICT</b>	<b>\$ 258,066</b>	<b>\$ (61,165)</b>	<b>\$ 84,620</b>	<b>\$ 122,641</b>	<b>\$ (177,594)</b>	<b>\$ 386,023</b>	<b>\$ (26,435)</b>	<b>\$ 742,234</b>	<b>\$ 722,664</b>

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:									
Reserved	\$ 1,125,616	\$ 701,163	\$ 581,992	\$ 395,894	\$ 402,240	\$ 686,567	\$ 301,049	\$ 605,877	\$ 1,131,963
Unreserved	205,795	60,792	185,803	363,589	106,372	(90,009)	(96,299)	(21,602)	9,539
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>	<u>\$ 1,141,502</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	\$ 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>	<u>\$ 1</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Tax Levy	\$ 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	\$ 5,211,821
Tuition Charges	33,100	34,595	16,000	10,749	31,410	27,804	48,694	77,320	42,468	14,550
Interest Earnings	17,951	16,791	37,103	37,459	57,778	50,791	24,744	9,168	4,170	4,733
Miscellaneous	32,772	14,914	16,215	12,672	28,055	21,349	29,326	23,264	7,629	34,384
State Sources	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	4,217,382
State Sources-Capital Projects		23,544							195,691	
Federal Sources	253,725	310,121	311,603	324,669	351,806	291,632	330,203	821,007	413,395	445,963
<b>Total Revenues</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>9,928,833</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	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	2,891,836
Special Education Instruction	584,272	626,315	761,120	761,964	840,350	888,290	877,154	904,573	863,440	905,969
Other Special Instruction	264,834	264,464	295,597	180,258	147,215	163,583	149,217	167,407	184,518	195,821
<b>Support Services:</b>										
Tuition	46,060	9,720	3,666	42,571	20,691			175,109	94,126	
Student & Inst Related Services	556,692	630,668	697,601	742,900	743,935	777,621	717,752	750,829	698,928	805,899
General Administration	220,646	225,183	256,553	258,703	261,791	332,044	260,898	256,256	265,495	248,726
School Administration Services	146,895	154,142	146,803	147,185	152,247	160,795	151,466	162,033	144,925	144,256
Central Services	113,298	120,009	126,477	122,052	121,538	134,787	135,887	137,055	141,356	151,157
Plant Operations & Maintenance	417,342	424,055	469,685	461,258	492,421	598,927	543,483	566,031	465,284	498,437
Pupil Transportation	555,016	475,502	454,114	480,942	486,069	530,730	560,803	485,637	442,890	371,014
Employee Benefits	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	1,564,070
On-Behalf TPAF Pension & Social Security Contribution	397,456	450,276	458,088	538,662	884,345	929,440	627,266	657,061	639,055	790,537
Capital Outlay	48,148	60,212	58,480	6,594	42,863			13,302	27,467	52,457
Special Schools	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	54,501
Special Revenue Funds	312,499	354,041	342,718	348,662	373,260	340,233	318,531	326,086	396,710	306,644
Capital Projects Fund	10,669	60,382	811,529	98,637	6,110	115,676	325,000		493,662	
<b>Debt Service:</b>										
Principal	210,000	225,000	235,000	245,000	264,560	134,901	515,000	345,000	360,000	375,000
Interest & Other Charges	223,295	210,169	199,117	184,598	166,695	93,155	100,494	82,469	70,217	57,061
<b>Total Expenditures</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>9,413,385</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,296	166,619	(998,863)	(88,500)	22,213	(94,500)	(255,540)	(95,511)	181,555	515,448
<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)	(15,000)
<b>Total Other Financing Sources (Uses)</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>(15,000)</b>
<b>Net Change in Fund Balances</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>\$ 500,448</b>
Debt Service as a Percentage of Non-capital Expenditures	6.40%	5.96%	5.61%	5.40%	5.00%	2.52%	6.95%	4.63%	4.97%	4.84%

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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Interest Income	\$ 9,642	\$ 11,925	\$ 31,380	\$ 30,195	\$ 47,192	\$ 34,629	\$ 24,744	\$ 9,168	\$ 4,170	\$ 4,733
Tuition	33,100	34,595	16,000	10,749	31,410	27,804	48,694	77,320	42,468	14,550
Payroll Balances Transferred		2,309		2,209						
Miscellaneous Refunds		312				84	133			
Prior Year Refunds	23,356	3,976	7,346	7,265	4,703	1,552	19,640	10,077	6,054	5,676
Rentals	35				11,865	12,320	8,540	2,559		584
Miscellaneous Other	110	3,699	18	66		1,327	73	54	4	4
Interlocal Agreement for Technology Services					5,449					
Vendor Rebates								4,245		
Donations								4,000	1,050	26,957
Outstanding Checks Voided	4,171			541		1,326	141	335	157	
<b>Annual Totals</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>	<b>\$ 52,504</b>

Source: District Records

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Vacant Land	\$ 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	\$ 11,755,100
Residential	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	425,685,800
Farm Regular	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	55,172,200
Q Farm	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	2,943,150
Commercial	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	95,234,500
Industrial	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	16,099,500
Apartment	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	40,656,000
<b>Total Assessed Value</b>	<b>637,337,700</b>	<b>638,637,000</b>	<b>639,707,500</b>	<b>643,081,600</b>	<b>651,627,600</b>	<b>661,507,200</b>	<b>661,384,100</b>	<b>650,005,675</b>	<b>649,289,650</b>	<b>647,546,250</b>
Public Utilities (a)	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	1,346,173
<b>Net Valuation Taxable</b>	<b>\$ 639,615,775</b>	<b>\$ 640,760,585</b>	<b>\$ 641,532,820</b>	<b>\$ 644,494,810</b>	<b>\$ 652,961,468</b>	<b>\$ 662,811,775</b>	<b>\$ 662,719,410</b>	<b>\$ 651,440,597</b>	<b>\$ 650,551,704</b>	<b>\$ 648,892,423</b>
Estimated Actual County Equalized Value	\$ 518,507,008	\$ 647,625,413	\$ 708,954,382	\$ 808,143,962	\$ 874,462,928	\$ 947,686,266	\$ 973,509,210	\$ 889,703,083	\$ 835,647,661	\$ 763,942,104
<b>Percentage of Net Valuation to Estimated Actual County Equalized Value</b>	<b>123.36%</b>	<b>98.94%</b>	<b>90.49%</b>	<b>79.75%</b>	<b>74.67%</b>	<b>69.94%</b>	<b>68.08%</b>	<b>73.22%</b>	<b>77.85%</b>	<b>84.94%</b>
<b>Total Direct School Tax Rate (b)</b>	<b>\$ 0.67</b>	<b>\$ 0.66</b>	<b>\$ 0.70</b>	<b>\$ 0.75</b>	<b>\$ 0.74</b>	<b>\$ 0.75</b>	<b>\$ 0.73</b>	<b>\$ 0.78</b>	<b>\$ 0.80</b>	<b>\$ 0.80</b>

\*

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) Total Direct School Tax Rate	Regional School Rate	Municipality	County	
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
2012	0.75	0.05	0.80	0.90	0.58	0.80	3.08

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

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Plaza LLC	\$ 45,104,800	1	6.95%	\$ 21,999,800	3	3.44%
Green Eagle Property Res. L.P.	26,000,000	2	4.01%	24,637,200	2	3.85%
Mansfield Plaza Associates LLC	14,149,800	3	2.18%	13,769,800	5	2.15%
Middleberry Associates	14,000,000	4	2.16%	15,616,900	4	2.44%
Borealis Compounds	6,560,900	5	1.01%	6,462,000	6	1.01%
NYK Services Center	3,611,800	6	0.56%	4,136,500	7	0.65%
Mansfield Commons II LLC	3,324,900	7	0.51%			
Sarva Mangal 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 Village				32,248,900	1	5.04%
Tahoe Partners				2,819,200	8	0.44%
Mian Realty LLC				2,098,700	9	0.33%
Verizon				2,010,377	10	0.31%
	<u>\$ 121,151,600</u>		<u>18.67%</u>	<u>\$ 125,799,377</u>		<u>19.66%</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
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%
2011	20,004,296	19,516,406	97.56%

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			
2003	\$ 3,705,000					\$ 3,705,000	1.33%	\$ 450
2004	3,480,000					3,480,000	1.22%	423
2005	3,245,000					3,245,000	1.11%	396
2006	3,000,000					3,000,000	0.99%	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	0.64%	281
2010	1,930,000					1,930,000	0.58%	250
2011	1,570,000					1,570,000	0.46%	204
2012	1,195,000					1,195,000	N/A	155

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			
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%	250
2011	1,570,000		1,570,000	0.24%	204
2012	1,195,000		1,195,000	0.18%	155

**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, 2011

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 2,931,572	100.00	\$ 2,931,572
Regional High School	27,054,000	30.95	8,372,792
County General Obligation Debt	19,726,201	6.58	<u>1,297,203</u>
Subtotal, Overlapping Debt			12,601,567
School District Direct Debt			<u>1,570,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 14,171,567</u></u>

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

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

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



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

Year	Population ( a )	Personal Income ( b )	Per Capita Personal Income ( c )	Unemployment Rate ( d )
2003	8,236	\$ 279,002,736	\$ 33,876	6.0%
2004	8,226	284,241,204	34,554	4.4%
2005	8,185	291,476,035	35,611	3.9%
2006	8,168	301,750,424	36,943	4.2%
2007	8,124	320,833,008	39,492	3.9%
2008	8,120	339,935,680	41,864	5.2%
2009	8,089	354,516,603	43,827	9.2%
2010	7,724	332,680,404	43,071	9.5%
2011	7,701	340,253,283	44,183	8.8%
2012	7,701	N/A	N/A	N/A

Sources:

- ( a ) Population information provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal income has been estimated based upon the municipal population and per capita personal income presented
- ( c ) Per capita personal income by county estimated based upon the 2010 census published by the US Bureau of Economic Analysis
- ( d ) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2012			2003		
	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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:										
Regular	46.8	46.5	46.0	48.0	48.3	48.0	44.0	46.0	42.1	42.1
Special Education	10.0	12.0	12.0	13.5	12.5	11.5	13.5	14.0	12.0	12.0
Other Special Education	9.0	8.3	5.0	8.0	9.0	9.0	8.0	8.0	8.0	8.0
Other Instruction	3.0	4.0	7.0	5.0	4.5	4.5	8.5	8.5	3.0	3.0
Support Services:										
Student and Instruction Related Services	6.0	4.0	8.6	8.8	10.1	6.6	6.0	6.0	7.4	7.5
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Services										
Central Services	2.0	2.0	2.5	2.2	2.0	2.0	2.0	2.0	2.8	2.8
Administrative Information Technology				1.0	1.0	1.0	1.0	1.0	2.0	2.0
Plant Operations and Maintenance	5.8	5.8	5.0	6.0	6.5	6.5	5.0	5.0	5.0	5.0
Child Care					1.5	1.5	1.5	1.5	1.5	1.5
Total	<u>84.5</u>	<u>84.5</u>	<u>88.1</u>	<u>94.5</u>	<u>99.4</u>	<u>94.6</u>	<u>93.5</u>	<u>96.0</u>	<u>85.8</u>	<u>85.9</u>

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>
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%
2012	717	8,928,867	12,453	0.07%	57.2	1 to 12.53	717.8	688.0	3.16%	95.85%

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Mansfield Township School (1964)</u>										
Square Feet	88,000	88,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Capacity (Students)	651	651	835	835	835	835	835	835	835	835
Enrollment	746	752	722	711	698	703	689	710	683	721

Number of Schools at June 30, 2012:  
 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		
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
2012	72,121	72,121
	<hr/>	<hr/>
Total School Facilities	<u>\$ 529,112</u>	<u>\$ 529,112</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, 2012  
(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	
Medical Expense Limit	5,000	
Blanket Employee Dishonesty (Per Loss)	400,000	1,000
School Board Legal Liability-School Alliance Insurance Fund:		
Directors and Officers Policy	5,000,000	5,000
Worker's 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	
Umbrella Liability-School Alliance Insurance Fund:		
Policy Limit	5,000,000	
Environmental Impairment Liability-Illinois Insurance Company:		
Policy Limit	1,000,000	10,000
Student Accident Insurance-QBE Specialty Insurance:		
Maximum Benefit Amount	1,000,000	
Public Employees' Faithful Performance-Selective Insurance Company:		
Treasurer's Bond	195,000	
Board Secretary's Bond	85,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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

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

November 16, 2012

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, 2012, and have issued our report thereon dated November 16, 2012. 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 Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

#### 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 or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education, federal and state awarding agencies, pass through entities, and the New Jersey Department of Education 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

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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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

November 16, 2012

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 Lebanon Township School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. 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 Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

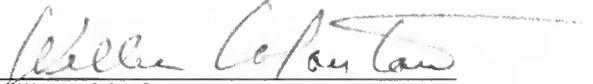
## Internal Control Over Compliance

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 program in order to determine our audit procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

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

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

  
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, 2012

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance at 6/30/2011	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2012		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education:													
General Fund:													
Education Jobs Fund	84.410A	ARRA-297011	\$ 122,850	08/10/2010-09/30/2012			\$ 122,850	\$ 122,850					
US Department of Health & Human Services:													
General Fund:													
Medical Assistance Program	93.778	N/A	17,049	07/01/2010-06/30/2011	\$ (2,087)		2,087						
Medical Assistance Program	93.778	N/A	17,632	07/01/2011-06/30/2012			14,746	17,632			\$ (2,886)		
Total General Fund					(2,087)	\$ -	139,683	140,482	\$ -	\$ -	(2,886)	\$ -	
US Department of Education Passed Through													
State Department of Education:													
Special Revenue Fund:													
NCLB Title I	84.010A	NCLB-297010	77,193	09/01/2009-08/31/2010	161		771	932					
NCLB Title I	84.010A	NCLB-297011	94,494	09/01/2010-08/31/2011	(6,868)	(23,013)	18,246	11,378			(23,013)		
NCLB Title I- Carryover	84.010A	NCLB-297011	94,494	09/01/2010-08/31/2011		23,013		12,221				10,792	
NCLB Title I	84.010A	NCLB-297012	88,184	09/01/2011-08/31/2012			55,265	88,170			(32,919)	14	
NCLB Title IIA	84.367A	NCLB-297010	33,245	09/01/2009-08/31/2010	(6,190)		6,190						
NCLB Title IIA	84.367A	NCLB-297011	33,357	09/01/2010-08/31/2011	(1,900)	(16,325)	3,832	1,932			(16,325)		
NCLB Title IIA-Carryover	84.367A	NCLB-297011	33,357	09/01/2010-08/31/2011		16,325		12,863				3,462	
NCLB Title IIA	84.367A	NCLB-297012	31,047	09/01/2011-08/31/2012			19,850	25,562			(11,197)	5,485	
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	637			637					
NCLB Title III	84.365A	NCLB-297010	10,168	09/01/2009-08/31/2010	4,710			4,710					
NCLB Title III	84.365A	NCLB-297011	15,659	09/01/2010-08/31/2011	(8,008)		11,042	3,034					
NCLB Title III	84.365A	NCLB-297012	10,352	09/01/2011-08/31/2012			4,040	7,969			(6,312)	2,383	
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	(19,216)						(19,216)		
IDEA Basic	84.027	IDEA-297011	169,029	09/01/2010-08/31/2011	38,455	(31,879)		19,239	19,216	(19,216)	(31,879)		
IDEA Basic-Carryover	84.027	IDEA-297011	169,029	09/01/2010-08/31/2011		31,879		16,968				14,911	
IDEA Basic	84.027	IDEA-297012	167,873	09/01/2011-08/31/2012			71,550	92,259			(96,323)	75,614	
IDEA Preschool	84.173	IDEA-297011	7,331	09/01/2010-08/31/2011	(322)	(3,343)					(3,665)		

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, 2012

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance at 6/30/2011	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2012		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education:													
Special Revenue Fund (continued):													
IDEA Preschool- Carryover	84.173	IDEA-297011	\$ 7,331	09/01/2010-08/31/2011		\$ 3,343		\$ 3,343					
IDEA Preschool	84.173	IDEA-297012	7,264	09/01/2011-08/31/2012			\$ 5,941	6,264			\$ (1,323)	\$ 1,000	
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	(13,717)		13,717						
Total Special Revenue Fund					(31,909)	-	234,291	311,677	\$ -	\$ -	(222,956)	113,661	\$ -
US Department of Agriculture Passed Through State Department of Agriculture: Enterprise Fund:													
Food Donation Program	10.550	N/A	11,450	07/01/2010-06/30/2011	951			951					
Food Donation Program	10.550	N/A	15,521	07/01/2011-06/30/2012			15,521	14,366				1,155	
National School Breakfast Program	10.553	N/A	252	07/01/2010-06/30/2011	(27)		27						
National School Breakfast Program	10.553	N/A	370	07/01/2011-06/30/2012			367	370			(3)		
National School Lunch Program	10.555	N/A	62,529	07/01/2010-06/30/2011	(4,942)		4,942						
National School Lunch Program	10.555	N/A	74,946	07/01/2011-06/30/2012			71,315	74,946			(3,631)		
Child and Adult Care Food Program	10.558	N/A	437	07/01/2010-06/30/2011	(33)		33						
Child and Adult Care Food Program	10.558	N/A	850	07/01/2011-06/30/2012			787	850			(63)		
Total Enterprise Fund					(4,051)	-	92,992	91,483	-	-	(3,697)	1,155	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (38,047)	\$ -	\$ 466,966	\$ 543,642	\$ -	\$ -	\$ (229,539)	\$ 114,816	\$ -

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, 2012

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance at 6/30/2011	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2012			Memo	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
<b>State Department of Education</b>												
General Fund:												
Equalization Aid	12-495-034 -5120-078	\$ 2,835,591	07/01/2011- 06/30/2012		\$ 2,835,591	\$ 2,835,591					\$ 282,824	\$ 2,835,591
Categorical Special Education Aid	12-495-034 -5120-089	362,499	07/01/2011- 06/30/2012		362,499	362,499					36,156	362,499
Categorical Transportation Aid	12-495-034 -5120-014	57,274	07/01/2011- 06/30/2012		57,274	57,274					5,713	57,274
Categorical Security Aid	12-495-034 -5120-089	80,824	07/01/2011- 06/30/2012		80,824	80,824					8,061	80,824
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	11-495-034 -5120-014	3,805	07/01/2010- 06/30/2011	(3,805)	3,805							3,805
Non-public Remote Transportation Aid	12-495-034 -5120-014	2,695	07/01/2011- 06/30/2012			2,695		\$ (2,695)				2,695
Payment for Institutionalized Children- Unknown District of Residence	11-495-034 -5120-078	10,698	07/01/2010- 06/30/2011		10,698	10,698						10,698
Payment for Institutionalized Children- Unknown District of Residence	12-495-034 -5120-078	11,606	07/01/2011- 06/30/2012			11,606		(11,606)				11,606
Anti Bullying Bill of Rights Act Aid	N/A	534	07/01/2011- 06/30/2012		534	534						534
Reimbursed TPAF Social Security Contribution	11-495-034 -5095-002	328,966	07/01/2010- 06/30/2011	(16,952)	16,952							328,966
Reimbursed TPAF Social Security Contribution	12-495-034 -5095-002	353,621	07/01/2011- 06/30/2012		336,239	353,621		(17,382)				353,621
On-Behalf TPAF Pension Contribution-Post Retirement Medical	12-495-034 -5095-001	291,774	07/01/2011- 06/30/2012		291,774	291,774						291,774
On-Behalf TPAF Pension Contribution-Non Contributory Group Insurance	12-495-034 -5095-007	14,066	07/01/2011- 06/30/2012		14,066	14,066						14,066
On-Behalf TPAF Pension Contribution- Normal Cost and Accrued Liability	12-495-034 -5095-006	131,076	07/01/2011- 06/30/2012		131,076	131,076						131,076
<b>Total General Fund</b>				<u>15,562</u>	<u>4,177,651</u>	<u>4,152,258</u>	<u>\$ -</u>	<u>(31,683)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>332,754</u>	<u>4,521,348</u>
Debt Service Fund:												
Debt Service Aid-State Support	12-495-034 -5120-017	87,130	07/01/2011- 06/30/2012	-	87,130	87,130	-	-	-	-	-	87,130
<b>State Department of Agriculture</b>												
Enterprise Fund:												
State School Lunch Program	11-100-010 -3350-023	2,624	07/01/2010- 06/30/2011	(344)	344							2,624
State School Lunch Program	12-100-010 -3350-023	2,704	07/01/2011- 06/30/2012		2,568	2,704		(136)				2,704
<b>Total Enterprise Fund</b>				<u>(344)</u>	<u>2,912</u>	<u>2,704</u>	<u>-</u>	<u>(136)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,328</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>\$ 15,218</u>	<u>\$ 4,267,693</u>	<u>\$ 4,242,092</u>	<u>\$ -</u>	<u>\$ (31,819)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,754</u>	<u>\$ 4,613,806</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2012

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, 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 (\$22,006) for the general fund and (\$6,196) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 140,482	\$4,130,252	\$ 4,270,734
Special Revenue Fund	\$ 1,163	305,481		306,644
Debt Service Fund			87,130	87,130
Food Service Fund		<u>91,483</u>	<u>2,704</u>	<u>94,187</u>
	<u>\$ 1,163</u>	<u>\$ 537,446</u>	<u>\$4,220,086</u>	<u>\$ 4,758,695</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2012  
(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, 2012. 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, 2012.

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

Internal Control Over Major Programs:

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

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

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

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

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
84.410 A	\$ 122,850	Education Jobs Fund
84.027	128,466	IDEA Basic
84.010 A	112,701	NCLB Title I

MANSFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

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

\$300,000

Auditee qualified as a low-risk auditee

X Yes        No

State Awards

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

\$300,000

Auditee Qualified as low-risk auditee

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>
12-495-034-5095-002	\$ 353,621	Reimbursed TPAF Social Security Contribution
12-495-034-5120-078	2,835,591	Equalization Aid
12-495-034-5120-089	362,499	Categorical Special Education Aid

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

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2012.

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, 2012.

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

K-7

There were no prior year findings or questioned costs.