

SCHOOL DISTRICT OF MANSFIELD TOWNSHIP

Columbus, New Jersey

County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MANSFIELD TOWNSHIP BOARD OF EDUCATION

COLUMBUS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

Business Office – Joyce A. Goode, Business Administrator/Board Secretary

OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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MANSFIELD TOWNSHIP SCHOOL DISTRICT

Mansfield Township Board of Education
200 Mansfield Road East, Columbus, NJ 08022
Phone: (609) 298-2037 Fax: (609)-298-5365
www.mansfieldschool.com

Diane J. Bacher
Superintendent

Joyce A. Goode
Business Administrator/ Board Secretary

November 27, 2013

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Mansfield Township School District (District) for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management. Data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, the Auditor's Report, and Management's Discussion and Analysis thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditors' report on the internal control over financial reporting and compliance with applicable laws, regulations, contracts, and grants, and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Pre - K through grade 6, including services for special needs students. As of June 30, 2013 the District's average daily enrollment was 716 students, which is twenty seven less students

than the previous year's enrollment. The following details the changes in the student enrollment of the district over the last ten years.

<u>June 30</u>	<u>Enrollment</u>	<u>Percent Change</u>
2013	716	-3.63%
2012	743	4.65%
2011	710	3.21%
2010	688	0.13%
2009	687	-0.29%
2008	689	0.12%
2007	688	1.06%
2006	681	6.52%
2005	639	-0.88%
2004	645	1.10%
2003	638	9.43%

2. ECONOMIC CONDITION AND OUTLOOK

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

3. MAJOR INITIATIVES

The Mansfield Township School District undertook several important activities during the 2012-2013 school year. These included the following:

- Implementation of STAR Assessment Program
- My Math Program Grades K – 5
- Glenco Math Program grade 6
- New floor tile and carpet at JHES
- New Telephone System at JHES
- New Smartboards
- New ChromeBooks for all classrooms, Superintendent, Principals and the Child Study Team Supervisor

4. INTERNAL ACCOUNTING CONTROLS

Management of the district is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse; and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital projects fund. The final budget amount is amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year - end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Basic Financial Statements. The 2012-13 CAFR presents financial reports utilizing the overall format of GASB 34.

7. FINANCIAL INFORMATION AT YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital project fund, and debt service fund revenues for the fiscal year ended June 30, 2013.

	Revenue	Percent Of Total	Increase (Decrease) From 2012	Percent of Increase (Decrease)
Local sources:				
District Taxes	\$9,635,141	83.50%	\$343,505	3.70%
Miscellaneous	\$196,263	1.70%	(\$50,848)	-20.58%
State & Federal Sources	\$1,708,280	14.80%	178,927	11.70%
Total	\$11,539,684	100.0%	\$471,584	

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2013.

	Amount	Percent Of Total	Increase (Decrease) From 2011	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$4,016,558	35.10%	\$(39,041)	(.3)%
Undistributed	6,125,080	53.52%	353,682	3.09%
Capital Outlay	173,840	1.52%	72,481	.6%
Special Revenue	157,504	1.37%	2,681	1.01%
Principal	560,000	4.89%	75,000	4.8%
Interest	411,708	3.6%	(29,543)	3.59%
Total	\$11,444,690	100.0%	\$435,260	

Instruction costs increased due to special education students being kept in house instead of attending private out of district schools. Undistributed expenditures decreased due to decrease in Utility costs and preventative maintenance measures. The increase in debt service was due to the increase in principal payments.

8. DEBT ADMINISTRATION

At June 30, 2013, the district's outstanding debt issues include \$9,960,000 of general obligation bonds.

9. CASH MANAGEMENT

The investment policy of the district is guided in large part by the State statute as detailed in Notes to the Basic Financial Statements, Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bond.

11. OTHER INFORMATION

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

12. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Mansfield Township School District for their professionalism in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,



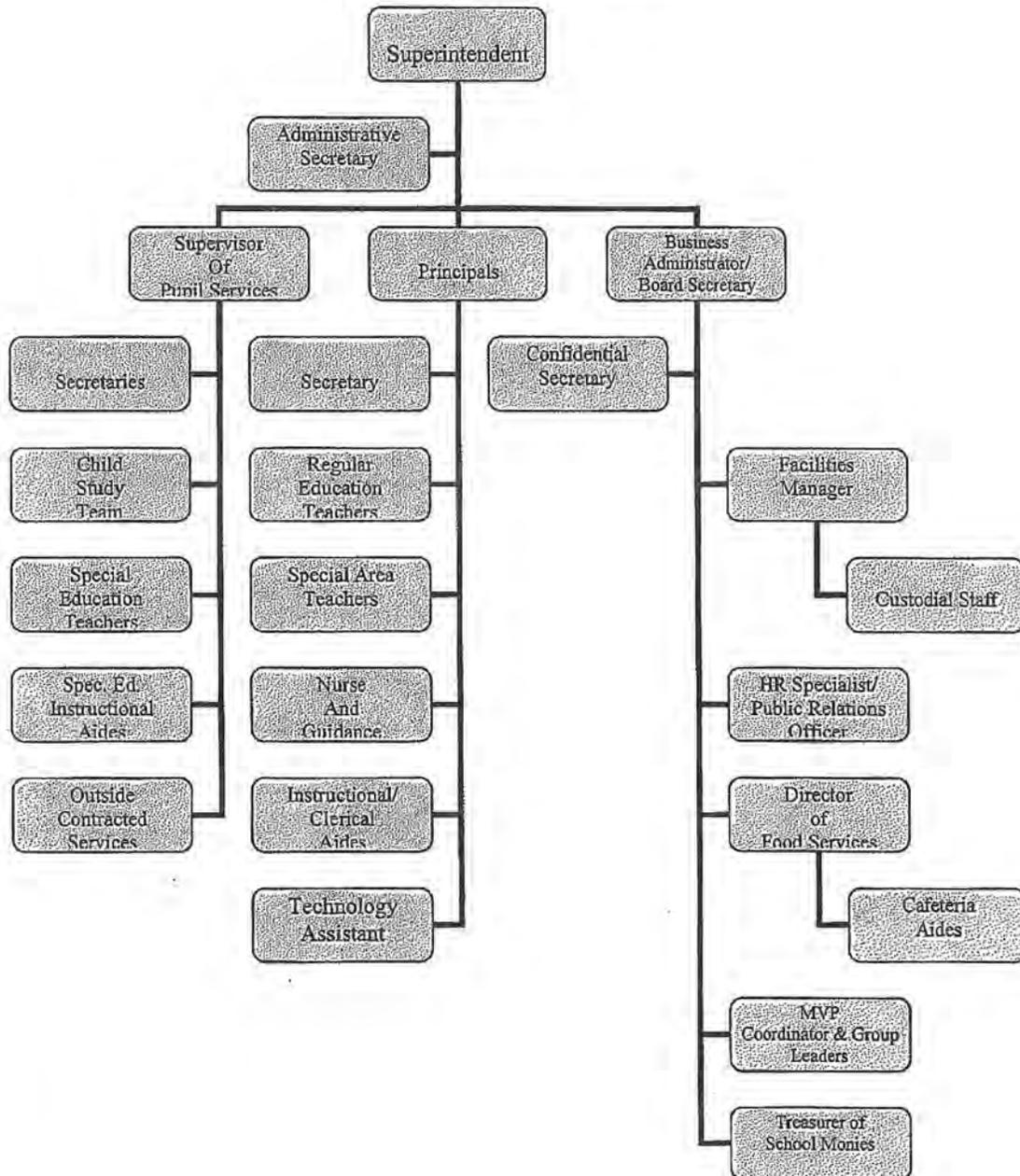
Diane Bacher
Superintendent



Joyce A. Goode
Business Administrator/Board Secretary

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Mansfield Township School District Organizational Chart



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MANSFIELD TOWNSHIP BOARD OF EDUCATION
200 Mansfield Road East
Columbus, New Jersey 08022

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Daniel Kane, President

2013

Joseph Broski, Vice President

2014

Joseph Golowski

2013

Ramy Reddy

2014

Marcial Mojena

2013

Beverly Pencak

2015

Alison Perrone

2015

Matthew Varava

2015

Curtis Wyers, Jr.

2014

OTHER OFFICIALS

Diane Bacher, Superintendent

Joyce Goode, Business Administrator/Board Secretary

Christopher J. Mullins, CPA, Treasurer of School Monies

Frank Cavallo, Esq., Solicitor

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MANSFIELD TOWNSHIP BOARD OF EDUCATION
200 Mansfield Road East
Columbus, New Jersey 08022

CONSULTANTS AND ADVISORS

ARCHITECT

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AUDIT FIRM

Holman Frenia Allison, P. C.
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ATTORNEY & BOND COUNSEL

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Mount Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Beneficial Bank
3 Sunset Road
Burlington, New Jersey 08016

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Mansfield Township School District
County of Burlington
Columbus, New Jersey 08022

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Mansfield Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental 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 from material misstatement.

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

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Mansfield Township School District, County of Burlington, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 23 through 28 and 85 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Mansfield Township School District's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2012, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013 on our consideration of the Board of Education of the Mansfield Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Mansfield Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Haines', with a long horizontal line extending to the right.

Rodney R. Haines
Public School Accountant
Certified Public Accountant
No. 2198

Medford, New Jersey
November 27, 2013

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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Mansfield Township School District

Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

UNAUDITED

This section of the Mansfield Township School District Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is now being required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2012-2013) and the prior fiscal year (2011-2012) is required to be presented in the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets (A-1) presents information on all of the assets and liabilities of the district, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The district-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate

compliance with finance-related legal requirements. All of the funds of the district can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because of focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The district maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 - B-3 in this report.

Proprietary funds

The district maintains two proprietary funds, an enterprise fund and an internal service fund.

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the district is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the district. The MVP Program is a district operated before and after school program in which parents pay tuition for their children to participate. The Kindergarten Connection Program is a tuition based full day kindergarten program. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services, MVP and Kindergarten Connection fund detail financial statements can be found as Exhibits G-1 through G-6 in this report.

The internal service fund is used to account for the financing of goods or services provided by one department or office to other departments or offices of the LEA, or to other district boards of

education and governmental units, on a cost reimbursement basis. Internal service funds are cost accounting and distribution entities, and are intended to “break even” annually and/or over a period of years. The school district’s internal service fund is used to account for the Early Bird program.

The internal service fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the district’s own programs.

The district uses trust and agency funds to account for resources held for student activities and groups, for payroll transactions, and for the district’s unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key highlights for the 2012-2013 fiscal year include the following:

- Implementation of STAR Assessment Program
- My Math Program Grades K – 5
- Glenco Math Program Grade 6
- New floor tile and carpet at JHES
- New Telephone System at JHES
- New Smart Boards

- New ChromeBooks for all classrooms, Superintendent, Principals and the Child Study Team Supervisor
- ChromeBooks for all Teachers and Principals

District-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position:

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 1,120,069	257,926	1,377,995
Capital assets, net	11,271,934	43,508	11,315,442
Total assets	12,392,003	301,434	\$12,693,437
Long-term liabilities outstanding	9,417,965		9,417,965
Other liabilities	777,415	32,344	809,759
Total liabilities	\$10,195,380	32,344	\$10,227,724
Net assets:			
Investments in capital assets, net of related debt	1,311,934	43,508	1,355,442
Restricted	(79,330)		(79,330)
Unrestricted	964,019	225,582	1,189,601
Total net position	\$2,196,623	\$269,090	\$2,465,713

Restricted assets represent resources that are subject to external restrictions on how they may be used. These funds are legally restricted to provide for the construction, renovations, maintenance and services at the district's two elementary schools.

The District's largest net asset is the restricted portion of the net assets shown above. The restricted net assets may be used to meet the districts ongoing obligation to students, employees, and creditors.

The District's investment in capital assets within the net assets above, less any related debt used to acquire those assets that is still outstanding, shows a balance of \$1,311,934.

The following table provides a summary of revenues and expenses for the district's governmental and business-type activities and the change in net assets from the prior year.

	Governmental Activities	Business-type Activities	Total
Revenues:			
Property taxes	\$8,809,680		\$8,809,680
Debt Service	825,461		825,461
Federal and state aid not restricted	1,649,030		1,649,030
Miscellaneous(includes interest and tuition)	228,933	45	228,978
Food Service		219,628	219,628
Kindergarten Connection		81,326	81,326
MVP Program		220,039	220,039
Total revenue	<u>\$11,513,104</u>	<u>\$521,048</u>	<u>\$12,034,152</u>

	Governmental Activities	Business-type Activities	Total
Expenses:			
Instructional services	\$4,157,691		\$4,157,691
Support services	3,576,012		3,576,012
Unallocated Expenses	2,457,835		2,457,835
Interest on Long-Term Debt	467,920		467,920
Unallocated Amort. Of Bond Issue Costs	20,857		20,857
Unallocated Increase in Comp Absences	53,075		53,075
Unallocated Depreciation	339,393		339,393
Capital Asset Appraisal Adjustment	1,620,882		1,620,882
Food Service		\$207,667	207,667
Kindergarten Connection		48,261	48,261
MVP Program		221,875	221,875
Total expenses	<u>12,693,665</u>	<u>447,803</u>	<u>13,141,468</u>
Change in net position	\$(1,153,981)	43,235	(1,110,746)
Net position – beginning	<u>3,350,604</u>	<u>225,829</u>	<u>3,576,433</u>
Net position – ending	<u>\$2,196,623</u>	<u>\$269,064</u>	<u>\$2,465,687</u>

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful

in assessing the District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2013 and the amount and percentage of increases and (decreases) in relation to prior year revenues. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	Revenue	Percent Of Total	Increase (Decrease) From 2011	Percent of Increase (Decrease)
Local sources:				
District Taxes	\$9,635,151	83.50%	343,505	3.70%
Miscellaneous	\$196,182	1.70%	(50,848)	-20.58%
State & Federal Sources	1,708,280	14.80%	178,927	11.70%
Total	\$11,539,613	100.0%	\$463,587	

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2013 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	Amount	Percent Of Total	Increase (Decrease) From 2012	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$4,016,558	35.10%	\$(39,041)	(.03%)
Undistributed	6,125,080	53.52%	353,682	3.09%
Capital Outlay	173,840	1.52%	72,481	.6%
Special Revenue	157,504	1.38%	2,681	1.01%
Principal	560,000	4.89%	75,000	4.8%
Interest	411,708	3.60%	(29,543)	(3.59%)
Total	\$11,444,690	100.0%	435,260	

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$70,286. This difference is comprised of the June 30, 2012 encumbrances, which roll-over into the subsequent year's budget (2012-2013) and are added to the original budget appropriations plus extraordinary

aid and non public transportation aid.

Throughout the year budget transfers were effectuated between budget accounts to re-align the 2012-13 budget to meet District needs.

Based on the financial results of the 2012-13 fiscal year, unrestricted fund balance decreased by \$15,002 to \$280,438.

Capital Assets

At June 30, 2013 the District has capital assets of \$11.2 million, net of depreciation, which includes land, land improvements, buildings/construction, machinery and equipment and vehicles.

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2013, the District's outstanding debt issues included \$9,960,000 of general obligation bonds and \$97,965 in compensated absences payable.

Additional information on the District's debt administration and other obligations can be found in Note 6 to the basic financial statements.

Economic Factors and Next Year's Budget

The District anticipates that the approved 2012-13 budget will be adequate to satisfy all 2013-2014 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Mansfield Township School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Mansfield Township School District, 200 Mansfield Road East, Columbus, New Jersey.

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BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

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MANSFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS			
					JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012		
Cash & Cash Equivalents	\$	630,776	\$	254,040	\$	884,816	\$	591,237
Receivables, Net		183,204		2,598		185,802		239,641
Interfunds Receivable		31,109		-		31,109		44,495
Inventory		-		1,288		1,288		3,714
Restricted Cash & Cash Equivalent		76,780		-		76,780		192,370
Bond Issuance Costs		198,200		-		198,200		219,057
Capital Assets, Net (Note 5)		11,271,934		43,508		11,315,442		13,038,386
Total Assets		12,392,003		301,434		12,693,437		14,328,900
LIABILITIES								
Accounts Payable		-		2,946		2,946		-
Interfunds Payable		-		29,398		29,398		44,919
Accrued Interest		135,641		-		135,641		142,633
Deferred Revenue		1,774		-		1,774		25
Noncurrent Liabilities (Note 6):								
Due Within One Year		640,000		-		640,000		560,000
Due Beyond One Year		9,417,965		-		9,417,965		10,004,890
Total Liabilities		10,195,380		32,344		10,227,724		10,752,467
NET POSITION								
Invested in Capital Assets, Net of Related Debt		1,311,934		43,508		1,355,442		2,518,386
Restricted For:								
Debt Service		(172,035)		-		(172,035)		(62,036)
Other Purposes		92,705		-		92,705		126,762
Unrestricted		964,019		225,582		1,189,601		993,321
Total Net Position	\$	2,196,623	\$	269,090	\$	2,465,713	\$	3,576,433

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Governmental Activities:							
Instruction:							
Regular	\$ 2,630,389	\$ -	\$ -	\$ (2,630,389)	\$ -	\$ (2,630,389)	\$ (2,624,174)
Special Education	1,266,875	-	141,133	(1,125,742)	-	(1,125,742)	(1,258,927)
Other Special Instruction	260,427	-	-	(260,427)	-	(260,427)	(172,498)
Support Services & Undistributed Costs:							
Tuition	138,866	-	-	(138,866)	-	(138,866)	(96,554)
Student & Instruction Related Services	1,395,704	-	13,776	(1,381,928)	-	(1,381,928)	(1,358,133)
School Administrative Services	261,746	-	-	(261,746)	-	(261,746)	(245,008)
Other Administrative Services	338,965	-	-	(338,965)	-	(338,965)	(273,381)
Central Services	222,656	-	-	(222,656)	-	(222,656)	(228,775)
Plant Operations & Maintenance	657,790	-	-	(657,790)	-	(657,790)	(725,536)
Pupil Transportation	560,285	-	-	(560,285)	-	(560,285)	(624,054)
Unallocated Benefits	2,457,835	-	-	(2,457,835)	-	(2,457,835)	(2,219,958)
Interest on Long-Term Debt	467,920	-	29,175	(438,745)	-	(438,745)	(431,333)
Unallocated Amortization of Bond Issue Costs	20,857	-	-	(20,857)	-	(20,857)	(20,857)
Unallocated Increase In Compensated Absences	53,075	-	-	(53,075)	-	(53,075)	(15,987)
Unallocated Depreciation	339,393	-	-	(339,393)	-	(339,393)	(431,818)
Capital Asset Appraisal Adjustment	1,620,882	-	-	(1,620,882)	-	(1,620,882)	-
Total Governmental Activities	12,693,665	-	184,084	(12,509,581)	-	(12,509,581)	(10,726,993)

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Business-Type Activities:							
Kindergarten Connection	48,261	81,326	-	-	33,065	33,065	36,298
MVP Program	221,875	220,039	-	-	(1,836)	(1,836)	37,636
Food Service	207,667	163,178	56,450	-	11,961	11,961	(3,169)
Total Business-Type Activities	477,803	464,543	56,450	-	43,190	43,190	70,765
Total Primary Government	\$ 13,171,468	\$ 464,543	\$ 240,534	(12,509,581)	43,190	(12,466,391)	(10,656,228)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				8,809,680	-	8,809,680	8,394,731
Taxes Levied for Debt Service				825,461	-	825,461	896,905
Federal & State Aid Not Restricted				1,524,196	-	1,524,196	1,347,072
Miscellaneous Income				196,263	45	196,308	247,117
Total General Revenues, Special Items, Extraordinary Items & Transfers				11,355,600	45	11,355,645	10,885,825
Change In Net Postion				(1,153,981)	43,235	(1,110,746)	229,597
Net Postion - Beginning				3,350,604	225,829	3,576,433	3,346,836
Net Postion - Ending				\$ 2,196,623	\$ 269,064	\$ 2,465,687	\$ 3,576,433

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

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B. Fund Financial Statements

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Governmental Funds

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION BOARD OF EDUCATION
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTALS	
					JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 832,278	\$ -	\$ -	\$ -	\$ 832,278	\$ 610,207
Accounts Receivable:						
State	93,102	-	-	-	93,102	138,963
Federal	-	89,977	-	-	89,977	61,120
Other	-	125	-	-	125	37,692
Interfund Receivable	31,109	-	-	-	31,109	126,020
Total Assets	\$ 956,489	\$ 90,102	\$ -	\$ -	\$ 1,046,591	\$ 974,002
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit	\$ -	\$ 88,328	\$ -	\$ 36,394	\$ 124,722	\$ 62,023
Deferred Revenue	-	1,774	-	-	1,774	25
Interfund Payables	-	-	-	-	-	86,853
Total Liabilities	-	90,102	-	36,394	126,496	148,901
Fund Balances:						
Restricted for:						
Capital Reserve Account	76,780	-	-	-	76,780	110,845
Maintenance Reserve Account	15,925	-	-	-	15,925	15,917
Excess Surplus	472,520	-	-	-	472,520	-
Debt Service Fund	-	-	-	(36,394)	(36,394)	80,597
Committed to:						
Other Purposes	-	-	-	-	-	-
Assigned to:						
Other Purposes	10,826	-	-	-	10,826	36,183
Designated for Subsequent Year's Expenditures	100,000	-	-	-	100,000	286,119
Unassigned Fund Balance	280,438	-	-	-	280,438	295,440
Total Fund Balances	956,489	-	-	(36,394)	920,095	825,101
Total Liabilities & Fund Balances	\$ 956,489	\$ 90,102	\$ -	\$ -		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,013,006 and the accumulated depreciation is \$4,741,072.	11,271,934	13,013,969
Bond Issuance Costs	198,200	219,057
Accrued interest on bonds payable is not due and payable in the current period and therefore are not reported as a liability in the funds.	(135,641)	(142,633)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 6).	(10,057,965)	(10,564,890)
Net position of Governmental Activities	\$ 2,196,623	\$ 3,350,604

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Revenues:						
Local Sources:						
Local Tax Levy	\$ 8,809,680	\$ -	\$ -	\$ 825,461	\$ 9,635,141	\$ 9,291,636
Miscellaneous Revenues	163,512	32,670	81	-	196,263	247,111
Total Local Sources	8,973,192	32,670	81	825,461	9,831,404	9,538,747
State Sources	1,554,271	-	-	29,175	1,583,446	1,347,865
Federal Sources	-	124,834	-	-	124,834	181,488
Total Revenues	10,527,463	157,504	81	854,636	11,539,684	11,068,100
Expenditures:						
Current Expense:						
Regular Instruction	2,630,389	-	-	-	2,630,389	2,624,174
Special Education Instruction	1,125,742	141,133	-	-	1,266,875	1,399,316
Other Special Instruction	260,427	-	-	-	260,427	172,498
Support Services & Undistributed Costs:						
Tuition	138,866	-	-	-	138,866	96,554
Student & Instruction Related Services						
School Administrative Services	1,308,122	13,776	-	-	1,321,898	1,229,458
Other Administrative Services	261,746	-	-	-	261,746	245,008
Central Services	338,965	-	-	-	338,965	273,381
Plant Operations & Maintenance	222,656	-	-	-	222,656	228,775
Pupil Transportation	762,799	-	-	-	762,799	725,536
Unallocated Benefits	560,285	-	-	-	560,285	624,054
Transfer to Charter Schools	2,457,835	-	-	-	2,457,835	2,219,958
Debt Service:	73,806	-	-	-	73,806	143,108
Interest & Other Charges	-	-	-	411,708	411,708	441,251
Principal	-	-	-	560,000	560,000	485,000
Capital Outlay	173,840	2,595	-	-	176,435	101,359
Total Expenditures	10,315,478	157,504	-	971,708	11,444,690	11,009,430
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	211,985	-	81	(117,072)	94,994	58,670
Other Financing Sources/(Uses):						
Operating Transfers In	-	-	-	81	81	81,525
Operating Transfers Out	-	-	(81)	-	(81)	(81,525)
Total Other Financing Sources/ (Uses)	-	-	(81)	81	-	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	211,985	-	-	(116,991)	94,994	58,670
Fund Balance - July 1	744,504	-	-	80,597	825,101	766,431
Fund Balance - June 30	\$ 956,489	\$ -	\$ -	\$ (36,394)	\$ 920,095	\$ 825,101

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	94,994
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:		
Depreciation Expense	(339,393)	
Capital Outlays	249,240	
Disposal of Capital Outlays	(31,000)	
Capital Asset Appraisal Adjustment	(1,620,882)	(1,742,035)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		560,000
Amortization of debt issuance costs are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.		
Prior Year	(219,057)	
Current Year	198,200	(20,857)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
Prior Year	142,633	
Current Year	(135,641)	6,992
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Prior Year	44,890	
Current Year	(97,965)	(53,075)
Change in Net Position of Governmental Activities		\$ (1,153,981)

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

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Proprietary Funds

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

ASSETS	BUSINESS- TYPE ACTIVITIES ENTERPRISE FUNDS	TOTALS	
		JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Current Assets:			
Cash & Cash Equivalents	\$ 254,040	\$ 254,040	\$ 235,423
Accounts Receivable:			
State	146	146	122
Federal	2,452	2,452	1,744
Other	-	-	-
Due from General Fund	-	-	-
Inventories:			
Food	1,186	1,186	2,085
Commodities	102	102	1,629
Total Current Assets	257,926	257,926	241,003
Noncurrent Assets:			
Furniture, Machinery & Equipment	204,782	204,782	190,100
Less: Accumulated Depreciation	(161,274)	(161,274)	(165,683)
Total Fixed Assets	43,508	43,508	24,417
Total Assets	301,434	301,434	265,420
LIABILITIES			
Cash Overdraft	-	-	-
Accounts Payable	2,946	2,946	-
Interfund Payable	29,398	29,398	39,591
Total Liabilities	32,344	32,344	39,591
NET POSITION			
Investment in Capital Assets	43,508	43,508	24,417
Unrestricted	225,582	225,582	201,412
Total Net Position	\$ 269,090	\$ 269,090	\$ 225,829

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

	BUSINESS- TYPE ACTIVITIES ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
		JUNE 30, 2013	JUNE 30, 2012
Operating Revenues:			
Charges for Sources:			
Daily Sales - Reimbursable Programs	\$ 133,509	\$ 133,509	\$ 130,187
Daily Sales - Nonreimbursable Programs	29,669	29,669	31,640
Miscellaneous	301,365	301,365	325,752
Total Operating Revenue	<u>464,543</u>	<u>464,543</u>	<u>487,579</u>
Operating Expenses:			
Salaries	305,505	305,505	291,570
Supplies and Materials	57,178	57,178	56,505
Cost of Sales	103,132	103,132	105,986
Miscellaneous	3,124	3,124	3,245
Depreciation	8,864	8,864	12,113
Total Operating Expenses	<u>477,803</u>	<u>477,803</u>	<u>469,419</u>
Operating Income/(Loss)	<u>(13,260)</u>	<u>(13,260)</u>	<u>18,160</u>
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	2,269	2,269	2,521
Federal Sources:			
National School Lunch Program	36,566	36,566	37,435
Food Distribution Program	13,268	13,268	12,648
Fixed Asset Appraisal Adjustment	4,373	4,373	-
Interest & Investment Revenue	45	45	6
Total Nonoperating Revenues/(Expenses)	<u>56,521</u>	<u>56,521</u>	<u>52,610</u>
Net Income/(Loss)	43,261	43,261	70,770
Total Net Postion - Beginning	<u>225,829</u>	<u>225,829</u>	<u>155,059</u>
Total Net Postion - Ending	<u>\$ 269,090</u>	<u>\$ 269,090</u>	<u>\$ 225,829</u>

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

	BUSINESS- TYPE		TOTALS	
	ACTIVITIES ENTERPRISE FUNDS	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012	
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 464,543	\$ 464,543	\$ 490,511	
Payments to Employees	(305,505)	(305,505)	(291,570)	
Payments for Employee Benefits	(141,670)	(141,670)	(153,183)	
Payments to Suppliers	(3,124)	(3,124)	(7)	
Net Cash Provided/(Used) by Operating Activities	14,244	14,244	45,751	
Cash Flows From Noncapital Financing Activities:				
State Sources	2,245	2,245	2,558	
Federal Sources	35,858	35,858	37,446	
Board Loan	(10,193)	(10,193)	29,559	
Net Cash Provided/(Used) by Noncapital Financing Activities	27,910	27,910	69,563	
Cash Flows From Investing Activities:				
Interest & Dividends	45	45	6	
Purchase of Fixed Assets	(23,582)	(23,582)	-	
Net Cash Provided/(Used) by Investing Activities	(23,537)	(23,537)	6	
Net Increase/(Decrease) in Cash & Cash Equivalents	18,617	18,617	115,320	
Balances - Beginning of Year	235,423	235,423	120,103	
Balances - End of Year	\$ 254,040	\$ 254,040	\$ 235,423	

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:A

Operating Income/(Loss)	\$ (13,260)	\$ (13,260)	\$ 18,160	
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Depreciation & Net Amortization	8,864	8,864	12,113	
Food Distribution Program	13,268	13,268	12,648	
Increase/(Decrease) in Accounts Receivable	-	-	1,768	
Increase/(Decrease) in Inventory	2,426	2,426	(102)	
(Increase)/Decrease in Accounts Payable	2,946	2,946	1,164	
Total Adjustments	27,504	27,504	27,591	
Net Cash Provided/(Used) by Operating Activities	\$ 14,244	\$ 14,244	\$ 45,751	

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

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Fiduciary Fund

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	AGENCY FUNDS		PRIVATE PURPOSE	TOTALS	
	STUDENT ACTIVITY	PAYROLL	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2013	JUNE 30, 2012
					(MEMORANDUM ONLY)
ASSETS					
Cash & Cash Equivalents	\$ 13,577	\$ 59,888	\$ 13,233	\$ 86,698	\$ 28,325
Interfund Receivable	-	-	5,328	5,328	5,328
Total Assets	13,577	59,888	18,561	92,026	33,653
LIABILITIES					
Payable to Student Groups	13,577	-	-	13,577	17,584
Interfund Payable:					
General Fund	-	7,039	-	7,039	4,904
Payroll Deductions & Withholdings	-	52,849	-	52,849	11,165
Total Liabilities	13,577	59,888	-	73,465	33,653
NET POSITION					
Held in Trust for Unemployment & Other Purposes	-	-	18,561	18,561	-
Total Net Position	\$ -	\$ -	\$ 18,561	\$ 18,561	\$ -

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	UNEMPLOYMENT COMPENSATION TRUST	TOTALS	
		JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
ADDITIONS			
Contributions:			
Contributions & Donations from Payroll	\$ 21,465	\$ 21,465	\$ 11,884
Transfer from General Fund	-	-	35,243
Total Contributions	21,465	21,465	47,127
Investment Earnings:			
Interest	10	10	3
Total Additions	21,475	21,475	47,130
DEDUCTIONS			
Unemployment Claims	2,914	2,914	47,130
Total Deductions	2,914	2,914	47,130
Change in Net Position	18,561	18,561	-
Net Position - Beginning of the Year	-	-	-
Net Position - End of the Year	\$ 18,561	\$ 18,561	\$ -

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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MANSFIELD TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Mansfield Township Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards beginning with the fiscal year-ending June 30, 2004. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2013.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013 and for the year then ended with comparative totals as of and for the year ended June 30, 2012 (Memorandum Only).

A. Reporting Entity

The Mansfield Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operations of the District include two elementary schools located in Mansfield Township. The Mansfield Township Board of Education had an approximate enrollment at June 30, 2013 of 714 students.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

A. Reporting Entity (continued)

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:

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

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

B. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 – The 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 year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting

The accounts of the Mansfield Township Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the Mansfield Township Board of Education 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.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

Governmental Funds (continued):

As required by the New Jersey Department of Education Mansfield Township Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (GAAP) 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

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

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 - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

Proprietary Fund (continued):

or services are financed 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, MVP Program and Kindergarten Connection Program.

Fiduciary Funds

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds and Student Activity Funds as Agency Funds

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

E. Basis of Accounting (continued)

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Mansfield Township Board of Education 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 Mansfield Township Board of Education's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

F. 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. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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 *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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 BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

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

The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any.

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

**Notes to Required Supplementary Information
Budgetary Comparison Schedule**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$10,531,431	\$157,504
Difference – Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	42,522	-
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(46,490)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	_____	_____
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$10,527,463</u>	<u>\$157,504</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$10,315,478	\$ 157,504
Difference – 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	-	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$10,315,478</u>	<u>\$ 157,504</u>

G. Encumbrances

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

Open encumbrances in the special revenue fund for which the Mansfield Township Board of Education has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

H. Cash and Cash Equivalents

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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

H. Cash and Cash Equivalents (continued)

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

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

I. Tuition Receivable/Payable

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.

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2013, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2010-2011 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method. The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditures during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

K. Short-Term Interfund Receivables/Payables

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

L. Fixed Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery and Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2013 for such salaries.

N. Compensated Absences

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

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

O. Deferred Revenue

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

P. Long-term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

Q. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

R. Insurance

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

S. Nature and Purpose of Reservation and Designations of Fund Balances

The reserve for encumbrances is discussed in Note 1(E).

The designation for subsequent years' property tax relief requires a computation of excess fund balance under N.J. Comprehensive Educational Improvement and Financing Act of 1996.

Under the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA) and in accordance with *N.J.S.A.18A:7F-7*, New Jersey School Districts are required to reserve General Fund balance if they did not appropriate a required minimum amount as budget fund balance in their June 30, 2013 budget.

T. Fund Equity

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

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

T. Fund Equity (continued)

- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds

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

U. Subsequent Events

The Mansfield Township Board of Education has evaluated subsequent events occurring after June 30, 2013 through the date of November 27, 2013, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2013 and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$1,048,295</u>
Total Cash and Cash Equivalents	<u>\$1,048,295</u>
Reconciliation of Cash and Cash Equivalents:	
Governmental Activities	\$ 707,556
Business-Type Activities	254,040
Fiduciary Funds	<u>86,699</u>
Total Cash and Cash Equivalents	<u>\$1,048,295</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013

Note 2. Cash and Cash Equivalents and Investments (continued):

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$1,184,860 at June 30, 2013 and was insured or collateralized as follows:

Insured	\$ 250,000
Collateralized in the District's Name Under GUDPA (see Note 3)	<u>934,860</u>
Total	<u>\$1,184,860</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2013 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

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

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

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

Note 4. Reserve Accounts

A. Capital Reserve Account

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$110,845
Withdrawal per Resolution Passed (August 28, 2012)	(34,103)
Interest Earnings	<u>38</u>
Ending Balance, June 30, 2013	<u>\$ 76,780</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 4. Reserve Accounts (continued)

A. Capital Reserve Account (continued)

The June 30, 2013, LRFPA balance of local support costs of uncompleted capital projects at June 30, 2013 is \$2,214,000.

B. Maintenance Reserve Account

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

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

The activity of the maintenance reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$15,917
Interest Earnings	<u>8</u>
Ending Balance, June 30, 2013	<u>\$15,925</u>

Note 5. Fixed Assets

During the year ended June 30, 2013, the District received a fixed assets appraisal, resulting in adjustments to the fixed asset balances in the current year. The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2013:

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 5. Fixed Assets (continued)

	June 30, 2012	Additions	Deletions	Appraisal Adjustment	June 30, 2013
Land	\$ 561,110	\$ -	\$ -	\$ -	\$ 561,110
Buildings & Building Improvements	16,109,019	-	(4,300)	(1,261,995)	14,842,724
Land Improvements	355,441	4,300	-	-	359,741
Machinery & Equipment	1,028,396	244,940	(26,700)	(1,006,828)	239,807
Infrastructure	9,624	-	-	-	9,624
Subtotal	<u>18,063,590</u>	<u>249,240</u>	<u>(31,000)</u>	<u>(2,268,823)</u>	<u>16,013,006</u>
Less: Accumulated Depreciation	<u>(5,049,621)</u>	<u>(339,394)</u>	<u>-</u>	<u>647,942</u>	<u>(4,741,072)</u>
Total	<u>\$13,013,969</u>	<u>\$(90,154)</u>	<u>\$(31,000)</u>	<u>\$(1,620,881)</u>	<u>\$11,271,934</u>

The following schedule is a summarization of the proprietary fund fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2013:

Food Service:

	June 30, 2012	Additions	Deletions	Appraisal Adjustment	June 30, 2013
Machinery & Equipment \$	190,100	\$ 3,400	\$ (12,300)	\$ -	\$ 181,200
Less: Accumulated Depreciation	<u>(165,683)</u>	<u>(8,666)</u>	<u>-</u>	<u>13,272</u>	<u>(161,077)</u>
Total	<u>\$ 24,417</u>	<u>\$(5,266)</u>	<u>\$(12,300)</u>	<u>\$ 13,272</u>	<u>\$ 20,123</u>

MVP Program:

	June 30, 2012	Additions	Deletions	Appraisal Adjustment	June 30, 2013
Machinery & Equipment \$	-	\$ 23,582	\$ -	\$ -	\$ 23,582
Less: Accumulated Depreciation	<u>-</u>	<u>(197)</u>	<u>-</u>	<u>-</u>	<u>(197)</u>
Total	<u>\$ -</u>	<u>\$ 23,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,385</u>

Note 6. Long-Term Obligations

During the fiscal year-ended June 30, 2013 the following changes occurred in liabilities reported in the general long-term debt account group:

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 6. Long-Term Obligations (continued)

	Balance 6/30/12	Issued	Retired	Balance 6/30/13	Due in One Year
Compensated Absences Payable	\$ 44,890	\$53,075	\$ -	\$ 97,965	\$ -
Bonds Payable	<u>10,520,000</u>	-	<u>\$(560,000)</u>	<u>9,960,000</u>	<u>\$ 640,000</u>
Total	<u>\$10,564,890</u>	<u>\$53,075</u>	<u>\$(560,000)</u>	<u>\$10,057,965</u>	<u>\$ 640,000</u>

A. Bonds Payable:

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

On December 6, 2006, the School District advance refunded a portion of the 2001 school bonds. The District Issued \$9,985,000 of refunding school bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt of the District. This advance refunding was undertaken to reduce the debt service payments over the next 16 years by \$396,481 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$328,164.

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

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

Year-Ending June 30,	Principal	Interest	Total
2014	\$ 640,000	\$ 389,657	\$ 1,029,657
2015	705,000	364,857	1,069,857
2016	750,000	339,238	1,089,238
2017	855,000	304,975	1,159,975
2018	955,000	258,936	1,213,936
2019-2023	<u>6,055,000</u>	<u>650,484</u>	<u>6,705,484</u>
Total	<u>\$ 9,960,000</u>	<u>\$2,308,147</u>	<u>\$12,268,147</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 6. Long-Term Obligations (continued)

B. Bonds Authorized but not Issued

As of June 30, 2013 the Board had no authorized but not issued bonds.

C. Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 7. Accounts Receivable

Accounts receivable at June 30, 2013 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Intergovernmental	\$ 93,102	\$ 89,977	\$ 183,079
Other	-	125	125
Total	<u>\$ 93,102</u>	<u>\$ 90,102</u>	<u>\$ 183,204</u>

Note 8. Pension Plans

Plan Descriptions - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 8. Pension Plans (continued)

statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:6C* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development 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. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 8. Pension Plans (continued)

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$115,858	100%	\$ -0-
6/30/12	101,566	100%	-0-
6/30/11	120,414	100%	-0-

Three-Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$272,049	100%	\$ -0-
6/30/12	137,940	100%	-0-
6/30/11	302,152	100%	-0-

During the year ended June 30, 2013 the State of New Jersey contributed \$272,049 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$308,534 for the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-employment benefits on behalf of the District for the years ended June 30, 2013, 2012, and 2011 were \$307,619, \$277,294, and \$288,566, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on-behalf of the District was not determined or made available by the State of New Jersey.

Note 10. 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 10. Risk Management (continued):

June 30,	Contributions	Interest	Reimbursed	Balance
2013	\$21,465	\$10	\$2,913	\$18,562
2012	47,127	3	47,130	-
2011	24,401	448	85,632	-

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 13. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 14. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2013:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 36,437	\$ 5,328
Enterprise Fund		29,398
Private Purpose Fund	5,328	
Agency Fund	<u> </u>	<u>7,039</u>
Total	<u>\$ 41,765</u>	<u>\$ 41,765</u>

The purpose of these interfunds are short-term borrowings.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 15. Fund Balance Disclosures

General Fund – Of the \$956,489 General Fund fund balance at June 30, 2013, \$76,780 has been restricted for the capital reserve account; \$15,925 has been restricted for the maintenance reserve account; \$472,520 has been restricted for the excess surplus; \$100,000 has been assigned to be designated for subsequent year expenditures; \$10,826 has been assigned for other purposes and \$280,438 is unassigned.

Debt Service Fund – The Debt Service Fund had a fund balance of \$(36,394) at June 30, 2013.

Note 16. 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:

The Legends Group	Advanced Asset Planning	Lincoln Investment
Thomas Seeley	Equinvest	

Note 17. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. Payment for accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 10 years of service with the School District. Accumulated sick days are paid at a reimbursement rate of \$60.00 per day up to a total of \$7,300.00 maximum per employee for teachers. Accumulated sick days are paid at a reimbursement rate of \$45.00 per day up to a total of \$5,300.00 maximum per employee for all other employees.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2013 is \$97,965.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013 no liability existed for compensated absences in the proprietary fund types.

MANSFIELD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 18. Joint Insurance Fund

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

The fund provides the School District with the following coverage:

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

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

Note 19. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by *P.L. 2004, c.73 (S1701)*, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). 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, 2013 is \$472,520.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE)	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$ 8,809,680	\$ -	\$ 8,809,680	\$ 8,809,680	\$ -	\$ 8,394,731	\$ -	\$ 8,394,731	\$ 8,394,731	\$ -
Tuition from Other LEA's Within the State	10-1320	36,237	-	36,237	55,088	18,851	39,000	-	39,000	118,446	79,446
Tuition from Individuals	10-1320	-	-	-	28,200	28,200	-	-	-	-	-
Interest on Maintenance Reserve	10-1XXX	-	-	-	8	8	100	-	100	55	(45)
Interest on Capital Reserve	10-1XXX	-	-	-	38	38	500	-	500	233	(267)
Unrestricted Miscellaneous Revenues	10-1000	114,494	-	114,494	80,178	(34,316)	177,540	-	177,540	128,335	(49,205)
Total Local Sources		8,960,411	-	8,960,411	8,973,192	12,781	8,611,871	-	8,611,871	8,641,800	29,929
State Sources:											
Categorical Transportation Aid	10-3121	111,696	-	111,696	111,696	-	-	-	-	45,870	45,870
Categorical Special Education Aid	10-3132	383,383	-	383,383	383,383	-	353,655	-	353,655	353,655	-
Extraordinary Aid	10-3190	-	-	-	66,140	66,140	-	-	-	112,460	112,460
Equalization Aid	10-3176	48,257	-	48,257	48,257	-	58,968	-	58,968	58,968	-
Categorical Security Aid	10-3177	49,773	-	49,773	49,773	-	3,598	-	3,598	48,847	45,249
Non-Public Transportation Aid	10-3190	-	-	-	10,788	10,788	-	-	-	11,310	11,310
Nonbudgeted:											
On-Behalf TPAF Pension Contributions		-	-	-	272,049	272,049	-	-	-	137,940	137,940
On-Behalf TPAF Post-Retirement Medical		-	-	-	307,619	307,619	-	-	-	277,294	277,294
Reimbursed TPAF Social Security Contributions		-	-	-	308,534	308,534	-	-	-	307,138	307,138
Total State Sources		593,109	-	593,109	1,558,239	965,130	416,221	-	416,221	1,353,482	937,261
Federal Sources:											
Education Jobs Fund	18-4522	-	-	-	-	-	25,855	810	26,665	26,665	-
Total Federal Sources		-	-	-	-	-	25,855	810	26,665	26,665	-
Total Revenues		9,553,520	-	9,553,520	10,531,431	977,911	9,053,947	810	9,054,757	10,021,947	967,190

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool/Kindergarten	11-110-100-101	136,480	(36,585)	99,895	99,895	-	125,663	5,933	131,596	131,218	378
Grades 1 - 5	11-120-100-101	1,937,289	164,179	2,101,468	2,029,452	72,016	1,755,283	23,674	1,778,957	1,769,835	9,122
Grades 6 - 8	11-130-100-101	300,625	(33,677)	266,948	266,948	-	338,999	23,378	362,377	362,377	-
Regular Programs - Home Instruction:											
Salaries of Teachers	11-150-100-101	-	1,500	1,500	840	660	-	-	-	-	-
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	-	235	235	232	3	-	-	-	-	-
Purchased Professional/Educational Services											
Services	11-190-100-320	12,000	(3,561)	8,439	8,439	-	10,000	(1,648)	8,352	5,007	3,345
Other Purchased Services	11-190-100-500	30,892	167	31,059	30,415	644	25,892	200	26,092	21,864	4,228
General Supplies	11-190-100-610	282,850	(167,847)	115,003	113,728	1,275	177,617	71,287	248,904	245,180	3,724
Textbooks	11-190-100-640	18,400	62,000	80,400	80,390	10	52,000	39,644	91,644	88,655	2,989
Other Objects	11-190-100-890	500	-	500	50	450	500	-	500	38	462
Total Regular Programs		2,719,036	(13,589)	2,705,447	2,630,389	75,058	2,485,954	162,468	2,648,422	2,624,174	24,248
Special Education:											
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	58,756	91,410	150,166	147,166	3,000	-	13,882	13,882	13,881	1
Other Salaries for Instruction	11-212-100-106	85,786	(85,786)	-	-	-	-	-	-	-	-
General Supplies	11-212-100-610	3,000	1,013	4,013	4,013	-	-	-	-	-	-
Total Multiple Disabilities		147,542	6,637	154,179	151,179	3,000	-	13,882	13,882	13,881	1
Resource Room/Center:											
Salaries of Teachers	11-213-100-101	777,496	(34,238)	743,258	640,418	102,840	820,678	(62,000)	758,678	758,220	458
Other Salaries for Instruction	11-213-100-106	111,262	115,014	226,276	226,276	-	260,496	91,565	352,061	330,808	21,253
General Supplies	11-213-100-610	9,900	(8)	9,892	8,769	1,123	3,500	4,450	7,950	7,872	78
Total Resource Room/Center		898,658	80,768	979,426	875,463	103,963	1,084,674	34,015	1,118,689	1,096,900	21,789
Autism:											
Salaries of Teachers	11-214-100-101	-	-	-	-	-	108,567	(58,000)	50,567	48,500	2,067
Other Salaries for Instruction	11-214-100-106	-	-	-	-	-	15,896	(11,000)	4,896	-	4,896
General Supplies	11-214-100-610	-	-	-	-	-	3,000	(450)	2,550	1,702	848
Total Autism		-	-	-	-	-	127,463	(69,450)	58,013	50,202	7,811

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Preschool Disabilities - Full Time:											
Salaries of Teachers	11-216-100-101	56,733	(2,800)	53,933	53,933	-	72,640	(20,000)	52,640	52,527	113
Other Salaries for Instruction	11-216-100-106	43,153	(1,074)	42,079	42,079	-	40,158	600	40,758	40,263	495
General Supplies	11-216-100-610	5,000	(1,912)	3,088	3,088	-	5,000	154	5,154	5,154	-
Total Preschool Disabilities - Full Time		104,886	(5,786)	99,100	99,100	-	117,798	(19,246)	98,552	97,944	608
Total Special Education		1,151,086	81,619	1,232,705	1,125,742	106,963	1,329,935	(40,799)	1,289,136	1,258,927	30,209
Basic Skills/Remedial:											
Salaries of Teachers	11-230-100-101	230,772	29,086	259,858	259,858	-	166,717	5,003	171,720	171,359	361
General Supplies	11-230-100-610	2,978	(1,489)	1,489	569	920	2,978	(646)	2,332	1,139	1,193
Total Basic Skills/Remedial		233,750	27,597	261,347	260,427	920	169,695	4,357	174,052	172,498	1,554
Total - Instruction		4,103,872	95,627	4,199,499	4,016,558	182,941	3,985,584	126,026	4,111,610	4,055,599	56,011
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEA's Within State - Regular	11-000-100-561	-	12,952	12,952	11,441	1,511	-	-	-	-	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	129,265	(5,723)	123,542	122,966	576	95,901	6,183	102,084	68,859	33,225
Tuition to Private School for the Disabled Within State	11-000-100-566	54,873	-	54,873	4,459	50,414	88,840	(22,861)	65,979	27,695	38,284
Tuition Other	11-000-100-569	-	-	-	-	-	3,300	(1,163)	2,137	-	2,137
Total Instruction		184,138	7,229	191,367	138,866	52,501	188,041	(17,841)	170,200	96,554	73,646
Health Services:											
Salaries	11-000-213-100	142,315	-	142,315	138,985	3,330	126,501	10,500	137,001	136,538	463
Purchased Professional & Technical Services	11-000-213-300	2,800	(2,586)	214	214	-	2,800	-	2,800	1,900	900
Other Purchased Services	11-000-213-500	800	-	800	170	630	800	(200)	600	170	430
Supplies and Materials	11-000-213-600	5,700	400	6,100	4,816	1,284	5,700	(1,342)	4,358	4,292	66
Total Health Services		151,615	(2,186)	149,429	144,185	5,244	135,801	8,958	144,759	142,900	1,859

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	320,860	(35,072)	285,788	263,993	21,795	302,096	(47,454)	254,642	254,117	525
Supplies & Materials	11-000-216-600	3,000	(2,506)	494	494	-	4,000	(1,664)	2,336	1,798	538
Total Related Services		323,860	(37,578)	286,282	264,487	21,795	306,096	(49,118)	256,978	255,915	1,063
Other Support Services - Students - Extra Services:											
Salaries	11-000-217-100	227,223	-	227,223	139,585	87,638	-	-	-	-	-
Supplies & Materials	11-000-217-600	-	-	-	-	-	-	125	125	124	1
Total Other Support Services - Students - Extra Services		227,223	-	227,223	139,585	87,638	-	125	125	124	1
Other Support Services - Students - Regular:											
Other Salaries	11-000-218-110	33,105	-	33,105	31,391	1,714	29,697	1,400	31,097	31,019	78
Purchased Professional & Educational Services	11-000-218-320	-	-	-	-	-	82,000	2,078	84,078	84,078	-
Other Purchased Professional & Technical Services	11-000-218-390	94,940	(4,001)	90,939	90,939	-	-	-	-	-	-
Total Other Support Services - Students - Regular Services		128,045	(4,001)	124,044	122,330	1,714	111,697	3,478	115,175	115,097	78
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	111,585	2,300	113,885	113,885	-	100,381	15,840	116,221	116,221	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	52,250	13,448	65,698	65,685	13	58,737	(133)	58,604	58,604	-
Purchased Professional & Educational Services	11-000-219-320	332,850	37,872	370,722	366,645	4,077	273,910	157,559	431,469	430,162	1,307
Miscellaneous Purchased Services (400-500 Series)	11-000-219-592	3,200	769	3,969	3,969	-	3,546	(1,711)	1,835	1,301	534
Supplies & Materials	11-000-219-600	18,886	1,681	20,567	20,498	69	20,000	(3,329)	16,671	16,671	-
Other Objects	11-000-219-800	500	200	700	700	-	500	(475)	25	25	-
Total Other Support Services - Students - Special Services		519,271	56,270	575,541	571,382	4,159	457,074	167,751	624,825	622,984	1,841

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Improvement of Instruction Services:										
Salaries	11-000-221-100	-	3,045	3,045	3,045	-	-	-	-	-
Purchased Professional & Educational Services	11-000-221-320	20,000	(20,000)	-	-	-	-	-	-	-
Total Improvement of Instruction Services		20,000	(16,955)	3,045	3,045	-	-	-	-	-
Educational Media Services/School Library:										
Salaries	11-000-222-100	43,389	1,160	44,549	44,528	21	44,706	(396)	44,310	43,459
Supplies and Materials	11-000-222-600	27,000	(8,508)	18,492	17,473	1,019	27,000	-	27,000	26,541
Total Educational Media Services/School Library		70,389	(7,348)	63,041	62,001	1,040	71,706	(396)	71,310	70,000
Instructional Staff Training:										
Purchased Professional & Educational Services	11-000-223-320	7,000	(5,743)	1,257	1,107	150	6,000	2,090	8,090	8,004
Total Instructional Staff Training		7,000	(5,743)	1,257	1,107	150	6,000	2,090	8,090	8,004
Support Services General Administration:										
Salaries	11-000-230-100	169,464	-	169,464	169,437	27	154,885	7,968	162,853	158,964
Legal Services	11-000-230-331	31,000	12,274	43,274	43,274	-	46,000	(16,416)	29,584	24,186
Audit Services	11-000-230-332	25,000	(7,964)	17,036	15,900	1,136	25,000	(6,000)	19,000	17,880
Other Purchased Professional Services	11-000-230-339	15,000	5,525	20,525	20,525	-	-	-	-	-
Communications/Telephone	11-000-230-530	42,904	(1,725)	41,179	31,690	9,489	47,404	(3,940)	43,464	38,732
BOE Other Purchased Services	11-000-230-585	3,000	(3,000)	-	-	-	-	-	-	-
Other Purchased Services	11-000-230-590	25,475	17,674	43,149	43,143	6	26,855	499	27,354	24,326
General Supplies	11-000-230-610	2,000	162	2,162	2,143	19	1,800	(471)	1,329	693
BOE Membership Dues & Fees	11-000-230-895	1,150	4,872	6,022	5,532	490	8,000	(5,950)	2,050	1,304
Miscellaneous Expenditures	11-000-230-890	8,000	(510)	7,490	7,321	169	1,150	7,550	8,700	7,296
Total Support Services General Administration		322,993	27,308	350,301	338,965	11,336	311,094	(16,760)	294,334	273,381
Support Services School Administration:										
Salaries of Principals & Assistant Principals	11-000-240-103	182,654	4,906	187,560	187,560	-	178,372	-	178,372	178,372
Salaries of Secretarial & Clerical Assistants	11-000-240-105	54,367	10,779	65,146	65,146	-	69,877	(8,436)	61,441	59,995
Other Purchased Services (400-500 Series)	11-000-240-500	7,900	-	7,900	2,387	5,513	7,900	(2,694)	5,206	2,009
Supplies and Materials	11-000-240-600	7,500	-	7,500	6,324	976	7,500	(2,500)	5,000	3,191
Other Objects	11-000-240-800	2,000	-	2,000	129	1,871	2,000	-	2,000	1,441
Total Support Services School Administration		254,421	15,685	270,106	261,746	8,360	265,649	(13,630)	252,019	245,008

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Central Services:											
Salaries	11-000-251-100	180,029	8,816	188,845	188,845	-	185,617	400	186,017	183,633	2,384
Purchased Technical Services	11-000-251-340	30,000	(4,351)	25,649	22,049	3,600	30,800	(1,230)	29,570	28,066	1,504
Miscellaneous Purchased Services	11-000-251-592	9,045	(4,771)	4,274	4,083	191	9,045	867	9,912	9,912	-
Supplies and Materials	11-000-251-600	4,000	(604)	3,396	3,081	315	4,000	411	4,411	4,406	5
Miscellaneous Expenditures	11-000-251-890	2,000	2,598	4,598	4,598	-	2,000	758	2,758	2,758	-
Total Central Services		225,074	1,688	226,762	222,656	4,106	231,462	1,206	232,668	228,775	3,893
Allowable Maintenance for School Facilities:											
Salaries	11-000-261-100	83,430	500	83,930	83,930	-	81,475	-	81,475	81,475	-
Cleaning, Repair & Maintenance Services	11-000-261-420	25,650	10,431	36,081	34,682	1,399	24,950	10,736	35,686	20,625	15,061
General Supplies	11-000-261-610	30,860	-	30,860	29,633	1,227	26,550	(22)	26,528	25,747	781
Total Allowable Maintenance for School Facilities		139,940	10,931	150,871	148,245	2,626	132,975	10,714	143,689	127,847	15,842
Operation & Maintenance of Plant Services:											
Salaries	11-000-262-100	330,890	(31,551)	299,339	299,259	80	322,779	8,256	331,035	330,217	818
Salaries for Non-Instructional Aids	11-000-262-107	-	68,433	68,433	68,433	-	-	-	-	-	-
Purchased Professional/Technical Services	11-000-262-300	5,400	-	5,400	3,822	1,578	6,000	(2,688)	3,312	3,222	90
Cleaning, Repair & Maintenance Services	11-000-262-420	10,800	(3,291)	7,509	6,677	832	10,000	(519)	9,481	9,326	155
Rental of Land & Building	11-000-262-441	1,500	(1,500)	-	-	-	-	-	-	-	-
Other Purchased Property Services	11-000-262-490	44,800	1,566	46,366	41,472	4,894	42,600	(1,987)	40,613	40,365	248
Insurance	11-000-262-520	19,100	2,093	21,193	21,193	-	17,526	155	17,681	17,681	-
Travel	11-000-262-580	-	800	800	-	800	-	-	-	-	-
Miscellaneous Purchased Services	11-000-262-590	2,800	(1,800)	1,000	375	625	3,200	-	3,200	375	2,825
General Supplies	11-000-262-610	29,320	1,500	30,820	30,250	570	30,265	7,072	37,337	34,398	2,939
Energy (Natural Gas)	11-000-262-621	-	24,875	24,875	16,440	8,435	25,800	(7,150)	18,650	13,075	5,575
Energy (Electricity)	11-000-262-622	189,450	(59,442)	130,008	126,610	3,398	170,800	(16,882)	153,918	149,007	4,911
Other Objects	11-000-262-800	-	25	25	23	2	-	23	23	23	-
Total Operation & Maintenance of Plant Services		634,060	1,708	635,768	614,554	21,214	628,970	(13,720)	615,250	597,689	17,561

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE)	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Student Transportation Services:											
Sal Pupil Trans (Between Home & School) - Regular	11-000-270-160	14,160	510	14,670	14,082	588	13,986	(100)	13,886	13,752	134
Other Purchased Professional and Technical Services	11-000-270-390	-	-	-	-	-	3,200	(3,200)	-	-	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	5,000	(2,828)	2,172	257	1,915	5,000	(745)	4,255	4,255	-
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	368,814	-	368,814	352,807	16,007	373,203	(25,095)	348,108	348,108	-
Contracted Services (Special Education Students) - Vendors	11-000-270-514	-	1,882	1,882	1,882	-	-	3,822	3,822	3,811	11
Contracted Services (Special Education Students) - Joint Agreement	11-000-270-515	134,183	(1,882)	132,301	125,479	6,822	157,000	27,131	184,131	181,183	2,948
Contracted Services - (Aid in Lieu of Payments - Non-Public)	11-000-270-503	75,700	(16,694)	59,006	58,501	505	62,290	7,546	69,836	69,836	-
Contracted Services - (Aid in Lieu of Payments - Charter)	11-000-270-504	-	-	-	-	-	13,410	(13,410)	-	-	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	3,200	4,077	7,277	7,277	-	-	3,200	3,200	3,109	91
Total Student Transportation Services		601,057	(14,935)	586,122	560,285	25,837	628,089	(851)	627,238	624,054	3,184
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	124,000	6,392	130,392	129,296	1,096	115,000	19,500	134,500	128,966	5,534
Other Retirement Contributions - Regular	11-000-291-241	138,000	-	138,000	115,858	22,142	140,700	(38,700)	102,000	101,566	434
Unemployment Compensation	11-000-291-250	65,000	(33,079)	31,921	12,699	19,222	15,000	31,165	46,165	34,373	11,792
Workmen's Compensation	11-000-291-260	35,000	-	35,000	31,621	3,379	31,935	112	32,047	31,989	58
Health Benefits	11-000-291-270	1,389,036	(104,053)	1,284,983	1,280,159	4,824	1,234,445	7,483	1,241,928	1,199,042	42,886
Tuition Reimbursements	11-000-291-280	12,000	-	12,000	-	12,000	12,000	(10,000)	2,000	1,650	350
Other Employee Benefits	11-000-291-290	-	-	-	-	-	10,000	(10,000)	-	-	-
Total Unallocated Benefits - Employee Benefits		1,763,036	(130,740)	1,632,296	1,569,633	62,663	1,559,080	(440)	1,558,640	1,497,586	61,054
Transfer of Funds to Charter Schools	10-000-100-560	73,806	-	73,806	73,806	-	143,108	965	144,073	143,108	965
Nonbudgeted:											
On-Behalf TPAF Pension Contributions		-	-	-	272,049	(272,049)	-	-	-	137,940	(137,940)
On-Behalf TPAF Post-Retirement Medical		-	-	-	307,619	(307,619)	-	-	-	277,294	(277,294)
Reimbursed TPAF Social Security Contributions		-	-	-	308,534	(308,534)	-	-	-	307,138	(307,138)
Total Undistributed Expenditures		5,645,928	(98,667)	5,547,261	6,125,080	(577,819)	5,176,842	82,531	5,259,373	5,771,398	(512,025)
Total Expenditures - Current Expense		9,749,800	(3,040)	9,746,760	10,141,638	(394,878)	9,162,426	208,557	9,370,983	9,826,997	(456,014)

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Capital Outlay:											
Interest Deposit to Maintenance Reserve	10-606-000-000	-	-	-	-	100	(100)	-	-	-	
Interest Deposit to Capital Reserve	10-604-000-000	-	-	-	-	500	(500)	-	-	-	
Equipment:											
Auditory Impairments	12-207-100-730	-	-	-	-	-	8,500	8,500	8,205	295	
Undistributed Expenditures - Instruction	12-000-100-730	45,000	(45,000)	-	-	-	-	-	-	-	
Custodial Services	12-000-262-730	-	99,900	99,900	65,797	8,500	15,638	24,138	24,138	-	
Total Equipment		45,000	54,900	99,900	65,797	8,500	24,138	32,638	32,343	295	
Facilities Acquisition & Construction Services:											
Other Objects	12-000-400-800	-	63,265	63,265	63,204	32,421	-	32,421	32,421	-	
Assessment for Debt Service on SDA Funding	12-000-400-896	44,839	(44,839)	-	44,839	-	-	-	-	-	
Total Facilities Acquisition & Construction Services		44,839	18,426	63,265	108,043	32,421	-	32,421	32,421	-	
Total Capital Outlay		89,839	73,326	163,165	173,840	41,521	23,538	65,059	64,764	295	
Total Expenditures		9,839,639	70,286	9,909,925	10,315,478	(405,553)	9,203,947	232,095	9,436,042	(455,719)	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(286,119)	(70,286)	(356,405)	215,953	572,358	(150,000)	(231,285)	(381,285)	130,186	
Fund Balances, July 1		787,026	-	787,026	787,026	-	656,840	-	656,840	-	
Fund Balances, June 30		\$ 500,907	\$ (70,286)	\$ 430,621	\$ 1,002,979	\$ 572,358	\$ 506,840	\$ (231,285)	\$ 275,555	\$ 787,026	\$ 511,471

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 36,183
Withdraw from Capital Reserve	34,103
Total Budget Transfers	\$ 70,286

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 76,780
Maintenance Reserve	15,925
Excess Surplus	472,520
Assigned Fund Balance:	
Year-End Encumbrances	10,826
Designated for Subsequent Year's Expenditures	100,000
Unassigned Fund Balance	326,928
Subtotal	1,002,979
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(46,490)
Fund Balance per Governmental Funds (GAAP)	\$ 956,489

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
EDUCATION JOBS FUND PROGRAM -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Federal Sources:											
American Recovery & Reinvestment Act: Education Jobs Fund Progra	18-4522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,855	\$ 810	\$ 26,665	\$ 26,665	\$ -
Total Federal Sources		-	-	-	-	-	25,855	810	26,665	26,665	-
Total Revenues		-	-	-	-	-	25,855	810	26,665	26,665	-
Expenditures:											
Unallocated Benefits Employee Benefits: Health Benefits	18-000-291-27C	-	-	-	-	-	25,855	810	26,665	26,665	-
Total Education Jobs Fund Expenditures		-	-	-	-	-	25,855	810	26,665	26,665	-
Total Expenditures		-	-	-	-	-	25,855	810	26,665	26,665	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources	\$ 1,177	\$ 33,050	\$ 34,227	\$ 32,670	\$ (1,557)	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources:										
Title I	10,591	15,803	26,394	21,206	(5,188)	11,215	3,538	14,753	11,339	(3,414)
Title II - Part A	7,292	7,229	14,521	6,756	(7,765)	-	7,795	7,795	900	(6,895)
Title II - Part A Carryover	-	-	-	6,895	6,895	-	2,545	2,545	2,545	-
I.D.E.A. - Part B	118,649	10,401	129,050	79,000	(50,050)	111,310	17,740	129,050	129,050	-
I.D.E.A. - Part B - Preschool Incentive	-	11,046	11,046	10,977	(69)	-	10,989	10,989	10,989	-
Total Federal Sources	136,532	44,479	181,011	124,834	(56,177)	122,525	42,607	165,132	154,823	(10,309)
Total Revenues	137,709	77,529	215,238	157,504	(57,734)	122,525	42,607	165,132	154,823	(10,309)
EXPENDITURES										
Instruction:										
Tuition	118,649	10,401	129,050	79,000	50,050	111,310	17,740	129,050	129,050	-
General Supplies	10,591	57,304	67,895	62,133	5,762	11,215	3,538	14,753	11,339	3,414
Total Instruction	129,240	67,705	196,945	141,133	55,812	122,525	21,278	143,803	140,389	3,414
Support Services:										
Purchased Professional - Educational Services	8,469	5,919	14,388	12,466	1,922	-	9,030	9,030	3,445	5,585
Purchased Professional - Technical Services	-	-	-	-	-	-	10,989	10,989	10,989	-
Supplies	-	1,310	1,310	1,310	-	-	1,310	1,310	-	1,310
Total Support Services	8,469	7,229	15,698	13,776	1,922	-	21,329	21,329	14,434	6,895
Facilities Acquisition & Construction Services:										
Instructional Equipment	-	2,595	2,595	2,595	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	2,595	2,595	2,595	-	-	-	-	-	-
Total Expenditures	\$ 137,709	\$ 77,529	\$ 215,238	\$ 157,504	\$ 57,734	\$ 122,525	\$ 42,607	\$ 165,132	\$ 154,823	\$ 10,309

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 10,531,431	\$ 157,504
Difference - Budget to GAAP:		
State aid revenue adjustment due to last state aid payment not being recognized in accordance with GASB No. 33		
Current Year	(46,490)	-
Prior Year	42,522	-
	(4,968)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 10,527,463	\$ 157,504
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 10,315,478	\$ 157,504
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 10,315,478	\$ 157,504

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	NO CHILD LEFT BEHIND			
	TITLE I	TITLE I CARRYOVER	TITLE II - PART A	TITLE II - PART A CARRYOVER
Revenues:				
Federal Sources	\$ 17,791	\$ 3,415	\$ 6,756	\$ 6,895
Local Sources	-	-	-	-
Total Revenues	\$ 17,791	\$ 3,415	\$ 6,756	\$ 6,895
Expenditures:				
Instruction:				
Tuition	-		-	-
General Supplies	17,791	3,415	-	-
Total Instruction	17,791	3,415	-	-
Support Services:				
Purchased Professional - Educational Services	-	-	5,446	6,895
Purchased Professional - Technical Services	-	-	-	-
General Supplies	-	-	1,310	-
Total Support Services	-	-	6,756	6,895
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	-
Non-Instructional Equipment	-	-	-	-
Total Facilities Acquisition & Construction Construction Services	-	-	-	-
Total Expenditures	\$ 17,791	\$ 3,415	\$ 6,756	\$ 6,895

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	I.D.E.A. - PART B			2013	2012
	BASIC 2012-2013	PRESCHOOL 2012-2013	VARIOUS LOCAL GRANTS		
Revenues:					
Federal Sources	\$ 79,000	\$ - 10,977	\$ -	\$ 124,834	\$ 154,823
Local Sources	-	-	32,670	32,670	-
Total Revenues	\$ 79,000	\$ 10,977	\$ 32,670	\$ 157,504	\$ 154,823
Expenditures:					
Instruction:					
Tuition	\$ 79,000	\$ -	\$ -	\$ 79,000	\$ 129,050
General Supplies	-	8,382	32,545	62,133	11,339
Total Instruction	79,000	8,382	32,545	141,133	140,389
Support Services:					
Purchased Professional - Educational Services	-	-	125	12,466	3,445
General Supplies	-	-	-	1,310	-
Total Support Services	-	-	125	13,776	14,434
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	2,595	-	2,595	-
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Construction Services	-	2,595	-	2,595	-
Total Expenditures	\$ 79,000	\$ 10,977	\$ 32,670	\$ 157,504	\$ 154,823

F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	BUSINESS-TYPE ACTIVITIES -			2013	2012
	FOOD SERVICE	KINDERGARTEN CONNECTION	MVP PROGRAM		
Current Assets:					
Cash & Cash Equivalents	\$ 24,409	\$ 109,888	\$ 119,743	\$ 254,040	\$ 235,423
Accounts Receivable:					
State	146	-	-	146	122
Federal	2,452	-	-	2,452	1,744
Inventories:					
Food	1,186	-	-	1,186	2,085
Commodities	102	-	-	102	1,629
Total Current Assets	28,295	109,888	119,743	257,926	241,003
Noncurrent Assets:					
Furniture, Machinery & Equipment	181,200	-	23,582	204,782	190,100
Less: Accumulated Depreciation	(161,077)	-	(197)	(161,274)	(165,683)
Total Fixed Assets	20,123	-	23,385	43,508	24,417
Total Assets	48,418	109,888	143,128	301,434	265,420
LIABILITIES					
Accounts Payable	2,946	-	-	2,946	-
Due to General Fund	-	29,398	-	29,398	39,591
Total Liabilities	2,946	29,398	-	32,344	39,591
NET POSITION					
Investment in Capital Assets	20,123	-	23,385	43,508	24,417
Unrestricted	25,349	80,490	119,743	225,582	201,412
Total Net Position	\$ 45,472	\$ 80,490	\$ 143,128	\$ 269,090	\$ 225,829

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES -			2013	2012
	FOOD SERVICE	KINDERGARTEN CONNECTION	MVP PROGRAM		
Operating Revenues:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 133,509	\$ -	\$ -	\$ 133,509	\$ 130,187
Daily Sales - Nonreimbursable Programs	29,669	-	-	29,669	31,640
Miscellaneous	-	81,326	220,039	301,365	325,752
Total Operating Revenue	163,178	81,326	220,039	464,543	487,579
Operating Expenses:					
Salaries and Benefits	92,704	45,427	167,374	305,505	291,570
Supplies and Materials	3,164	2,834	51,180	57,178	56,505
Cost of Sales	103,132	-	-	103,132	105,986
Miscellaneous	-	-	3,124	3,124	3,244
Depreciation	8,667	-	197	8,864	12,113
Total Operating Expenses	207,667	48,261	221,875	477,803	469,418
Operating Income/(Loss)	(44,489)	33,065	(1,836)	(13,260)	18,161
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	2,269	-	-	2,269	2,521
Federal Sources:					
National School Lunch Program	36,566	-	-	36,566	37,435
Food Distribution Program	13,268	-	-	13,268	12,648
Fixed Asset Appraisal Adjustment	4,373	-	-	4,373	-
Interest & Investment Revenue	19	9	17	45	6
Total Nonoperating Revenues/(Expenses)	56,495	9	17	56,521	52,610
Change in Net Postion	12,006	33,074	(1,819)	43,261	70,771
Total Net Postion - Beginning	33,466	47,416	144,947	225,829	155,058
Total Net Postion - Ending	\$ 45,472	\$ 80,490	\$ 143,128	\$ 269,090	\$ 225,829

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES -			2013	2012
	FOOD SERVICE	KINDERGARTEN CONNECTION	MVP PROGRAM		
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 163,178	\$ 81,326	\$ 220,039	\$ 464,543	\$ 489,347
Payments to Employees	(92,704)	(45,427)	(167,374)	(305,505)	(291,570)
Payments to Suppliers	(87,656)	(2,834)	(51,180)	(141,670)	(153,183)
Payments to Others	-	-	(3,124)	(3,124)	(6)
Net Cash Provided/(Used) by Operating Activities	(17,182)	33,065	(1,639)	14,244	44,588
Cash Flows From Noncapital Financing Activities:					
State Sources	2,245	-	-	2,245	2,558
Federal Sources	35,858	-	-	35,858	37,446
Board Loan	(10,193)	-	-	(10,193)	29,559
Net Cash Provided/(Used) by Noncapital Financing Activities	27,910	-	-	27,910	69,563
Cash Flows From Investing Activities:					
Interest & Dividends	19	9	17	45	6
Purchase of Fixed Assets	-	-	(23,582)	(23,582)	-
Net Cash Provided/(Used) by Investing Activities	19	9	(23,565)	(23,537)	6
Net Increase/(Decrease) in Cash & Cash Equivalents	10,747	33,074	(25,204)	18,617	114,157
Balances - Beginning of Year	13,662	76,814	144,947	235,423	121,266
Balances - End of Year	\$ 24,409	\$ 109,888	\$ 119,743	\$ 254,040	\$ 235,423

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (44,489)	\$ 33,065	\$ (1,836)	\$ (13,260)	\$ 18,161
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Depreciation & Net Amortization	8,667	-	197	8,864	12,113
Food Distribution Program	13,268	-	-	13,268	12,648
Increase in Accounts Receivable	-	-	-	-	1,768
Change in Inventory	2,426	-	-	2,426	(102)
Increase in Accounts Payable	2,946	-	-	2,946	-
Total Adjustments	27,307	-	197	27,504	26,427
Net Cash Provided/(Used) by Operating Activities	\$ (17,182)	\$ 33,065	\$ (1,639)	\$ 14,244	\$ 44,588

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE		AGENCY		2013	2012
	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL			
Cash & Cash Equivalents	\$ 13,233	\$ 13,577	\$ 59,888	\$ 86,698	\$ 28,325	
Interfund Receivable	5,328	-	-	5,328	5,328	
Total Assets	18,561	13,577	59,888	92,026	33,653	
LIABILITIES						
Due to Student Groups	-	13,577	-	13,577	17,584	
Interfund Payable - General Fund	-	-	7,039	7,039	4,904	
Payroll Deductions & Withholdings	-	-	52,849	52,849	11,165	
Total Liabilities	-	13,577	59,888	73,465	33,653	
NET POSITION						
Total Net Postion	\$ 18,561	\$ -	\$ -	\$ 18,561	\$ -	

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ADDITIONS	UNEMPLOYMENT COMPENSATION TRUST		2013	2012
Contributions:				
Payroll Deductions Withheld	\$	21,465	\$	21,465
Transfer from General Fund		-	-	11,884
		-		35,243
Total Contributions		21,465		21,465
Investment Earnings:				
Interest		10	10	3
Net Investment Earnings		10		3
Total Additions		21,475		21,475
DEDUCTIONS				
Unemployment Claims		2,914	2,914	47,130
Total Deductions		2,914		47,130
Change in Net Postion		18,561	18,561	-
Net Postion - Beginning of the Year		-	-	-
Net Postion - End of the Year	\$	18,561	\$	18,561
			\$	-

EXHIBIT H-3

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	BALANCE JULY 1, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
John Hydock Elementary	\$ 9,591	\$ 4,198	\$ 5,089	\$ 8,700
Mansfield Township Elementary	7,993	9,738	12,854	4,877
Total All Activity	\$ 17,584	\$ 13,936	\$ 17,943	\$ 13,577

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 4,904	\$ 6,555,369	\$ 6,500,384	\$ 59,889
Total Assets	\$ 4,904	\$ 6,555,369	\$ 6,500,384	\$ 59,889
LIABILITIES				
Interfund Payable - General Fund	\$ 4,904	\$ 2,135	\$ -	\$ 7,039
Payroll Deductions & Withholdings	-	6,553,234	6,500,384	52,850
Total Liabilities	\$ 4,904	\$ 6,555,369	\$ 6,500,384	\$ 59,889

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I. Long-Term Debt

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
JUNE 30, 2013**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2012	RETIRED	BALANCE JUNE 30, 2013
			DATE	AMOUNT				
Refunding Bonds	12/6/06	9,985,000	9/01/13	540,000	4.00%	\$ 9,495,000	\$ 465,000	\$ 9,030,000
			9/01/14	595,000	4.00%			
			9/01/15	640,000	3.60%			
			9/01/16	740,000	5.50%			
			9/01/17	840,000	5.50%			
			9/01/18	915,000	3.70%			
			9/01/19	1,035,000	4.00%			
			9/01/20	1,155,000	4.00%			
			9/01/21	1,235,000	4.00%			
			9/01/22	1,335,000	4.00%			
Roof replacement and installation of solar panels at JHES, including all necessary electric systems & related work.	8/19/2010	1,100,000	8/1/13	100,000	2.000%	1,025,000	95,000	930,000
			8/1/14	110,000	2.000%			
			8/1/15	110,000	2.000%			
			8/1/16	115,000	2.250%			
			8/1/17	115,000	2.250%			
			8/1/18	125,000	2.500%			
			8/1/19	130,000	2.625%			
			8/1/20	125,000	3.000%			
Total								
						<u>\$ 10,520,000</u>	<u>\$ 560,000</u>	<u>\$ 9,960,000</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	
Revenues:										
Local Sources:										
Local Tax Levy	\$ 825,461	\$ -	\$ 825,461	\$ 825,461	\$ -	\$ 896,905	\$ -	\$ 896,905	\$ 896,905	\$ -
State Sources:										
Debt Service Aid Type II	29,175	-	29,175	29,175	-	27,458	-	27,458	27,458	-
Total Revenues	854,636	-	854,636	854,636	-	924,363	-	924,363	924,363	-
Expenditures:										
Regular Debt Service:										
Interest	411,708	-	411,708	411,708	-	441,251	-	441,251	441,251	-
Redemption of Principal	560,000	-	560,000	560,000	-	485,000	-	485,000	485,000	-
Total Expenditures	971,708	-	971,708	971,708	-	926,251	-	926,251	926,251	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(117,072)	-	(117,072)	(117,072)	-	(1,888)	-	(1,888)	(1,888)	-
Other Financing Sources/(Uses):										
Operating Transfers in:										
Interest Earned in Capital Projects Fund	-	-	-	81	81	-	-	-	42	42
Transfer from Capital Projects	-	-	-	-	-	-	-	-	81,483	81,483
Total Other Financing Sources/(Uses)	-	-	-	81	81	-	-	-	81,525	81,525
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)	(117,072)	-	(117,072)	(116,991)	81	(1,888)	-	(1,888)	79,637	81,525
Fund Balance, July 1	80,597	-	80,597	80,597	-	960	-	960	960	-
Fund Balance, June 30	\$ (36,475)	\$ -	\$ (36,475)	\$ (36,394)	\$ 81	\$ (928)	\$ -	\$ (928)	\$ 80,597	\$ 81,525

STATISTICAL SECTION (Unaudited)

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MANSFIELD TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 1,311,934	\$ 2,493,969	\$ 2,371,849	\$ 2,787,489	\$ 2,398,377	\$ 2,497,657	\$ 2,892,875	\$ 3,144,764	\$ 3,426,250
Restricted:									
Debt Service	(172,035)	(62,036)	(156,554)	(143,119)	(137,447)	(128,519)	157,236	117,384	23,316
Capital Projects	-	-	118,078	(447,478)	833	833	168,503	229,932	366,501
Other Purposes	92,705	126,762	150,612	165,338	277,172	418,571	702,446	997,826	880,112
Unrestricted	964,019	791,909	707,793	640,618	450,578	477,574	(67,205)	(136,696)	(373,189)
Total Governmental Activities Net Assets	\$ 2,196,623	\$ 3,350,604	\$ 3,191,778	\$ 3,002,848	\$ 2,989,513	\$ 3,266,116	\$ 3,853,855	\$ 4,353,210	\$ 4,322,990
Business-Type Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 43,508	\$ 24,417	\$ 36,530	\$ 48,644	\$ 60,757	\$ 72,870	\$ 84,984	\$ 97,097	\$ 109,210
Unrestricted	225,582	201,412	118,528	77,845	50,383	24,817	2,556	6,089	9,533
Total Business-Type Activities Net Position	\$ 269,090	\$ 225,829	\$ 155,058	\$ 126,489	\$ 111,140	\$ 97,687	\$ 87,540	\$ 103,186	\$ 118,743
District-Wide:									
Invested in Capital Assets, Net of Related Debt	\$ 1,355,442	\$ 2,518,386	\$ 2,408,379	\$ 2,836,133	\$ 2,459,134	\$ 2,570,527	\$ 2,977,859	\$ 3,241,861	\$ 3,535,460
Restricted:									
Debt Service	(172,035)	(62,036)	(156,554)	(143,119)	(137,447)	(128,519)	157,236	117,384	23,316
Capital Projects	-	-	118,078	(447,478)	833	833	168,503	229,932	366,501
Other Purposes	92,705	126,762	150,612	165,338	277,172	418,571	702,446	997,826	880,112
Unrestricted	1,189,601	993,321	826,321	718,463	500,961	502,391	(64,649)	(130,607)	(363,656)
Total District Net Position	\$ 2,465,713	\$ 3,576,433	\$ 3,346,836	\$ 3,129,337	\$ 3,100,653	\$ 3,363,803	\$ 3,941,395	\$ 4,456,396	\$ 4,441,733

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:									
Governmental Activities:									
Instruction:									
Regular	\$ 2,630,389	\$ 2,624,174	\$ 2,270,066	\$ 2,469,365	\$ 2,605,860	\$ 2,338,567	\$ 2,411,057	\$ 2,425,841	\$ 2,191,865
Special Education	1,266,875	1,399,316	1,244,630	1,540,150	906,902	840,790	757,500	662,672	524,402
Other Special Education	260,427	172,498	85,729	167,232	161,103	200,745	163,547	198,072	197,456
Support Services:									
Tuition	138,866	96,554	391,487	143,260	435,504	450,527	584,663	409,978	356,414
Student & Instruction Related Services	1,395,704	1,372,567	1,275,131	1,351,695	1,373,938	1,658,701	1,634,960	1,152,889	1,085,945
School Administrative Services	261,746	245,008	249,642	303,563	298,224	287,968	281,920	267,398	256,678
Other Administrative Services	338,965	273,381	285,955	344,784	277,473	234,230	249,635	289,862	235,416
Central Services	222,656	228,775	222,428	230,899	212,500	191,914	187,638	169,178	152,311
Plant Operations & Maintenance	657,790	725,536	792,901	833,199	751,251	657,816	594,930	668,631	548,086
Pupil Transportation	560,285	624,054	628,295	571,886	564,390	603,264	584,778	500,488	419,367
Allocated Benefits	-	-	-	-	-	-	-	1,070,094	1,019,926
Unallocated Benefits	2,457,835	2,219,958	2,173,973	2,230,953	2,097,614	2,194,740	2,243,428	696,552	592,293
Interest on Long-Term Debt	467,920	458,791	488,081	432,969	445,342	456,890	356,009	499,790	514,158
Unallocated Amortization on Bond Issuance Costs	20,857	20,857	20,856	20,858	20,857	20,857	15,672	8,413	8,413
Unallocated Increase in Compensated Absences	53,075	15,987	(5,657)	(49,692)	28,909	7,155	(26,242)	(12,055)	20,090
Unallocated Depreciation	339,393	431,818	427,066	387,916	384,006	299,698	397,576	381,486	372,268
Unallocated Loss on Revaluation of Fixed Assets	1,620,882	-	-	-	-	511,897	-	-	-
Total Governmental Activities Expenses	12,693,665	10,909,274	10,550,583	10,979,037	10,563,873	10,955,759	10,437,071	9,389,289	8,495,088
Business-Type Activities:									
Kindergarten Connection	48,261	87,992	84,261	-	-	-	-	-	-
MVP Program	221,875	163,801	156,079	-	-	-	-	-	-
Food Service	207,667	217,625	211,388	298,065	295,338	273,776	201,491	198,044	193,867

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30.								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Business-Type Activities Expense	477,803	469,418	451,728	298,065	295,338	273,776	201,491	198,044	193,867
Total District Expenses	<u>\$ 13,171,468</u>	<u>\$ 11,378,692</u>	<u>\$ 11,002,311</u>	<u>\$ 11,277,102</u>	<u>\$ 10,859,211</u>	<u>\$ 11,229,535</u>	<u>\$ 10,638,562</u>	<u>\$ 9,587,333</u>	<u>\$ 8,688,955</u>
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Instruction (Tuition)	\$ -	\$ -	\$ -	\$ 249,189	\$ 139,446	\$ 169,409	\$ 206,924	\$ 145,330	\$ 176,244
Operating Grants & Contributions	184,084	182,281	152,684	306,613	157,745	489,730	215,798	156,412	164,030
Total Governmental Activities Program Revenues	<u>184,084</u>	<u>182,281</u>	<u>152,684</u>	<u>555,802</u>	<u>297,191</u>	<u>659,139</u>	<u>422,722</u>	<u>301,742</u>	<u>340,274</u>
Business-Type Activities:									
Charges for Services:									
Kindergarten Connection	81,326	124,290	95,379	-	-	-	-	-	-
MVP Program	220,039	201,437	181,008	-	-	-	-	-	-
Food Service	163,178	161,852	160,530	269,089	266,434	239,184	145,888	138,164	141,714
Operating Grants & Contributions	56,450	52,604	43,316	44,293	42,287	43,590	39,642	39,307	37,714
Total Business Type Activities Program Revenues	<u>520,993</u>	<u>540,183</u>	<u>480,233</u>	<u>313,382</u>	<u>308,721</u>	<u>282,774</u>	<u>185,530</u>	<u>177,471</u>	<u>179,428</u>
Total District Program Revenues	<u>\$ 705,077</u>	<u>\$ 722,464</u>	<u>\$ 632,917</u>	<u>\$ 869,184</u>	<u>\$ 605,912</u>	<u>\$ 941,913</u>	<u>\$ 608,252</u>	<u>\$ 479,213</u>	<u>\$ 519,702</u>
Net (Expense)/Revenue:									
Governmental Activities	\$ (12,509,581)	\$ (10,726,993)	\$ (10,397,899)	\$ (10,423,235)	\$ (10,266,682)	\$ (10,296,620)	\$ (10,014,349)	\$ (9,087,547)	\$ (8,154,814)
Business-Type Activities	43,190	70,765	28,505	15,317	13,383	8,998	(15,961)	(20,573)	(14,439)
Total District-Wide Net Expense	<u>\$ (12,466,391)</u>	<u>\$ (10,656,228)</u>	<u>\$ (10,369,394)</u>	<u>\$ (10,407,918)</u>	<u>\$ (10,253,299)</u>	<u>\$ (10,287,622)</u>	<u>\$ (10,030,310)</u>	<u>\$ (9,108,120)</u>	<u>\$ (8,169,253)</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30.								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues & Other Changes in Net Position:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 8,809,680	\$ 8,394,731	\$ 8,269,344	\$ 7,964,795	\$ 7,557,909	\$ 7,320,239	\$ 7,217,195	\$ 7,000,783	\$ 6,638,019
Taxes Levied for Debt Service	825,461	896,905	790,103	736,025	696,402	548,283	648,036	609,263	690,589
Unrestricted Grants & Contributions	1,524,196	1,347,072	1,313,731	1,453,375	1,454,153	1,627,071	1,525,497	1,300,496	1,210,014
Miscellaneous Income	196,263	247,111	213,651	282,375	281,615	214,196	124,266	211,948	123,528
Transfers	-	-	-	-	-	(908)	-	(4,723)	-
Total Governmental Activities	11,355,600	10,885,819	10,586,829	10,436,570	9,990,079	9,708,881	9,514,994	9,117,767	8,662,150
Business-Type Activities:									
Miscellaneous	45	6	64	32	70	241	315	293	277
Transfers	-	-	-	-	-	908	-	4,723	-
Total Business-Type Activities	45	6	64	32	70	1,149	315	5,016	277
Total District-Wide	\$ 11,355,645	\$ 10,885,825	\$ 10,586,893	\$ 10,436,602	\$ 9,990,149	\$ 9,710,030	\$ 9,515,309	\$ 9,122,783	\$ 8,662,427
Change in Net Position:									
Governmental Activities	\$ (1,153,981)	\$ 158,826	\$ 188,930	\$ 13,335	\$ (276,603)	\$ (587,739)	\$ (499,355)	\$ 30,220	\$ 507,336
Business-Type Activities	43,235	70,771	28,569	15,349	13,453	10,147	(15,646)	(15,557)	(14,162)
Total District	\$ (1,110,746)	\$ 229,597	\$ 217,499	\$ 28,684	\$ (263,150)	\$ (577,592)	\$ (515,001)	\$ 14,663	\$ 493,174

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:									
Reserved	\$ 92,705	\$ 126,762	\$ 150,612	\$ 165,338	\$ 277,172	\$ 418,571	\$ 702,446	\$ 997,826	\$ 880,112
Assigned	10,826	36,183	94,312	-	-	-	-	-	-
Unassigned	380,438	581,559	402,469	414,408	254,096	236,912	(18,618)	278,415	112,974
Excess Surplus	472,520	-	-	-	-	-	-	-	-
Total General Fund	\$ 956,489	\$ 744,504	\$ 647,393	\$ 579,746	\$ 531,268	\$ 655,483	\$ 683,828	\$ 1,276,241	\$ 993,086
All Other Governmental Funds:									
Reserved									
Capital Projects Fund	\$ -	\$ -	\$ 118,078	\$ (447,478)	\$ 833	\$ 193,507	\$ 168,503	\$ 229,932	\$ 366,501
Debt Service Fund	(36,394)	80,597	960	1,280	10,348	23,189	10,099	20,213	9,369
Total All Other Governmental Funds	\$ (36,394)	\$ 80,597	\$ 119,038	\$ (446,198)	\$ 11,181	\$ 216,696	\$ 178,602	\$ 250,145	\$ 375,870

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues									
Tax Levy	\$ 9,635,141	\$ 9,291,636	\$ 9,059,447	\$ 8,700,820	\$ 8,254,311	\$ 7,868,522	\$ 7,865,231	\$ 7,610,046	\$ 7,328,608
Miscellaneous	196,263	247,111	213,651	282,375	281,615	201,106	114,167	200,043	85,323
State Sources	1,583,446	1,347,865	1,313,731	1,445,186	1,454,153	1,965,693	1,573,626	1,303,307	1,214,848
Federal Sources	124,834	181,488	152,684	314,802	157,745	151,079	166,698	153,531	157,479
Other Local Sources	-	-	-	-	-	13,119	11,070	11,975	10,025
Total Revenue	11,539,684	11,068,100	10,739,513	10,743,183	10,147,824	10,199,519	9,730,792	9,278,902	8,796,283
Expenditures									
Instruction:									
Regular Instruction	2,630,389	2,624,174	2,270,066	2,469,365	2,605,860	2,338,567	2,411,057	2,425,841	2,191,865
Special Education Instruction	1,266,875	1,399,316	1,244,630	1,540,150	906,902	840,790	757,500	662,672	524,402
Other Special Instruction	260,427	172,498	85,729	167,232	161,103	200,745	163,547	198,072	197,456
Support Services:									
Tuition	138,866	96,554	391,487	143,260	435,504	450,527	584,663	409,978	356,414
Student & Instruction Related Services	1,321,898	1,229,458	1,125,380	1,026,342	1,240,078	1,482,812	1,424,287	1,011,090	913,025
School Administrative Services	261,746	245,008	249,642	303,563	298,224	287,968	281,920	267,398	256,678
General & Business Administration Services	561,621	502,156	508,383	575,683	489,973	426,144	437,273	459,040	387,727
Plant Operations&Maintenance	762,799	725,536	792,901	833,199	751,251	657,816	594,930	668,631	548,086
Pupil Transportation	560,285	624,054	628,295	571,886	564,390	603,264	584,778	500,488	419,367
Allocated Benefits	-	-	-	-	-	-	-	1,070,094	1,019,926
Unallocated Benefits	2,457,835	2,219,958	2,173,973	2,230,953	2,097,614	2,194,740	2,243,428	696,552	592,293
Transfer to Charter Schools	73,806	143,108	149,752	96,608	-	-	-	-	-
Capital Outlay	176,435	101,359	795,447	447,478	24,726	349,880	243,116	136,569	23,282
Debt Service:									
Principal	560,000	485,000	370,000	310,000	260,000	235,000	160,000	100,000	200,000
Interest & Other Charges	411,708	441,251	420,945	436,365	449,255	460,420	361,112	510,324	517,224
Total Expenditures	11,444,690	11,009,430	11,206,630	11,152,084	10,284,880	10,528,673	10,247,611	9,116,749	8,147,745
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	94,994	58,670	(467,117)	(408,901)	(137,056)	(329,154)	(516,819)	162,153	648,538
Other Financing Sources/(Uses):									
Bond Proceeds	-	-	1,100,000	-	-	-	-	-	-
Transfers in	81	81,525	522	1,272	12	3,140	10,099	11,905	8,308
Transfers Out	(81)	(81,525)	(522)	(1,272)	(12)	(3,140)	(10,099)	(11,905)	(8,308)
Transfer to Food Service	-	-	-	-	-	(908)	-	(4,723)	-
Total Other Financing Sources/ (Uses)	-	-	1,100,000	-	-	(908)	-	(4,723)	-
Net Change in Fund Balances	\$ 94,994	\$ 58,670	\$ 632,883	\$ (408,901)	\$ (137,056)	\$ (330,062)	\$ (516,819)	\$ 157,430	\$ 648,538
Debt Service as a Percentage of Noncapital Expenditures	8.6%	8.5%	7.6%	7.0%	6.9%	6.8%	5.2%	6.8%	8.8%

Source: District records

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	SALE OF PROPERTY	BUILDING RENTAL	TUITION	MISCELLANEOUS	TOTAL
2013	\$ 46	\$ -	\$ 66,739	\$ 55,088	\$ 41,639	\$ 163,512
2012	288	-	66,739	118,446	61,596	247,069
2011	-	-	-	28,444	184,685	213,129
2010	-	-	81,896	189,270	10,770	281,936
2009	10,431	-	63,749	199,165	8,258	281,603
2008	38,319	-	56,572	66,526	39,689	201,106
2007	71,219	-	-	39,581	3,367	114,167
2006	64,529	15,000	-	49,480	71,034	200,043
2005	24,229	-	-	14,779	46,315	85,323
2004	4,043	90,000	-	10,523	122,209	226,775

Source: District records

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	LOCAL SCHOOL TAX RATE	EQUALIZED VALUE
2012	26,630,600	1,145,919,600	48,395,700	4,555,700	95,256,100	5,301,200	1,549,700	1,327,608,600	120,591,300	2,218,786	1,209,236,086	0.725	1,261,563,098
2011	31,041,800	1,131,661,700	48,095,900	4,583,000	93,223,200	5,301,200	1,549,700	1,315,456,500	118,890,500	2,453,660	1,199,019,660	0.688	1,346,272,138
2010	37,953,900	1,118,913,700	49,117,800	4,416,400	90,481,100	5,301,200	1,549,700	1,307,733,800	118,890,500	2,323,604	1,191,166,904	0.664	1,364,791,953
2009	40,718,500	1,105,446,900	48,025,500	4,040,600	89,713,300	5,301,200	1,898,100	1,295,144,100	112,985,400	2,235,393	1,184,394,093	0.637	1,297,379,493
2008	45,735,400	1,094,648,400	47,024,100	4,218,900	89,409,800	5,301,200	2,165,400	1,288,503,200	111,669,100	1,257,603	1,178,091,703	0.610	1,290,671,921
2007	17,388,103	554,560,315	25,660,900	2,244,700	47,667,900	2,331,200	918,900	650,772,018	109,046,600	1,513,781	543,239,199	1.209	1,272,162,007
2006	13,961,600	541,902,415	24,745,000	2,316,600	44,453,400	2,331,200	918,900	630,629,115	64,411,300	1,513,781	567,731,596	1.204	940,809,581
2005	11,980,000	512,806,215	25,424,900	2,400,900	44,156,100	2,331,200	918,900	600,018,215	64,282,500	1,683,852	537,419,567	1.218	817,790,604
2004	19,405,700	466,296,715	23,244,100	2,460,500	38,467,200	2,331,200	1,005,700	553,211,115	25,815,500	1,930,334	529,325,949	1.204	693,449,482
2003	26,191,700	384,209,900	22,163,700	2,523,400	39,038,700	2,331,200	1,278,000	477,736,600	25,420,000	1,663,484	453,980,084	1.187	549,397,363

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF MANSFIELD	BURLINGTON COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2013	1.080	0.945	2.025	0.430	0.415	0.038	0.019	2.927
2012	0.725	0.635	1.360	0.287	0.293	0.029	0.038	2.007
2011	0.702	0.615	1.317	0.238	0.302	0.029	0.039	1.925
2010	0.688	0.636	1.324	0.226	0.317	0.031	0.041	1.939
2009	0.664	0.642	1.306	0.219	0.324	0.031	0.042	1.922
2008	0.637	0.644	1.281	0.182	0.323	0.030	0.041	1.857
2007	0.610	0.637	1.247	0.168	0.334	0.032	0.039	1.820
2006	1.209	1.260	2.469	0.315	0.613	0.056	0.067	3.520
2005	1.204	1.170	2.374	0.310	0.571	0.050	0.060	3.365
2004	1.218	1.082	2.300	0.307	0.536	0.046	0.054	3.243

Source: Municipal Tax Collector

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2013			TAXPAYER	2004		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
N.A.D.E.	\$ 42,592,700	1	4.48%	N.A.D.E.	\$ 23,790,731	1	5.24%
Vanco USA, LLC	3,574,700	2	0.38%	Homestead at Mansfield	4,275,501	2	0.94%
Homestead Plaza, II	3,251,100	3	0.34%	Ginsburg Holdings, LI	2,072,200	3	0.46%
Generation Builders, Inc.	3,232,000	4	0.34%	Verizon - New Jersey	1,930,334	4	0.43%
Transcontinental Gas & Pipeline Corp	2,772,400	5	0.29%	New Millennium Man	1,800,000	5	0.40%
CubSMART, LP	2,713,000	6	0.29%	Colonial Pipeline Co.	1,681,600	6	0.37%
MLC Developers, LLC	2,711,000	7	0.29%	Alliance at Mansfield,	1,589,200	7	0.35%
Rockwell, James & Teresa	2,064,000	8	0.22%	K. Hovnanian	1,546,598	8	0.34%
Verizon - New Jersey	2,048,817	9	0.22%	PSE&G	1,427,300	9	0.31%
Danmik, Inc.	1,956,100	10	0.21%	Kaldamanis, John & M	1,179,900	10	0.26%
Total	<u>\$ 66,915,817</u>		<u>7.04%</u>		<u>\$ 41,293,364</u>		<u>9.09%</u>

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2013	\$ 9,635,141	\$ 9,635,141	100.00%	\$ -
2012	9,291,636	9,291,636	100.00%	-
2011	9,059,447	9,059,447	100.00%	-
2010	8,700,820	8,700,820	100.00%	-
2009	8,254,311	8,254,311	100.00%	-
2008	7,868,522	7,868,522	100.00%	-
2007	7,865,231	7,865,231	100.00%	-
2006	7,610,236	7,610,236	100.00%	-
2005	7,327,328	7,327,328	100.00%	-
2004	6,681,367	6,681,367	100.00%	-

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES				BOND ANTICIPATION NOTES (BANs)	BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	CAPITAL LEASES			
2013	\$ 9,960,000	\$ -	\$ -	\$ -	\$ -	\$ 9,960,000	
2012	10,520,000	-	-	-	-	10,520,000	
2011	11,005,000	-	-	-	-	11,005,000	
2010	10,275,000	-	-	300,000	-	10,575,000	
2009	10,585,000	-	-	-	-	10,585,000	
2008	10,845,000	-	-	-	-	10,845,000	
2007	11,080,000	-	-	-	-	11,080,000	
2006	11,044,000	-	-	-	-	11,044,000	
2005	11,144,000	-	-	-	-	11,144,000	
2004	11,344,000	-	-	-	-	11,344,000	

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2013	\$ 9,960,000	\$ -	\$	9,960,000	0.789%	N/A
2012	10,520,000	-		10,520,000	0.781%	N/A
2011	11,005,000	-		11,005,000	0.835%	N/A
2010	10,275,000	-		10,275,000	0.780%	1,203
2009	10,585,000	-		10,585,000	0.898%	1,323
2008	10,845,000	-		10,845,000	1.996%	1,358
2007	11,080,000	-		11,080,000	1.952%	1,392
2006	11,044,000	-		11,044,000	2.055%	1,382
2005	11,144,000	-		11,144,000	2.105%	1,419
2004	11,344,000	-		11,344,000	2.499%	1,464

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Mansfield Township	\$20,527,335	100.000%	\$20,527,335
Burlington County	336,576,327	2.572%	8,656,743
Regional School Debt	20,336,000	43.830%	8,913,269
Subtotal, Overlapping Debt			38,097,347
Mansfield Township School District			9,960,000
Total Direct & Overlapping Debt			<u>\$48,057,347</u>

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 33,043,401	\$ 33,099,920	\$ 23,602,298	\$ 33,047,207	\$ 25,256,352	\$ 25,256,352	\$ 25,256,352	\$ 20,433,747	\$ 21,651,424	\$ 18,206,808
Total Net Debt Applicable to Limit	9,960,000	10,520,000	11,005,000	10,275,000	10,585,000	10,845,000	11,080,000	11,044,000	11,144,000	11,344,000
Legal Debt Margin	<u>\$ 23,083,401</u>	<u>\$ 22,579,920</u>	<u>\$ 12,597,298</u>	<u>\$ 22,772,207</u>	<u>\$ 14,671,352</u>	<u>\$ 14,411,352</u>	<u>\$ 14,176,352</u>	<u>\$ 9,389,747</u>	<u>\$ 10,507,424</u>	<u>\$ 6,862,808</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.14%	31.78%	46.63%	31.09%	41.91%	42.94%	43.87%	54.05%	51.47%	62.31%

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized Valuation Basis
	2012 \$ 1,329,827,376
	2011 1,289,108,570
	2010 <u>1,346,272,138</u>
	<u>\$ 3,965,208,084</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,321,736,028</u>
Debt Limit (2.5 % of Average Equalization Value)	\$ 33,043,401
Net Bonded School Debt	<u>9,960,000</u>
Legal Debt Margin	<u>\$ 23,083,401</u>

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

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2012	N/A	N/A	N/A
2011	N/A	N/A	N/A
2010	8,544	N/A	11.6%
2009	8,000	46,516	10.9%
2008	7,984	46,564	6.4%
2007	7,961	44,077	4.7%
2006	7,990	42,370	5.2%
2005	7,854	40,090	4.3%
2004	7,747	38,890	2.7%
2003	7,394	37,129	3.0%

Source:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development 2010 Census.
- (c) Per Capita data provided by the NJ Dept of Labor and Workforce Development
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

LESS THAN 100

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular	38.4	42	53	53	53	53	53	53	53	52
Special Education	24	16	23	25	25	25	25	25	22	21
Other Special Education	3	3	4	4	4	4	4	4	4	3
Support Services:										
Student & Instruction Related Service	21.2	33	16	16	16	16	16	16	15	14
School Administrative Services	2	4	4	4	4	4	4	4	4	4
General & Business Administrative Services	3.5	3	3	3	3	3	4	3	3	3
Plant Operations & Maintenance	14.5	8	10	10	10	10	10	11	11	11
Pupil Transportation	0.5	0.5	0.5	0.5	1	1	1	-	-	-
Business & Other Support Services				2.5	3	3	3	3	3	3
Food Service	6	6	6	6	6	6	7	7	7	7
Total	113.1	116	119	124	125	125	127	126	122	118

Source: District Budgets

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2013	714	\$ 9,427,276	\$ 13,203	7.85%	63	11	714.9	683.8	-3.78%	95.65%
2012	749	9,169,389	12,242	-1.34%	58	13	743.0	715.0	4.65%	96.23%
2011	719	8,922,056	12,409	-4.30%	53	14	710.0	682.0	3.21%	96.06%
2010	697	9,037,750	12,967	0.66%	58	12	687.9	654.7	0.13%	95.17%
2009	685	8,824,209	12,882	6.28%	56	12	687.0	667.8	-0.29%	97.21%
2008	687	8,326,868	12,121	-6.03%	56	12	689.0	665.8	0.12%	96.63%
2007	675	8,706,398	12,898	8.33%	55	12	688.2	653.1	1.06%	94.90%
2006	657	7,822,695	11,907	4.38%	54	12	681.0	650.1	6.52%	95.46%
2005	635	7,243,209	11,407	2.89%	54	12	639.3	610.0	-0.88%	95.42%
2004	642	7,117,102	11,086	6.93%	57	11	645.0	642.0	1.10%	99.53%

Sources: District records

Note: Enrollment based on annual October district count.

- a. Operating expenditures equal total General Fund expenditures (Less - State on behalf payments)
- b. Teaching staff includes only full-time equivalents of certificated staff.
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST NINE FISCAL YEARS**

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005
Elementary Schools:									
John Hydock									
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (Students)	280	280	280	280	280	280	280	280	280
Enrollment	276	307	279	293	262	282	282	282	262
Mansfield Township									
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (Students)	640	640	640	640	640	640	640	640	640
Enrollment	438	441	435	459	423	405	376	376	349

Number of Schools at June 30, 2013:

Elementary = 2
 Middle School = 0
 Senior High School = 0
 Other = 0

Source: District Facilities Office

Enrollment is based on the annual October district count.

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

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

*	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
John Hydock Elementary	\$ 25,996	\$ 16,129	\$ 27,194	\$ 27,081	\$ 23,903	\$ 26,389	\$ 55,388	\$ 58,528	\$ 41,230	\$ 23,127
Mansfield Township Elementary	38,320	30,242	30,284	38,192	35,854	25,842	57,533	70,279	61,844	53,370
Total School Facilities	<u>\$ 64,316</u>	<u>\$ 46,371</u>	<u>\$ 57,478</u>	<u>\$ 65,273</u>	<u>\$ 59,757</u>	<u>\$ 52,231</u>	<u>\$ 112,921</u>	<u>\$ 128,807</u>	<u>\$ 103,074</u>	<u>\$ 76,497</u>

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

Source: District records

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2013**

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

Source: District Records

Source: District records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Mansfield Township
County of Burlington
Columbus, New Jersey 08022

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mansfield Township School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Mansfield Township School District's basic financial statements, and have issued our report thereon dated November 27, 2013.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is 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. We consider the deficiencies noted as findings 2013-02, 2013-03 and 2013-06 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies noted as findings 2013-01, 2013-04 and 2013-05 described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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

accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mansfield Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three 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 as Finding No. 2013-01, 2013-02 and 2013-03.

We noted certain matters that we reported to management of the Mansfield Township School District, in a separate letter dated November 27, 2013.

Purpose of this Report

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Rodney R. Haines
Public School Accountant
Certified Public Accountant
No. 2198

Medford, New Jersey
November 27, 2013



HOLMAN | FRENIA
ALLISON, P.C.

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EXHIBIT K-2

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Mansfield Township
County of Burlington
Columbus, New Jersey 08022

Report on Compliance for Each Major State Program

We have audited Mansfield Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have direct and material effect on each of the District's major state programs for the year ended June 30, 2013. Mansfield Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Mansfield Township School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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 state program occurred. An audit includes examining, on a test basis, evidence about Mansfield Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Equalization Aid, Categorical Special Education Aid, and Security Aid

As described in the accompanying schedule of findings and questioned costs, Mansfield Township School District did not comply with requirements regarding 13-495-034-5120-078 Equalization Aid, 13-495-034-5120-089 Categorical Special Education Aid, and 13-495-034-5120-084 Security Aid as described in finding numbers 2013-01, 2013-02, and 2013-03. Compliance with such requirements is necessary, in

our opinion, for Mansfield Township School District to comply with the requirements applicable to that program.

Qualified Opinion on Equalization Aid, Categorical Special Education Aid, and Security Aid

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Mansfield Township School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Equalization Aid, Categorical Special Education Aid, and Security Aid state programs for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major State Programs

In our opinion, Mansfield Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed no other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04.

Mansfield Township School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Mansfield Township School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Mansfield Township School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mansfield Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mansfield Township School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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

be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-01, 2013-02, and 2013-03 to be material weaknesses.

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

Mansfield Township School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Mansfield Township School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Haines', with a long horizontal stroke extending to the right.

Rodney R. Haines
Public School Accountant
Certified Public Accountant
No. 2198

Medford, New Jersey
November 27, 2013

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MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS	MEMO	
							RECEIVABLE) AT JUNE 30, 2013	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:									
General Fund:									
Transportation Aid	13-495-034-5120-014	\$ 111,696	7/1/12-6/30/13	\$ -	\$ 111,696	\$ (111,696)	\$ -	\$ 8,755	\$ 111,696
Equalization Aid	13-495-034-5120-078	48,257	7/1/12-6/30/13	-	48,257	(48,257)	-	3,783	48,257
Special Education Aid	13-495-034-5120-089	383,383	7/1/12-6/30/13	-	383,383	(383,383)	-	30,051	383,383
Security Aid	13-495-034-5120-084	49,773	7/1/12-6/30/13	-	49,773	(49,773)	-	3,901	49,773
Nonpublic Transportation Aid	13-495-034-5120-014	10,788	7/1/12-6/30/13	-	-	(10,788)	(10,788)	-	10,788
Nonpublic Transportation Aid	12-495-034-5120-014	11,310	7/1/11-6/30/12	(11,310)	11,310	-	-	-	-
Extraordinary Aid	13-495-034-5120-044	66,140	7/1/12-6/30/13	-	-	(66,140)	(66,140)	-	66,140
Extraordinary Aid	12-100-034-5120-044	112,460	7/1/11-6/30/12	(112,460)	112,460	-	-	-	-
On-Behalf TPAF Pension Contributions	13-495-034-5095-001	272,049	7/1/12-6/30/13	-	272,049	(272,049)	-	-	272,049
On-Behalf TPAF Post-Retirement Medical	13-495-034-5095-001	307,619	7/1/12-6/30/13	-	307,619	(307,619)	-	-	307,619
Reimbursed TPAF Social Security	13-495-034-5095-002	308,534	7/1/12-6/30/13	-	292,360	(308,534)	(16,174)	-	308,534
Reimbursed TPAF Social Security	12-495-034-5095-002	307,138	7/1/11-6/30/12	(15,193)	15,193	-	-	-	-
Total General Fund				(138,963)	1,604,100	(1,558,239)	(93,102)	46,490	1,558,239
Debt Service Fund:									
Debt Service Aid, Type II	13-100-034-5120-075	29,175	7/1/12-6/30/13	-	29,175	(29,175)	-	-	29,175
Total Debt Service Fund				-	29,175	(29,175)	-	-	29,175
Enterprise Fund:									
State School Lunch Program	13-100-010-3350-023	2,269	7/1/12-6/30/13	-	2,123	(2,269)	(146)	-	2,269
State School Lunch Program	12-100-010-3350-023	2,521	7/1/11-6/30/12	(122)	122	-	-	-	-
Total Enterprise Fund				(122)	2,245	(2,269)	(146)	-	2,269
Total State Financial Assistance				<u>\$ (139,085)</u>	<u>\$ 1,635,520</u>	<u>(1,589,683)</u>	<u>\$ (93,248)</u>	<u>\$ 46,490</u>	<u>\$ 1,589,683</u>
Less: Awards Not Subject to New Jersey OMB Circular 04-04:									
On-Behalf TPAF Pension Contributions						(272,049)			
On-Behalf TPAF Post-Retirement Medical						(307,619)			
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04						<u>\$ (1,010,015)</u>			

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**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. General

The accompanying schedules of expenditures state financial assistance include state award activity of the Board of Education, Mansfield Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state financial assistance received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

Note 2. Basis of Accounting

The accompanying schedules of expenditures of state financial assistance is presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to RSI, page 79, to reconcile from the budgetary basis to the GAAP basis is \$3,968 for the general fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF FINANCIAL ASSISTANCE (continued):
FOR THE YEAR ENDED JUNE 30, 2013**

Note 3. Relationship to Basic Financial Statements (continued):

	State
General Fund	\$1,554,271
Debt Service Fund	29,175
Food Service Fund	<u>2,269</u>
Total Financial Assistance	<u>\$1,585,715</u>

Note 4. Relationship to State Financial Reports

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

Note 5. Other

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, 2013. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

Note 6. State Loans Outstanding

The Mansfield Board of Education had no loan balances outstanding at June 30, 2013.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	Yes
2) Were Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	Yes

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Qualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	Yes
2) Significant deficiencies identified that are not considered To be material weaknesses?	Yes
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	Yes

Identification of major programs:

GMIS Number(s)	Name of State Program
13-495-034-5120-078	Equalization Aid
13-495-034-5120-089	Categorical Special Education Aid
13-495-034-5120-084	Security Aid
13-495-034-5120-014	Transportation Aid

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section II – Financial Statement Findings

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

Finding 2013-01:

Criteria:

The District must budget revenue to cover all debt service expenditures.

Condition:

During our audit, it was noted that the debt service fund had a deficit fund balance of \$36,394.

Context:

The debt service revenues did not cover all debt service expenditures.

Cause:

The debt service fund was budgeted to utilize revenues that did not exist as of June 30, 2012.

Effect:

The debt service fund had a negative fund balance at June 30, 2013.

Recommendation:

The District must budget revenue to cover all debt service expenditures.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2014.

Finding 2013-02:

Criteria:

Bank reconciliations should be in agreement with the general ledger accounting system.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section II – Financial Statement Findings (continued)

Condition:

During our audit, it was noted the District's bank reconciliations did not reconcile to the general ledger accounting system as of June 30, 2013.

Context:

During our audit, we noted discrepancies between the bank reconciliations and the general ledger accounting system.

Cause:

The differences between the bank reconciliations and the general ledger system were not corrected.

Effect:

The general ledger balance could be misstated.

Recommendation:

The District must reconcile all bank accounts to the cash balance in the general ledger accounting system.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2014.

Finding 2013-03:

Criteria:

Bank reconciliations should reconcile the bank balance to the general ledger balance by identifying outstanding items.

Condition:

During our audit, it was noted the District's bank reconciliations reported outstanding reconciling items that were incorrect.

Context:

It was noted certain outstanding items did not agree to the underlying support.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section II – Financial Statement Findings (continued)

Cause:

The reconciling items were incorrectly stated.

Effect:

The general ledger balance could be misstated.

Recommendation:

The District must properly reconcile bank accounts.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2014.

Finding 2013-04:

Criteria:

Budget transfers should be performed when an appropriation line is going to be over expended.

Condition:

During our audit, it was noted the District over expended a budget appropriation account line.

Context:

An appropriation budget line item was overexpended.

Cause:

A budget transfer was not performed to prevent the overexpenditure.

Effect:

The appropriation line was overexpended.

Recommendation:

The District should not over expend any budget appropriations.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section II – Financial Statement Findings (continued)

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2014.

Finding 2013-05:

Criteria:

Any line-item transfers to an advertised appropriation account identified as general administrative, school administrative, central services, and administrative information technology or other support services that, on a cumulative basis, exceed 10% of the amount included in the original budget, require county superintendent approval.

Condition:

During our testing we noted budget transfers exceeded the 10% threshold, but were not approved by the County Superintendent.

Context:

During our testing we noted budget transfers from tuition expenses totaling 66.04% and budget transfers from improvement of instruction services and instructional staff training services totaling 84.07% did not receive County Superintendent approval. We also noted a budget transfer to Equipment expense of 46.21% did not receive County Superintendent approval.

Cause:

Budget transfers were performed without obtaining County Superintendent approval.

Effect:

Budget transfers from advertised appropriation accounts were not properly approved.

Recommendation:

That County Superintendent approval is obtained for budget transfers individually or in the aggregate that exceed 10% of the original budgeted amount.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2014.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section III – State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

Finding 2013-01:

Criteria:

Budget transfers should be performed when an appropriation line is going to be over expended.

Condition:

During our audit, it was noted the District over expended a budget appropriation account line.

Context:

An appropriation budget line item was overexpended.

Cause:

A budget transfer was not performed to prevent the overexpenditure.

Effect:

The appropriation line was overexpended.

Recommendation:

The District should not over expend any budget appropriations.

Finding 2013-02:

Criteria:

County Superintendent approval is needed for any transfers, individually or in the aggregate, that exceed 10% to or from an advertised appropriation line item.

Condition:

During our audit, it was noted the District performed budget transfers exceeding the 10% threshold, but did not obtain County Superintendent approval.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section III – State Financial Assistance Finding & Questioned Costs (continued)

Context:

Budget transfers exceeded the 10% threshold, but did not receive County Superintendent approval.

Cause:

Budget transfers were performed, but the County Superintendent approval was not requested when they exceeded 10% of the original budget amount.

Effect:

Unauthorized budget transfers occurred during the year ended June 30, 2013.

Recommendation:

The District obtain County Superintendent approval for any transfers, individually or in the aggregate, that exceed 10% to or from an advertised appropriation line item.

Finding 2013-03:

Criteria:

The treasurer's reports should be in agreement with the general ledger accounting system and the bank reconciliations.

Condition:

During our audit, it was noted the school district's treasurer's reports, bank reconciliations and general ledger accounting system were not in agreement.

Context:

The reports had differences that were not corrected.

Cause:

The report differences were not identified and corrected.

Effect:

The financial statements could be misstated.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section III – State Financial Assistance Finding & Questioned Costs (continued)

Recommendation:

That the treasurer's reports, bank reconciliations, and general ledger accounting system be in agreement.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2014.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2013**

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

No Prior Year Findings

