

MANSFIELD TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

MANSFIELD TOWNSHIP BOARD OF EDUCATION

MANSFIELD TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

MANSFIELD TOWNSHIP BOARD OF EDUCATION

DEPARTMENT OF ADMINISTRATION

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INTRODUCTORY SECTION

Mansfield Township Board of Education

50 Port Murray Road, Port Murray, NJ 07865

Phone: 908-689-3212, Ext. 1186

Fax: 908-689-9504

October 22, 2013

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

Dear Board Members:

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

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

1) **REPORTING ENTITY AND ITS SERVICES:** Mansfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Mansfield Township Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular classes and special education for handicapped youngsters. The District completed the 2012-13 fiscal year with an enrollment of 705 students, which is 12 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

AVERAGE DAILY ENROLLMENT

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2012-13 | 705 | -1.7% |
| 2011-12 | 717 | 3.17% |
| 2010-11 | 695 | -3.4% |
| 2009-10 | 719 | 3.6% |
| 2008-09 | 694 | -1.4% |
| 2007-08 | 704 | 0.0% |
| 2006-07 | 705 | 1.0% |

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

3) **MAJOR INITIATIVES:**

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

The district continues to focus its major initiatives on improving instruction and curriculum to boost student achievement. Teachers have been working diligently to transition to the Common Core State Standards in the areas of Mathematics and Language Arts. Committees have been formed, curriculums have been revised, and resources and professional development needs are being explored. At the end of the

2012-2013 school year, we adopted and purchased the Go Math program which is aligned to the CCSS. We also purchased new fifth grade science textbooks. Our district work continues to be based on the State Model Curriculum and Assessment initiatives as well as PARCC and Common Core recommendations.

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

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

The major initiatives in technology for the 2012-2013 school year included: installing one additional SMART Board with projector; installing classroom speakers for every interactive white board; adding one additional SMART response system (3 total), a SMART podium, and a tablet (2 total). We also added 100 new laptops, 4 new servers, a new Barracuda content filter and router, 30 micro-desktop computers in the computer lab, 5 printers, a laptop cart, and 23 iPads. We migrated our email Microsoft Exchange Server to South Jersey Technology Partners for a savings in our archiving fees. We completed installation of a seamless Meru wireless network in preparation for future computer based assessments. We added 25 new SuccessMaker© licenses to expand our ability to support student learning in the areas of mathematics and language arts literacy. We launched a new website with added features to enhance communication with the community. We reconfigured our active directory infrastructure, added a help desk feature, reconfigured and neatened the network rack, separated the guest network from the primary network and used the Untangle System to filter it, and reimaged all computers. Our download speed was increased from 30 – 50 mbps. We will continue to utilize Discovery Video Streaming as a teacher resource. Additionally we will continue to receive e-rate rebates for our eligible technology and communication costs.

In terms of achievement, many teachers are utilizing SuccessMaker© to support student growth. Teachers had two full days of training on the Marzano Evaluation System which identifies elements of teaching that lead to greater student success. All teachers with SMART Boards in their classrooms were trained in how to best improve instruction through the use of interactive technology. Teachers continued Professional Learning Communities (PLC's) for staff development and to enhance district programs. The students in grades 3, 4, 5, and 6 participated in the State's NJ ASK test during May 2013. Students in grade 2 participated in the NJPASS achievement tests in the spring.

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

NJ ASK 2013 Results

| Test Type | Partially Proficient | Proficient | Advanced Proficient |
|---------------------------|-------------------------|------------|------------------------|
| NJ ASK-3 - Language Arts | 27.1 | 71.9 | 1.1 |
| NJ ASK-3 – Mathematics | 10.4 | 46.9 | 42.7 |
| NJ ASK-4 – Language Arts | 38.8 | 47.6 | 13.6 |
| NJ ASK-4 – Mathematics | 24.3 | 43.7 | 32.0 |
| NJ ASK-4 – Science | 7.8 | 44.7 | 47.6 |
| NJ ASK-5 – Language Arts* | 25.8 | 60.7 | 13.5 |
| NJ ASK-5 - Mathematics | 6.7 | 38.2 | 55.1 |
| NJ ASK-6 – Language Arts | 19.4 | 77.4 | 3.2 |
| NJ ASK-6 - Mathematics | 10.9 | 31.5 | 57.6 |

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

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

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

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

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

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

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

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

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

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

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

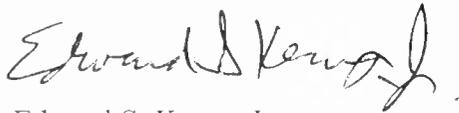
9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

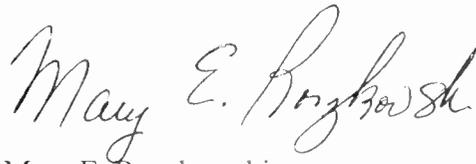
single audit section of this report.

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

Respectfully submitted,

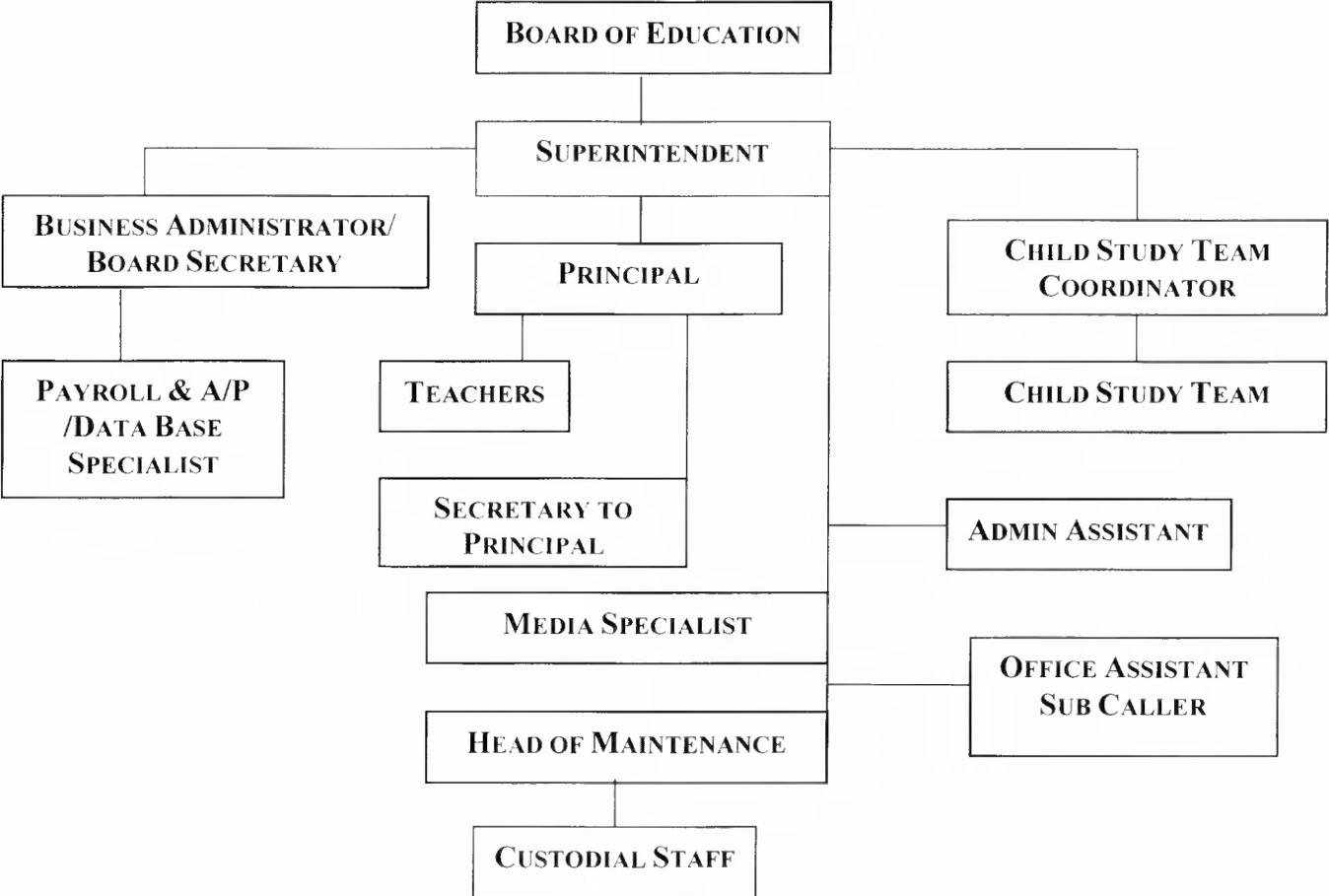


Edward S. Kemp, Jr.
Superintendent



Mary E. Roszkowski
Business Administrator/Board Secretary

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
ORGANIZATIONAL CHART**



ROSTER OF OFFICIALS
JUNE 30, 2013

Members of the Board of Education

Term Expires

| | |
|--------------------------------|------|
| Karri Reyes, President | 2013 |
| Timothy Barlow, Vice President | 2013 |
| Michael Coombs | 2014 |
| John Falco | 2016 |
| James Momary | 2013 |
| Desiree Mora-Dillon | 2016 |
| Tracey Janowski | 2014 |
| Sharon McAlpin | 2016 |
| Jason Winch | 2014 |

Other Officials

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

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEYS

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

OFFICIAL DEPOSITORIES

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

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

October 22, 2013

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 04-04 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

The discussion and analysis of Mansfield Township School District's financial performance provide an overall review of the District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and notes to enhance their understanding of the District's financial performance.

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

FINANCIAL HIGHLIGHTS

- In total, net position increased \$648,749 which is a 14.75 percent increase from fiscal year 2012.

- General revenue accounted for \$9,822,626 in revenue or 92.3 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$814,361 or 7.7 percent of the total revenue of \$10,636,987.

- The School District had \$9,988,238 in expenses; only \$814,361 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$9,822,626 were adequate to provide for these programs.

- Among governmental funds, the General Fund had \$9,438,894 in revenues and \$89,180,294 in expenditures. The General Fund's fund balance increased by \$258,600 from fiscal year 2012.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

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

REPORTING THE DISTRICT AS A WHOLE

STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

While this document contains the various funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012/2013?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

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

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

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

ENTERPRISE FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

THE DISTRICT AS A WHOLE

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

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

**Table 1
Net Position**

| | 6/30/13 | 6/30/12 | Variance | |
|--|--------------|--------------|------------|---------|
| | | | Dollars | % |
| Current & Other Assets | \$1,874,543 | \$ 1,368,932 | \$ 505,611 | 36.93 |
| Capital Assets | 4,751,849 | 4,712,031 | 39,818 | (0.85) |
| Total Assets | 6,626,392 | 6,080,963 | 545,429 | 8.97 |
| Long-Term Liabilities | 1,178,933 | 1,508,047 | (329,114) | (21.82) |
| Other Liabilities | 401,443 | 175,649 | 225,794 | 128.55 |
| Total Liabilities | 1,580,376 | 1,683,696 | (103,320) | (6.14) |
| Net position Invested in Capital Assets, | | | | |
| Net of Related Debt | 3,936,849 | 3,517,031 | 419,618 | 11.94 |
| Restricted | 1,183,580 | 939,494 | 244,086 | 25.98 |
| Unrestricted | (74,413) | (59,258) | (15,155) | 25.57 |
| Total Net position | \$ 5,046,016 | \$ 4,397,267 | \$ 648,749 | 14.75 |

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

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

**Table 2
Changes in Net Position**

| | Fiscal Year Ending | | Variance | |
|---|--------------------|-------------------|--------------------|-----------------|
| | 6/30/13 | 6/30/12 | Dollars | % |
| Revenues | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 424,764 | \$ 400,963 | \$ 23,801 | 5.94 |
| Operating Grants | 389,597 | 400,831 | (11,234) | (2.80) |
| General Revenues: | | | | |
| Property Taxes | 5,204,960 | 5,211,821 | (6,861) | (0.13) |
| Unrestricted Grants | 4,590,032 | 4,357,864 | 232,168 | 5.33 |
| Other | 27,634 | 42,232 | (14,598) | (34.57) |
| Total Revenues | <u>10,636,987</u> | <u>10,413,711</u> | <u>223,276</u> | <u>2.14</u> |
| Program Expenses | | | | |
| Instruction: | | | | |
| Regular | 4,498,884 | 4,273,829 | 255,055 | 5.27 |
| Special | 1,483,278 | 1,402,918 | 80,360 | 5.73 |
| Other | 398,308 | 408,872 | (10,564) | (2.58) |
| Support Services: | | | | |
| Tuition | 1,982 | 46,951 | (44,969) | (95.78) |
| Student & Instructional Staff | 1,260,806 | 1,236,731 | 24,075 | 1.95 |
| General & Business Administration | 594,934 | 609,332 | (14,398) | (2.36) |
| School Administration | 223,682 | 209,801 | 13,881 | 6.62 |
| Maintenance | 595,477 | 595,046 | 431 | 0.07 |
| Transportation | 518,101 | 529,235 | (11,134) | (2.10) |
| Food Service | 196,039 | 195,341 | 698 | 0.36 |
| Child Care Program | 109,435 | 100,893 | 8,542 | 8.47 |
| Charter Schools | 66,778 | 54,501 | 12,277 | 22.53 |
| Interest on Long-Term Debt | 40,534 | 52,529 | (11,995) | (22.84) |
| Total Expenses | <u>9,988,238</u> | <u>9,715,979</u> | <u>272,259</u> | <u>2.80</u> |
| Increases (Decreases) Before Special Items | <u>648,749</u> | <u>697,732</u> | <u>(48,983)</u> | <u>(7.02)</u> |
| Special Items: | | | | |
| Transfers | <u>0</u> | <u>(15,000)</u> | <u>15,000</u> | <u>(100.00)</u> |
| Total Special Items | <u>0</u> | <u>(15,000)</u> | <u>15,000</u> | <u>(100.00)</u> |
| Increase (Decrease) in Net position | <u>\$ 648,749</u> | <u>\$ 682,732</u> | <u>\$ (33,983)</u> | <u>(4.98)</u> |

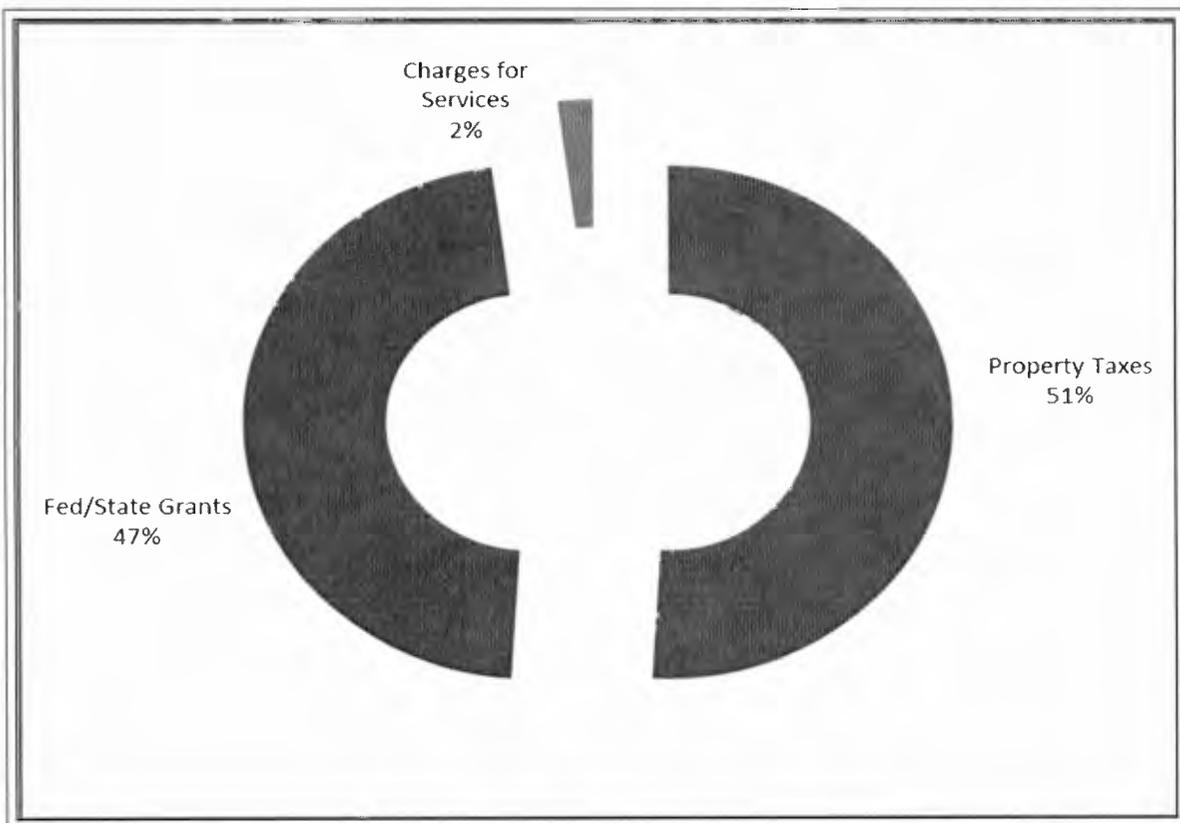
* = Undefined

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 51% of revenues for governmental activities for the Mansfield School District for fiscal year 2013. Federal, state, and local grants accounted for another 47% of the revenues, and 2% was derived from charges for services and from other sources. The District's total revenues for governmental activities were \$10,316,892 for the year ended June 30, 2013.

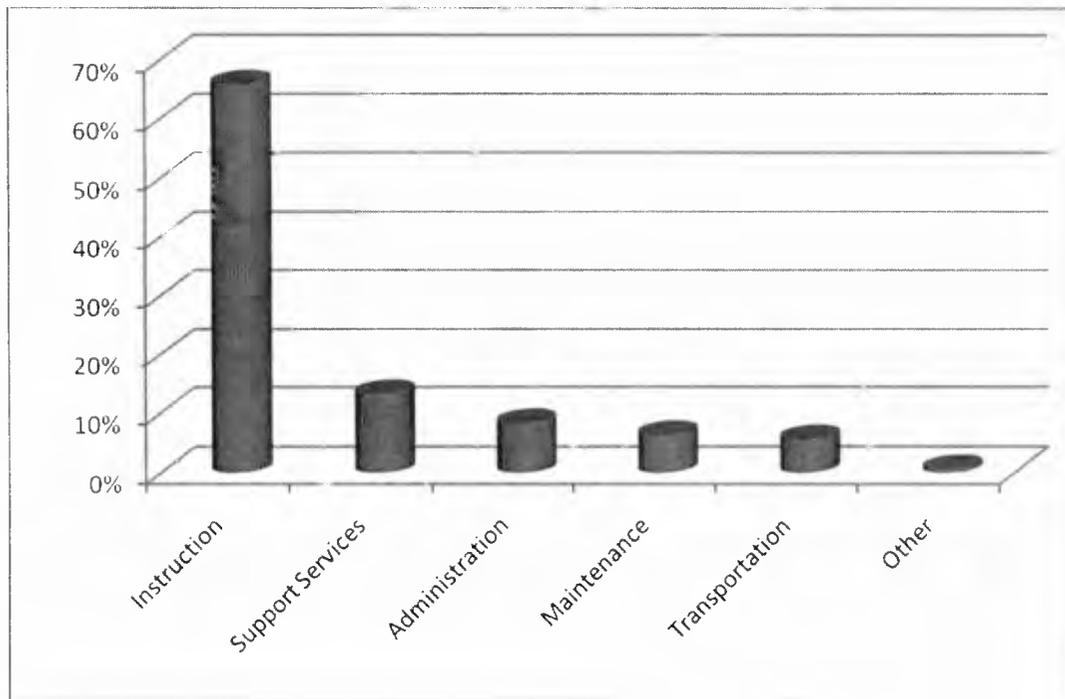
REVENUES
YEAR ENDED 6/30/13



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

The total cost of all program expenses and services for governmental activities was \$9,682,764. Expenditure categories and associated percentages are shown below.

EXPENDITURES
YEAR ENDED 6/30/2013



Business-Type Activities

Food Service

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

Food service expenditures exceeded revenues by \$1,044.

Daily food sales amounted to \$100,077. This represents amounts paid by patrons for daily food services.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

Federal and State reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$94,822.

Business-Type Activities (continued)

Child Care Program

Revenues for the district's child care program were comprised of charges for services. Child care revenues exceeded expenditures by \$15,665.

Charges for services represent \$125,100. This represents amounts paid by patrons for child care services.

Table 3 provides a summary of the School District's cost of governmental services in 2012 and 2011.

**Table 3
Cost of Government Services**

| | Total Cost of Services | | Net Cost of Services | |
|-----------------------------------|---------------------------|------------------------|-------------------------|-------------------------|
| | 6/30/13 | 6/30/12 | 6/30/13 | 6/30/12 |
| Instruction | \$6,380,470 | \$6,085,619 | \$6,114,848 | \$ 5,868,021 |
| Support Services: | | | | |
| Tuition | 1,982 | 46,951 | | |
| Student & Instructional Staff | 1,260,806 | 1,236,731 | 1,187,978 | 1,180,086 |
| General & Business Administration | 594,934 | 609,332 | 594,934 | 609,332 |
| School Administration | 223,682 | 209,801 | 223,682 | 209,801 |
| Plant Operations & Maintenance | 595,477 | 595,046 | 595,295 | 592,208 |
| Pupil Transportation | 518,101 | 529,235 | 364,353 | 371,498 |
| Food Service | 196,039 | 195,341 | 1,140 | (13,225) |
| Child Care Program | 109,435 | 100,893 | (15,665) | (10,566) |
| Charter Schools | 66,778 | 54,501 | 66,778 | 54,501 |
| Interest on Long-Term Debt | 40,534 | 52,529 | 40,534 | 52,529 |
| Total Expenses | <u>\$9,988,238</u> | <u>\$9,715,979</u> | <u>\$9,173,877</u> | <u>\$ 8,914,185</u> |

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

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

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

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

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

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

The School District's Funds

All governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$10,156,987 and expenditures were \$9,898,297. After accounting for other financing sources/(uses), the net change in fund balance for the year was an increase of \$258,690.

General Fund Budgeting Highlights

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 UNAUDITED

Capital Assets

At the end of fiscal year 2013, the district had \$4,742,154 invested in land, buildings, furniture, and equipment.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2013, with comparisons to June 30, 2012.

Table 4
Capital Assets
(Net of Depreciation)

| | 6/30/13 | 6/30/12 | Variance | |
|--------------------------|---------------------|---------------------|--------------------|---------|
| | | | Dollars | % |
| Land | \$ 17,722 | \$ 17,722 | | 0.00 |
| Land Improvements | 100,135 | 115,665 | \$ (15,530) | (13.43) |
| Buildings & Improvements | 4,344,989 | 4,440,843 | (95,854) | (2.16) |
| Furniture & Equipment | 289,003 | 137,801 | 151,202 | 109.72 |
| Total | <u>\$ 4,751,849</u> | <u>\$ 4,712,031</u> | <u>\$ (39,818)</u> | (0.85) |

During fiscal year, 2013, the District received information technology equipment valued at \$8,492 as a donation from the PTA. Major capital asset acquisitions included \$53,881 for building upgrades; \$98,312 for wireless network infrastructure upgrades; and \$37,660 for a generator. In addition, the District disposed of obsolete information technology equipment totaling \$56,198.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

Long Term Liabilities – Debt Administration

As of June 30, 2013, the district had \$1,178,933 of long-term liabilities. This amount is detailed below.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2013, with comparisons to June 30, 2012.

**Table 5
Outstanding Debt at 6/30/13**

| | 6/30/13 | 6/30/12 | Variance | |
|---|---------------------|---------------------|---------------------|----------------|
| | | | Dollars | % |
| 2007 General Obligation Refunding Bonds | \$815,000 | \$ 1,195,000 | \$ (380,000) | (31.80) |
| Unamortized Bond Premium | 7,761 | 12,273 | (4,512) | (36.76) |
| Compensated Absences | 356,172 | 300,774 | 55,398 | 18.42 |
| | <u>\$ 1,178,933</u> | <u>\$ 1,508,047</u> | <u>\$ (329,114)</u> | <u>(21.82)</u> |

For the Future

The building is approximately 40 years old, and it owes us nothing. Administration continues to examine and to prepare for the future needs of the district. A long range facilities plan was developed in 2005 and addresses the many anticipated building needs. The heating/ventilation units in the 1963 portion of the building are original as are the lighting fixtures. We have replaced the lighting in 39 classrooms and replaced 5 outdoor fixtures to date. Areas remaining to be completed are music, art, nurse, board office, office area, library, visitors' center, faculty lounge, kitchen, boiler, ESL, and hallways. The heating/ventilation units will need to be replaced or retrofitted in the foreseeable future. We have installed new valves in two of the three wings but still need to add heater controls and modify the piping system for the 1963 heaters or replace the heaters. In 2012-2013 we replaced our generator that failed during Hurricane Sandy. We also replaced the HVAC unit that services the teachers' room, the board office, the nurse's room, and the Title I room.

Phase I of the windows project was completed in August 2008, and Phase II was completed in August 2010. The District applied for and received a 40% grant for Phase II of the project to replace windows in the 1963 section. Mansfield received \$195,691 from the NJ Department of Education. The cost of the entire project was \$493,662. We still

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

need to complete Phase III of the project which includes five classrooms of windows in the 1963 section of the building and possibly the windows in the multi-purpose room.

The district has a golden opportunity to address the needs of our aging facility as we will be paying off our bonds in 2015. We are currently compiling and prioritizing a list of projects for the board of education to consider in preparation for a March referendum. Our goal is to update as much of the building and grounds as possible without impacting the local tax rate. Some of the items on the list include:

1. Exterior: paving the back entrance and the front parking lot, replacing the sidewalk along the office parking lot, parking lot lighting, and a new electric sign.
2. HVAC: controls for the entire building, unit ventilators for the 1962 and 1976 buildings, IT room, ventilation, 2 Cleaver Brooks Boilers, and 1 Pacific Boiler.
3. Roof: 1962, 1976, and 1997 buildings
4. Lighting: replace all existing T-12 fixtures
5. Doors: all exterior, interior (3rd, 5th, 6th bathrooms)
6. ADA hardware 1962 and 1976 wings
7. Bathrooms: 3rd grade, partitions in 4 rooms
8. Windows: Phase III with all-purpose room
9. Building Elements: fire alarm, clock system, front entrance, bathroom in nurse's room, kitchen exhaust over the dishwasher, water fountains, asbestos removal, built-in cabinetry 1962 and 1976 wing, library ceiling, doors under stage, science room and art room sinks, music practice (reconfigure walls), remove glass between rooms and fill in.
10. Maintenance Building: new
11. Classroom: replace desks
12. Electronic locks

The major initiatives in technology completed during the 2012-2013 school year included: installing one additional SMART Board with projector; installing classroom speakers for every interactive white board; adding one additional SMART response system (3 total), a SMART podium, and a tablet (2 total). We also added 100 new laptops, 4 new servers, a new Barracuda content filter and router, 30 micro-desktop computers in the computer lab, 5 printers, a laptop cart, and 23 iPads. We migrated our email Microsoft Exchange Server to South Jersey Technology Partners for a savings in our archiving fees. We completed installation of a seamless Meru wireless network in preparation for future computer based assessments. We added 25 new SuccessMaker© licenses to expand our ability to support student learning in the areas of mathematics and language arts literacy. We launched a new website with added features to enhance communication with the community. We reconfigured our active directory infrastructure, added a help desk feature, reconfigured and neatened the network rack, separated the guest network from the primary network and used the Untangle System to filter it, and reimaged all computers. Our download speed was increased from 30 – 50 mbps. We will continue to utilize Discovery Video Streaming as a teacher resource. Additionally we will continue to receive e-Rate rebates for our eligible technology and communication costs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

Our technology goals for 2013-2014 include continued additions to foster the infusion of technology in the classroom and to improve school safety. We anticipate adding 75 new laptops, making 54 laptops available to each grade level (3 – 6). In the area of security, we will deploy 65 cameras and 4 switches so that the cameras can operate on a separate network. The local police department will be able to access the feeds from the cameras. We will add 5 Smart Boards, 5 short throw projectors, 5 ceiling mount projectors, 20 iPads, 2 TV's, and 4 new laptop carts (total of 12 now). We will add MAP Assessments to track student progress and to inform instruction. We are exploring the addition of security locks and Microsoft Surface Tablets. Our PTA and Education Foundation will help support the costs of expanding technology and funding programs.

Our team teaching model for inclusion special education students and Title I students continues to develop and provide benefits for struggling learners. We continue to improve our Intervention and Referral Services. Changes better support teachers by providing them with alternative methodologies to address the specific needs of an individual student. These changes will also more effectively support students who are experiencing difficulties in the classroom. The new Go Math series provides resources to aid struggling students. The addition of MAP Assessments will provide teachers with valuable data on each student to better inform instruction.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

| | Governmental Activities | Business- Type Activities | Total |
|---|----------------------------|---------------------------------|---------------------|
| ASSETS | | | |
| Cash & Cash Equivalents | \$ 289,488 | \$ 39,042 | \$ 328,530 |
| Internal Balances | (47,073) | 47,073 | |
| Due from Other Funds | 6,474 | | 6,474 |
| Receivables, Net | 347,927 | 6,025 | 353,952 |
| Inventory | | 2,098 | 2,098 |
| Restricted Assets: | | | |
| Capital Reserve Account-Cash | 892,238 | | 892,238 |
| Maintenance Reserve Account-Cash | 291,251 | | 291,251 |
| Capital Assets (Note 4): | | | |
| Land | 17,722 | | 17,722 |
| Other Capital Assets, Net of Depreciation | 4,724,432 | 9,695 | 4,734,127 |
| Total Assets | <u>6,522,459</u> | <u>103,933</u> | <u>6,626,392</u> |
| LIABILITIES | | | |
| Accounts Payable | 216,663 | 10,701 | 227,364 |
| Accrued Interest | 9,848 | | 9,848 |
| Deferred Revenue | 163,449 | 782 | 164,231 |
| Long-Term Liabilities (Note 5): | | | |
| Due Within One Year | 462,482 | | 462,482 |
| Due Beyond One Year | 716,451 | | 716,451 |
| Total Liabilities | <u>1,568,893</u> | <u>11,483</u> | <u>1,580,376</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 3,927,154 | 9,695 | 3,936,849 |
| Restricted for: | | | |
| Debt Service | 91 | | 91 |
| Legal Reserves | 1,183,489 | | 1,183,489 |
| Unrestricted | (157,168) | 82,755 | (74,413) |
| TOTAL NET POSITION | <u>\$ 4,953,566</u> | <u>\$ 92,450</u> | <u>\$ 5,046,016</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

| Functions/Programs | Direct Expenses | Indirect Expenses Allocation | Program Revenues | | | Net (Expense) Revenue & Changes in Net Position | | |
|--|---------------------|------------------------------|----------------------|---------------------------------|-------------------------------|---|--------------------------|---------------------|
| | | | Charges for Services | Operating Grants & Contribution | Capital Grants & Contribution | Governmental Activities | Business-Type Activities | Total |
| Government Activities: | | | | | | | | |
| Instruction: | | | | | | | | |
| Regular | \$ 3,003,129 | \$ 1,495,755 | \$ 17,463 | \$ 30,938 | | \$ (4,450,483) | | \$ (4,450,483) |
| Special Education | 994,382 | 488,896 | 28,194 | 86,920 | | (1,368,164) | | (1,368,164) |
| Other Special Education | 285,054 | 112,737 | | 102,107 | | (295,684) | | (295,684) |
| Other Instruction | 500 | 17 | | | | (517) | | (517) |
| Support Services: | | | | | | | | |
| Tuition | 1,982 | | | 1,982 | | | | |
| Students & Instruction Related Services | 858,288 | 402,518 | | 72,828 | | (1,187,978) | | (1,187,978) |
| General & Business Administration Services | 423,013 | 171,921 | | | | (594,934) | | (594,934) |
| School Administration Services | 151,528 | 72,154 | | | | (223,682) | | (223,682) |
| Plant Operations & Maintenance | 489,466 | 106,011 | 182 | | | (595,295) | | (595,295) |
| Pupil Transportation | 517,482 | 619 | 153,748 | | | (364,353) | | (364,353) |
| Charter Schools | 66,778 | | | | | (66,778) | | (66,778) |
| Interest on Long-term Debt | 40,534 | | | | | (40,534) | | (40,534) |
| Total Government Activities | 6,832,136 | 2,850,628 | 199,587 | 294,775 | \$ - | (9,188,402) | \$ - | (9,188,402) |
| Business-Type Activities: | | | | | | | | |
| Food Service | 196,039 | | 100,077 | 94,822 | | | (1,140) | (1,140) |
| Before and After School Child Care | 109,435 | | 125,100 | | | | 15,665 | 15,665 |
| Total Business-Type Activities | 305,474 | - | 225,177 | 94,822 | - | - | 14,525 | 14,525 |
| Total Primary Government | \$ 7,137,610 | \$ 2,850,628 | \$ 424,764 | \$ 389,597 | \$ - | (9,188,402) | 14,525 | (9,173,877) |
| General Revenues and Transfers | | | | | | | | |
| | | | | | | 4,867,038 | | 4,867,038 |
| | | | | | | 337,922 | | 337,922 |
| | | | | | | 4,590,032 | | 4,590,032 |
| | | | | | | 3,656 | 62 | 3,718 |
| | | | | | | 23,882 | 34 | 23,916 |
| | | | | | | 9,822,530 | 96 | 9,822,626 |
| | | | | | | 634,128 | 14,621 | 648,749 |
| | | | | | | 4,319,438 | 77,829 | 4,397,267 |
| | | | | | | \$ 4,953,566 | \$ 92,450 | \$ 5,046,016 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

| | General Fund | Special Revenue Fund | Capital Project Fund | Debt Service Fund | Total Governmental Funds |
|---|---------------------|----------------------------|----------------------------|-------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash & Cash Equivalents | \$ 289,397 | | | \$ 91 | \$ 289,488 |
| Due from Other Funds | 133,946 | | | | 133,946 |
| Receivables from Other Governments: | | | | | |
| Federal | | \$ 325,681 | | | 325,681 |
| State | 22,246 | | | | 22,246 |
| Restricted Cash & Equivalents | 1,183,489 | | | | 1,183,489 |
| TOTAL ASSETS | \$ 1,629,078 | \$ 325,681 | \$ - | \$ 91 | \$ 1,954,850 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Due to Other Funds | \$ 47,073 | \$ 127,472 | | | \$ 174,545 |
| Accounts Payable | 179,843 | 36,820 | | | 216,663 |
| Deferred Revenue | 2,060 | 161,389 | | | 163,449 |
| Total Liabilities | 228,976 | 325,681 | \$ - | \$ - | 554,657 |
| Fund Balances: | | | | | |
| Committed Fund Balance: | | | | | |
| Capital Reserve Account | 892,238 | | | | 892,238 |
| Maintenance Reserve Account | 291,251 | | | | 291,251 |
| Assigned Fund Balance: | | | | | |
| Year-End Encumbrances | 221,399 | | | | 221,399 |
| Designated for Subsequent Year's Expenditures | 92,293 | | | 1 | 92,294 |
| Debt Service Fund-Undesignated | | | | 90 | 90 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013
(Continued)

| | General Fund | Special Revenue Fund | Capital Project Fund | Debt Service Fund | Total Governmental Funds |
|--|---------------------|----------------------------|----------------------------|-------------------------|--------------------------------|
| LIABILITIES AND FUND BALANCES (Cont'd) | | | | | |
| Fund Balances: (Cont'd) | | | | | |
| Unassigned Fund Balance | \$ (97,079) | | | | \$ (97,079) |
| Total Fund Balances | <u>1,400,102</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 91</u> | <u>1,400,193</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,629,078</u> | <u>\$ 325,681</u> | <u>\$ -</u> | <u>\$ 91</u> | |

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

| | | |
|---|------------------|---------------------|
| Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is | \$ 8,316,073 | |
| | <u>3,573,919</u> | 4,742,154 |
| Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds | | (1,178,933) |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. | | (9,848) |
| Total Net Position of Governmental Activities | | <u>\$ 4,953,566</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 4,867,038 | | | \$ 337,922 | \$ 5,204,960 |
| Tuition Charges | 44,194 | | | | 44,194 |
| Interest Earned on Capital Reserve Funds | 648 | | | | 648 |
| Interest on Investments | 3,008 | | | | 3,008 |
| Miscellaneous | 19,370 | \$ 1,659 | | | 21,029 |
| Total | 4,934,258 | 1,659 | \$ - | 337,922 | 5,273,839 |
| State Sources | 4,490,206 | | | 85,396 | 4,575,602 |
| Federal Sources | 14,430 | 293,116 | | | 307,546 |
| Total Revenues | 9,438,894 | 294,775 | - | 423,318 | 10,156,987 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instructional: | | | | | |
| Regular Instruction | 2,970,429 | 25,585 | | | 2,996,014 |
| Special Education Instruction | 913,914 | 80,468 | | | 994,382 |
| Other Special Instruction | 198,995 | 86,059 | | | 285,054 |
| Other Instruction | 500 | | | | 500 |
| Support Service & Undistributed Costs: | | | | | |
| Tuition | | 1,982 | | | 1,982 |
| Student & Instruction Related Services | 783,559 | 72,828 | | | 856,387 |
| General & Business Administrative Services | 421,112 | | | | 421,112 |
| School Administrative Services | 151,528 | | | | 151,528 |
| Plant Operations & Maintenance | 486,432 | | | | 486,432 |
| Pupil Transportation | 363,734 | | | | 363,734 |
| Unallocated Benefits | 2,570,794 | 27,853 | | | 2,598,647 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--------------------------------------|---------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Capital Outlay | \$ 250,622 | | | | \$ 250,622 |
| Transfer of Funds to Charter Schools | 66,778 | | | | 66,778 |
| Debt Service: | | | | | |
| Principal | | | | \$ 380,000 | 380,000 |
| Interest & Other Charges | | | | 43,228 | 43,228 |
| Interest on NJ SDA Obligations | 1,897 | | | | 1,897 |
| Total Expenditures | <u>9,180,294</u> | <u>\$ 294,775</u> | <u>\$ -</u> | <u>423,228</u> | <u>9,898,297</u> |
| Net Change in Fund Balance | 258,600 | - | - | 90 | 258,690 |
| Fund Balances, July 1 | <u>1,141,502</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>1,141,503</u> |
| Fund Balances, June 30 | <u>\$ 1,400,102</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 91</u> | <u>\$ 1,400,193</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

| | | |
|---|----|-----------------------|
| Total Net Changes in Fund Balances-Governmental Fund (from B-2) | \$ | 258,690 |
| <p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p> | | |
| <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:</p> | | |
| Capital Outlays | \$ | 250,622 |
| Depreciation Expense | | <u>(208,889)</u> |
| | | 41,733 |
| <p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p> | | |
| Bond Principal Payments | | 380,000 |
| <p>Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:</p> | | |
| Amortization of Bond Premium | | 4,512 |
| <p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p> | | |
| | | 4,591 |
| <p>In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p> | | |
| | | <u>(55,398)</u> |
| Change in Net Position of Governmental Activities | \$ | <u><u>634,128</u></u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

| | Food Service Fund | Before & After School Child Care Fund | Total |
|-------------------------------------|----------------------|---|------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash & Cash Equivalents | \$ 2,715 | \$ 36,327 | \$ 39,042 |
| Due from Other Funds | 47,073 | | 47,073 |
| Receivables from Other Governments: | | | |
| State | 337 | | 337 |
| Federal | 5,593 | | 5,593 |
| Other Accounts Receivable | | 95 | 95 |
| Inventory | 2,098 | | 2,098 |
| Total Current Assets | <u>57,816</u> | <u>36,422</u> | <u>94,238</u> |
| Noncurrent Assets: | | | |
| Capital Assets | 44,657 | | 44,657 |
| Less: Accumulated Depreciation | 34,962 | | 34,962 |
| Total Noncurrent Assets | <u>9,695</u> | <u>-</u> | <u>9,695</u> |
| Total Assets | <u>67,511</u> | <u>36,422</u> | <u>103,933</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 10,623 | 78 | 10,701 |
| Deferred Revenues | 782 | | 782 |
| Total Liabilities | <u>11,405</u> | <u>78</u> | <u>11,483</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 9,695 | | 9,695 |
| Unrestricted | <u>46,411</u> | <u>36,344</u> | <u>82,755</u> |
| TOTAL NET POSITION | <u>\$ 56,106</u> | <u>\$ 36,344</u> | <u>\$ 92,450</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | Food Service Fund | Before & After School Child Care Fund | Total |
|--|----------------------|---|------------------|
| Operating Revenues: | | | |
| Charges for Services: | | | |
| Daily Sales-Reimbursable Programs | \$ 73,530 | | \$ 73,530 |
| Daily Sales-Nonreimbursable Programs | 26,547 | | 26,547 |
| Child Care Program Fees | | \$ 125,100 | 125,100 |
| Miscellaneous | 34 | | 34 |
| Total Operating Revenues | <u>100,111</u> | <u>125,100</u> | <u>225,211</u> |
| Operating Expenses: | | | |
| Salaries | 65,892 | 89,341 | 155,233 |
| Employee Benefits | 19,399 | 6,521 | 25,920 |
| Purchased Property Services (Repairs) | 12,481 | | 12,481 |
| Insurance | 2,635 | 6,679 | 9,314 |
| Management Fee | 9,510 | | 9,510 |
| Other Purchased Services | 3,377 | 923 | 4,300 |
| Supplies and Materials | 4,583 | 5,971 | 10,554 |
| Depreciation | 1,915 | | 1,915 |
| Cost of Sales | 74,276 | | 74,276 |
| Miscellaneous | 1,971 | | 1,971 |
| Total Operating Expenses | <u>196,039</u> | <u>109,435</u> | <u>305,474</u> |
| Operating Income (Loss) | <u>(95,928)</u> | <u>15,665</u> | <u>(80,263)</u> |
| Nonoperating Revenues (Expenses): | | | |
| State Sources: | | | |
| State School Lunch Program | 2,591 | | 2,591 |
| Federal Sources: | | | |
| National School Lunch Program | 75,946 | | 75,946 |
| National School Breakfast Program | 361 | | 361 |
| Child and Adult Care Food Program | 930 | | 930 |
| Food Donation Program | 14,994 | | 14,994 |
| Interest Earned on Investments | 62 | | 62 |
| Total Nonoperating Revenues (Expenses) | <u>94,884</u> | <u>-</u> | <u>94,884</u> |
| Change in Net Position | (1,044) | 15,665 | 14,621 |
| Net Position, Beginning | <u>57,150</u> | <u>20,679</u> | <u>77,829</u> |
| Net Position, Ending | <u>\$ 56,106</u> | <u>\$ 36,344</u> | <u>\$ 92,450</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | Food Service Fund | Before & After School Child Care Fund | Total |
|---|----------------------|---|--------------------|
| Cash Flows from Operating Activities: | | | |
| Receipts from Customers | \$ 100,112 | \$ 125,425 | \$ 225,537 |
| Payments to Food Service Management Company | (162,137) | | (162,137) |
| Payments to Employees | | (89,341) | (89,341) |
| Payments for Employee Benefits | | (6,521) | (6,521) |
| Payments to Vendors (Net) | (14,183) | (13,495) | (27,678) |
| Net Cash Provided by (Used For) Operating Activities | <u>(76,208)</u> | <u>16,068</u> | <u>(60,140)</u> |
| Cash Flows from Noncapital Financing Activities: | | | |
| State Sources | 2,390 | | 2,390 |
| Federal Sources | 75,341 | | 75,341 |
| General Fund Interfund Activity | (37,859) | | (37,859) |
| Net Cash Provided by (Used For) Noncapital Financing Activities | <u>39,872</u> | <u>-</u> | <u>39,872</u> |
| Cash Flows from Investing Activities: | | | |
| Interest Earned on Investments | <u>62</u> | <u>-</u> | <u>62</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (36,274) | 16,068 | (20,206) |
| Cash and Cash Equivalents, July 1, 2012 | <u>38,989</u> | <u>20,259</u> | <u>59,248</u> |
| Cash and Cash Equivalents, June 30, 2013 | <u>\$ 2,715</u> | <u>\$ 36,327</u> | <u>\$ 39,042</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | | | |
| Operating Income (Loss) | \$ (95,928) | \$ 15,665 | \$ (80,263) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | | | |
| Depreciation | 1,915 | | 1,915 |
| Federal Food Donation Program | 14,994 | | 14,994 |
| (Increase) Decrease in Other Accounts Receivable | | 325 | 325 |
| (Increase) Decrease in Inventory | 255 | | 255 |
| Increase (Decrease) in Accounts Payable | 2,929 | 78 | 3,007 |
| Increase (Decrease) in Deferred Revenue | (373) | | (373) |
| Net Cash Provided by (Used For) Operating Activities | <u>\$ (76,208)</u> | <u>\$ 16,068</u> | <u>\$ (60,140)</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

| | Unemployment Compensation Fund | Student Activity Agency Fund | Payroll Agency Fund |
|-----------------------------------|--------------------------------------|---------------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash & Cash Equivalents | \$ 181,016 | \$ 36,419 | \$ 44,604 |
| TOTAL ASSETS | <u>181,016</u> | <u>\$ 36,419</u> | <u>\$ 44,604</u> |
| LIABILITIES | | | |
| Accounts Payable | | | |
| Due to Other Funds | | \$ 6,210 | \$ 264 |
| Due to Student Groups | | 30,209 | |
| Payroll Deductions & Withholdings | | | <u>44,340</u> |
| TOTAL LIABILITIES | <u>-</u> | <u>\$ 36,419</u> | <u>\$ 44,604</u> |
| NET POSITION | <u>\$ 181,016</u> | | |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

| | Unemployment Compensation Fund |
|-------------------------------------|--------------------------------------|
| | |
| ADDITIONS | |
| Contributions: | |
| Plan Members | \$ 8,306 |
| Interest | 355 |
| Total Additions | 8,661 |
| DEDUCTIONS | |
| Unemployment Claims | 596 |
| Total Deductions | 596 |
| Change in Net Position | 8,065 |
| Net Position, Beginning of the Year | 172,951 |
| Net Position, End of the Year | \$ 181,016 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements include:

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

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

A. Reporting Entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-6. The District had an approximate enrollment at June 30, 2013 of 705 students.

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

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

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

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

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

Fiduciary Fund Types

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

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

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

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

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and, if required, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2013 were insignificant.

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

E. Encumbrances

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

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

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

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2012-2013 and 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

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

J. Capital Assets

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

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

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

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

K. Compensated Absences

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

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

L. Deferred Revenue

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

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

M. Long-Term Obligations

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

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

N. Fund Balances-Governmental Funds

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

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

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

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

O. Comparative Data/Reclassifications

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

P. Allocation of Indirect Expenses

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

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

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

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

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

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Deposits at June 30, 2013 appear in the financial statements as summarized below:

| | | |
|---|-------------|---------------------|
| Cash | | <u>\$ 1,774,058</u> |
| | <u>Ref.</u> | |
| Cash: | | |
| Governmental Funds, Balance Sheet | B-1 | \$ 1,472,977 |
| Proprietary Fund, Statement of Net Position | B-4 | 39,042 |
| Fiduciary Funds, Statement of Net Position | B-7 | <u>262,039</u> |
| Total Cash | | <u>\$ 1,774,058</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

Deposits – The District's carrying amount of bank deposits at June 30, 2013 is \$1,774,058 and the bank balance is \$1,859,822. Of the bank balance, \$250,000 is covered by federal depository insurance and \$1,609,822 is insured by GUDPA.

Deposit and Investment Risk

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

1. Custodial credit risk disclosures are required for:

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

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

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.

3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.

4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.

5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2013, the district has no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---------------------------|----------------------|-----------|-----------|-------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital Assets, Not Being | | | | |
| Depreciated: | | | | |
| Land | \$ 17,722 | | | \$ 17,722 |
| Total | 17,722 | \$ -0- | \$ -0- | 17,722 |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|-------------------|------------------|---------------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | \$ 310,600 | | | \$ 310,600 |
| Building & Improvements | 7,411,353 | \$ 53,881 | | 7,465,234 |
| Furniture & Equipment | 381,974 | 196,741 | \$ 56,198 | 522,517 |
| Total | <u>8,103,927</u> | <u>250,622</u> | <u>56,198</u> | <u>8,298,351</u> |
| Accumulated Depreciation: | | | | |
| Land Improvements | 194,935 | 15,530 | | 210,465 |
| Building & Improvements | 2,970,510 | 149,735 | | 3,120,245 |
| Furniture & Equipment | 255,783 | 43,624 | \$ 56,198 | 243,209 |
| Total | <u>3,421,228</u> | <u>208,889</u> | <u>56,198</u> | <u>3,573,919</u> |
| Total Capital Assets, Being Depreciated, Net | <u>4,682,699</u> | <u>41,733</u> | <u>-0-</u> | <u>4,724,432</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 4,700,421</u> | <u>\$ 41,733</u> | <u>\$ -0-</u> | <u>\$ 4,742,154</u> |
| Business-Type Activities: | | | | |
| Furniture & Equipment | \$ 44,657 | | | \$ 44,657 |
| Less: Accum Depreciation | <u>33,047</u> | \$ 1,915 | \$ -0- | <u>34,962</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 11,610</u> | <u>\$ (1,915)</u> | <u>\$ -0-</u> | <u>\$ 9,695</u> |

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

| | |
|--|-------------------|
| Instruction: | |
| Regular | \$ 108,890 |
| Special Education | 34,265 |
| Other Special Instruction | 9,822 |
| Other Instruction | 17 |
| Support Services: | |
| Student & Instruction | 31,410 |
| General & Business Admin | 16,412 |
| School Administration | 5,221 |
| Plant & Maintenance | <u>2,852</u> |
| Total Depreciation Expense, Governmental Activities | <u>\$ 208,889</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2013 is as Follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds Payable | \$ 1,195,000 | | \$ 380,000 | \$ 815,000 | \$ 400,000 |
| Unamortized Premium | 12,273 | | 4,512 | 7,761 | 4,512 |
| Compensated Absences Payable | <u>300,774</u> | \$ 70,011 | <u>14,613</u> | <u>356,172</u> | <u>57,970</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 1,508,047</u> | <u>\$ 70,011</u> | <u>\$ 399,125</u> | <u>\$ 1,178,933</u> | <u>\$ 462,482</u> |

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2013 including interest payments are listed as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|-------------------|------------------|-------------------|
| 2014 | \$ 400,000 | \$ 29,544 | \$ 429,544 |
| 2015 | <u>415,000</u> | <u>15,044</u> | <u>430,044</u> |
| Total | <u>\$ 815,000</u> | <u>\$ 44,588</u> | <u>\$ 859,588</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

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

| | |
|--|-------------------|
| \$2,540,000—2007 general obligation refunding bonds, due in annual installments of \$265,000 to \$415,000 beginning March 1, 2009, through March 1, 2015 interest from 3.50% to 3.625% | \$ 815,000 |
| | <u>\$ 815,000</u> |

The general obligation bonded debt of the District is limited by state law to 2.50% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2013 is \$19,416,446. General obligation debt at June 30, 2013 is \$815,000, resulting in a legal debt margin of \$18,601,446.

NOTE 6. PENSION PLANS

Description of Systems

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

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

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2011) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

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

Significant Legislation

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

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

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

Contribution Requirements

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (Cont'd)

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

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

| Year Funding | TPAF Benefit Costs | Percentage of APC Contributed |
|-----------------|-----------------------|-------------------------------------|
| 06/30/13 | \$ 621,706 | 100% |
| 06/30/12 | 436,916 | 100% |
| 06/30/11 | 310,089 | 100% |

Three-Year Trend Information for PERS

| Year Funding | Annual Pension Cost (APC) | Percentage of APC Contributed |
|-----------------|---------------------------------|-------------------------------------|
| 06/30/13 | \$ 61,197 | 100% |
| 06/30/12 | 68,048 | 100% |
| 06/30/11 | 65,536 | 100% |

During the year ended June 30, 2013, the State of New Jersey contributed \$329,928 to the TPAF for post-retirement medical benefits and \$14,584 for non-contributory insurance premiums, and \$277,194 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$351,039 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 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 Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Ch 126 benefits for 16,618 eligible retired members.

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

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.nj.gov/treasury/pensions/audit-rpts-2012/shbp-12.pdf

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

NOTE 8. DEFERRED COMPENSATION

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

Siracusa Benefits
AXA Equitable-Equivest
Lincoln Investment Planning

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

The composition of Interfund balances as of June 30, 2013 is as follows:

| Fund | Receivable Fund | Payable Fund |
|-------------------------------|--------------------|-----------------|
| General Fund | \$ 133,946 | \$ 47,043 |
| Special Revenue Fund | | 127,472 |
| Food Service Fund | 47,043 | |
| Student Activity Program Fund | | 6,210 |
| Payroll Agency Fund | | 264 |
| | \$ 180,989 | \$ 180,989 |

The balance due from the General Fund to the Food Service Fund of \$47,043 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$127,472 due to cash flow issues relating to the delayed receipt of grant revenues. The balance due from the Student Activity Agency Fund to the General Fund represents receipt collected for the summer Kindergarten program in the Student Activity Agency Fund but not yet transferred to the General Fund. The balance due from the Payroll Agency Fund to the General Fund of \$264 represents interest and cancelled balances.

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2013 consisted of the following:

| | |
|----------|----------|
| Food | \$ 1,394 |
| Supplies | 704 |
| | \$ 2,098 |

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

NOTE 11. CONTINGENT LIABILITIES

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 12. RISK MANAGEMENT

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

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

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

| Fiscal Year | Interest Earnings | District Contrib | Prior Year Refund | Employee Contrib | Amount Reimbursed | Ending Balance |
|-------------|----------------------|---------------------|----------------------|---------------------|----------------------|-------------------|
| 2012-2013 | \$ 355 | \$ -0- | \$ -0- | \$ 8,306 | \$ 596 | \$ 181,016 |
| 2011-2012 | 516 | 15,000 | -0- | 7,993 | 30,925 | 172,951 |
| 2010-2011 | 493 | 100,000 | -0- | 7,912 | 89,986 | 180,367 |

NOTE 13. LEGAL RESERVE ACCOUNTS

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

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

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$293,000 to their Capital Reserve and \$20,393 to their Maintenance Reserve accounts by board resolution in June 2013 as summarized in the following schedule.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

The District withdrew \$95,000 from their Capital Reserve account for transfer to their Capital Outlay Fund representing the District's share of the local portion of a State approved school renovation project and returned \$24,954 unused funds to the reserve by year-end.

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

| <u>Reserve Type</u> | <u>Beginning Balance</u> | <u>District Contribution</u> | <u>Interest Earnings</u> | <u>Withdrawals Net of Return</u> | <u>Ending Balance</u> |
|---------------------|--------------------------|------------------------------|--------------------------|----------------------------------|-----------------------|
| Capital Reserve | \$ 668,636 | \$ 293,000 | \$ 648 | \$ 70,046 | \$ 892,238 |
| Maintenance | <u>270,858</u> | <u>20,393</u> | <u> </u> | <u> </u> | <u>291,251</u> |
| Totals | <u>\$ 939,494</u> | <u>\$ 313,393</u> | <u>\$ 648</u> | <u>\$ 70,046</u> | <u>\$ 1,183,489</u> |

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2013 and 2012 is as follows:

| | <u>2013</u> | <u>2012</u> |
|---|---------------------|---------------------|
| Committed: | | |
| Capital Reserve Account-Represents funds restricted to capital projects in the District's Long Range Facilities Plan. | \$ 892,238 | \$ 668,636 |
| Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (18A:76-9) | 291,251 | 270,858 |
| Assigned: | | |
| Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30, | 221,399 | 192,469 |
| Designated for Subsequent Year's Expenditures- Amount appropriated in the succeeding year's budget to reduce tax requirements | 92,293 | 89,943 |
| Unassigned: | | |
| Undesignated-Represents fund balance which has not been restricted or designated. | <u>254,760</u> | <u>252,350</u> |
| Total Fund Balance | <u>\$ 1,751,941</u> | <u>\$ 1,474,256</u> |

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$-0-.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 16. DEFICIT FUND BALANCE

The district has a deficit fund balance of \$97,079 in the General Fund as of June 30, 2013 as reported in the fund statements. NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e. if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the June state aid payments, the unreserved, undesignated general fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$97,079 is less than the last state aid payment of \$351,839.

NOTE 17: SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 22, 2013, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 18: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

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

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any effect on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

NOTE 19. RESTATEMENT OF PRIOR YEAR NET POSITION

During the fiscal year ending June 30, 2013, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 65, debt issuance costs are now recognized as an expense in the period incurred. The following is a summary of the District's restatement of net position as of June 30, 2012:

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Net Position, June 30, 2012 as Originally Stated | \$ 4,359,370 |
| Less: | |
| Expensing of Bond Issuance Costs in Prior Periods | <u>(39,932)</u> |
| Net Position, June 30, 2012 as Restated | <u>\$ 4,319,438</u> |

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 4,867,038 | | \$ 4,867,038 | \$ 4,867,038 | |
| Tuition from Individuals | | | | 16,000 | \$ 16,000 |
| Tuition from Other LEAs Within the State | | | | 28,194 | 28,194 |
| Interest on Investments | | | | 3,008 | 3,008 |
| Interest Earned on Maintenance Reserve Funds | 200 | | 200 | | (200) |
| Interest Earned on Capital Reserve Funds | 500 | | 500 | 648 | 148 |
| Miscellaneous-Unrestricted | 1,200 | | 1,200 | 10,878 | 9,678 |
| Total | <u>4,868,938</u> | <u>\$ -</u> | <u>4,868,938</u> | <u>4,925,766</u> | <u>56,828</u> |
| State Sources: | | | | | |
| Categorical Special Education Aid | 387,990 | | 387,990 | 387,990 | |
| Categorical Transportation Aid | 112,193 | | 112,193 | 112,193 | |
| Equalization Aid | 2,948,932 | | 2,948,932 | 2,948,932 | |
| Categorical Security Aid | 82,468 | | 82,468 | 82,468 | |
| Non Public Transportation Aid | | | | 4,963 | 4,963 |
| On-Behalf TPAF Pension Contribution | | | | 291,778 | 291,778 |
| On-Behalf TPAF Post Retirement Medical Benefits | | | | 329,928 | 329,928 |
| Reimbursed TPAF Social Security Contribution | | | | 351,039 | 351,039 |
| Total | <u>3,531,583</u> | <u>-</u> | <u>3,531,583</u> | <u>4,509,291</u> | <u>977,708</u> |
| Federal Sources: | | | | | |
| Medicaid Reimbursement | 10,068 | - | 10,068 | 14,430 | 4,362 |
| TOTAL REVENUES | <u>\$ 8,410,589</u> | <u>\$ -</u> | <u>\$ 8,410,589</u> | <u>\$ 9,449,487</u> | <u>\$ 1,038,898</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Regular Programs: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Kindergarten | \$ 382,309 | \$ 5,837 | \$ 388,146 | \$ 386,683 | \$ 1,463 |
| Grades 1-5 | 2,071,267 | (34,436) | 2,036,831 | 2,035,537 | 1,294 |
| Grades 6-8 | 385,122 | (21,847) | 363,275 | 363,275 | |
| Home Instruction: | | | | | |
| Salaries of Teachers | | 1,600 | 1,600 | 1,600 | |
| Undistributed Instruction: | | | | | |
| Purchased Technical Services | 400 | | 400 | | 400 |
| Other Purchased Services | 44,575 | (25,530) | 19,045 | 19,045 | |
| General Supplies | 140,325 | 123,007 | 263,332 | 161,649 | 101,683 |
| Textbooks | 9,000 | 96,189 | 105,189 | 2,640 | 102,549 |
| Total | <u>3,032,998</u> | <u>144,820</u> | <u>3,177,818</u> | <u>2,970,429</u> | <u>207,389</u> |
| Special Education-Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 77,163 | 3,690 | 80,853 | 67,952 | 12,901 |
| Other Salaries for Instruction | 32,174 | 7,994 | 40,168 | 40,168 | |
| Total | <u>109,337</u> | <u>11,684</u> | <u>121,021</u> | <u>108,120</u> | <u>12,901</u> |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 76,424 | 1,340 | 77,764 | 77,764 | |
| Other Salaries for Instruction | 35,257 | 4,943 | 40,200 | 39,703 | 497 |
| Total | <u>111,681</u> | <u>6,283</u> | <u>117,964</u> | <u>117,467</u> | <u>497</u> |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 565,570 | 33,393 | 598,963 | 598,963 | |
| Other Salaries for Instruction | 23,400 | (22,640) | 760 | | 760 |
| General Supplies | | 300 | 300 | 250 | 50 |
| Total | <u>588,970</u> | <u>11,053</u> | <u>600,023</u> | <u>599,213</u> | <u>810</u> |
| Autism: | | | | | |
| Other Objects | 100 | - | 100 | - | 100 |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Special Education-Instruction: (cont'd) | | | | | |
| Preschool Disabilities-Part-Time: | | | | | |
| Salaries of Teachers | \$ 107,337 | \$ (28,753) | \$ 78,584 | \$ 78,275 | \$ 309 |
| Other Salaries for Instruction | 16,246 | (9,297) | 6,949 | 6,949 | |
| General Supplies | 3,684 | 210 | 3,894 | 3,890 | 4 |
| Total | 127,267 | (37,840) | 89,427 | 89,114 | 313 |
| Total Special Education-Instruction | 937,355 | (8,820) | 928,535 | 913,914 | 14,621 |
| Basic Skills/Remedial-Instruction: | | | | | |
| Salaries of Teachers | 174,976 | 1,147 | 176,123 | 176,123 | - |
| Bilingual Education-Instruction: | | | | | |
| Purchased Professional Educational Services | | 22,872 | 22,872 | 22,872 | |
| Purchased Technical Services | 27,619 | (27,619) | | | |
| Total | 27,619 | (4,747) | 22,872 | 22,872 | - |
| School Sponsored Cocurricular Activities: | | | | | |
| Other Purchased Services | - | 500 | 500 | 500 | - |
| Total Instruction | \$ 4,172,948 | \$ 132,900 | \$ 4,305,848 | \$ 4,083,838 | \$ 222,010 |
| Undistributed Expenditures: | | | | | |
| Attendance & Social Work: | | | | | |
| Salaries | \$ 10,139 | \$ 262 | \$ 10,401 | \$ 10,401 | \$ - |
| Health Services: | | | | | |
| Salaries | 71,232 | 5,162 | 76,394 | 76,394 | |
| Purchased Professional & Technical Services | 3,500 | | 3,500 | 3,000 | 500 |
| Other Purchased Services | 100 | | 100 | 56 | 44 |
| Supplies & Materials | 3,000 | 1,200 | 4,200 | 4,022 | 178 |
| Total | 77,832 | 6,362 | 84,194 | 83,472 | 722 |
| Speech, OT, PT & Related Services: | | | | | |
| Salaries | 229,945 | | 229,945 | 229,853 | 92 |
| Purchased Professional Educational Services | 21,000 | (7,615) | 13,385 | | 13,385 |
| Supplies & Materials | | 115 | 115 | 98 | 17 |
| Total | 250,945 | (7,500) | 243,445 | 229,951 | 13,494 |
| Guidance: | | | | | |
| Salaries of Other Professional Staff | 63,937 | | 63,937 | 63,709 | 228 |
| Other Salaries | 3,200 | (1,147) | 2,053 | | 2,053 |
| Other Purchased Professional & Technical Services | | 2,961 | 2,961 | 2,961 | |
| Supplies & Materials | 3,000 | (161) | 2,839 | 1,630 | 1,209 |
| Total | 70,137 | 1,653 | 71,790 | 68,300 | 3,490 |
| Child Study Team: | | | | | |
| Salaries of Other Professional Staff | 221,112 | | 221,112 | 216,371 | 4,741 |
| Salaries of Secretarial & Clerical Assistants | 45,459 | 1,283 | 46,742 | 43,242 | 3,500 |
| Purchased Professional Educational Services | 3,000 | (1,283) | 1,717 | | 1,717 |
| Miscellaneous Purchased Services | 1,000 | 125 | 1,125 | 752 | 373 |
| Supplies & Materials | 3,950 | (125) | 3,825 | 4 | 3,821 |
| Total | 274,521 | - | 274,521 | 260,369 | 14,152 |
| Improvement of Instructional Services | | | | | |
| Other Purchased Services | 1,500 | - | 1,500 | 1,500 | - |
| Educational Media Services/School Library: | | | | | |
| Salaries | 133,777 | (7,345) | 126,432 | 120,695 | 5,737 |
| Other Purchased Services | | 145 | 145 | 145 | |
| Supplies & Materials | 6,849 | 7,200 | 14,049 | 6,921 | 7,128 |
| Total | 140,626 | - | 140,626 | 127,761 | 12,865 |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|----------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Instructional Staff Training Services: | | | | | |
| Purchased Professional Educational Services | \$ 10,000 | \$ (1,850) | \$ 8,150 | | \$ 8,150 |
| Other Purchased Services | 1,007 | 1,850 | 2,857 | \$ 1,805 | 1,052 |
| Total | 11,007 | - | 11,007 | 1,805 | 9,202 |
| Support Services General Administration: | | | | | |
| Salaries | 187,394 | 312 | 187,706 | 187,706 | |
| Legal Services | 15,000 | 2,511 | 17,511 | 4,553 | 12,958 |
| Audit Fees | 17,803 | | 17,803 | 17,200 | 603 |
| Architectural/Engineering Services | 9,063 | 9,700 | 18,763 | | 18,763 |
| Purchased Technical Services | | 4,000 | 4,000 | 477 | 3,523 |
| Communications & Telephone | 24,125 | 235 | 24,360 | 7,892 | 16,468 |
| Board of Education Other Purchased Services | 3,110 | | 3,110 | 1,071 | 2,039 |
| Miscellaneous Purchased Services | 27,100 | 6,282 | 33,382 | 23,267 | 10,115 |
| General Supplies | 3,250 | 3,160 | 6,410 | 6,406 | 4 |
| Miscellaneous Expenditures | 2,325 | 2,000 | 4,325 | 1,681 | 2,644 |
| Board of Education Membership Dues & Fees | 6,250 | | 6,250 | 4,932 | 1,318 |
| Total | 295,420 | 28,200 | 323,620 | 255,185 | 68,435 |
| Support Services School Administration: | | | | | |
| Salaries of Principals & Assistant Principals | 97,204 | (500) | 96,704 | 96,577 | 127 |
| Salaries of Secretarial & Clerical Assistants | 42,221 | 1,798 | 44,019 | 44,019 | |
| Purchased Professional & Technical Services | 4,125 | (2,895) | 1,230 | | 1,230 |
| Other Purchased Services | | 9,252 | 9,252 | 7,227 | 2,025 |
| Supplies & Materials | 3,483 | 6,345 | 9,828 | 2,670 | 7,158 |
| Other Objects | 1,500 | | 1,500 | 1,035 | 465 |
| Total | 148,533 | 14,000 | 162,533 | 151,528 | 11,005 |
| Central Services: | | | | | |
| Salaries | 136,133 | 3,652 | 139,785 | 139,785 | |
| Purchased Professional Services | 12,305 | (11,526) | 779 | 779 | |
| Purchased Technical Services | 2,895 | 19,065 | 21,960 | 20,685 | 1,275 |
| Miscellaneous Purchased Services | 805 | 47 | 852 | 771 | 81 |
| Supplies & Materials | 1,700 | 2,688 | 4,388 | 2,407 | 1,981 |
| Miscellaneous Expenditures | 1,075 | 1,075 | 2,150 | 1,500 | 650 |
| Total | 154,913 | 15,001 | 169,914 | 165,927 | 3,987 |
| Required Maintenance for School Facilities: | | | | | |
| Cleaning, Repair & Maintenance Services | 28,000 | 35,143 | 63,143 | 28,443 | 34,700 |
| General Supplies | 9,220 | (3,120) | 6,100 | 5,974 | 126 |
| Total | 37,220 | 32,023 | 69,243 | 34,417 | 34,826 |
| Custodial Services: | | | | | |
| Salaries | 238,327 | 2,730 | 241,057 | 240,507 | 550 |
| Purchased Professional & Technical Services | 1,700 | 1,956 | 3,656 | 2,149 | 1,507 |
| Cleaning, Repair & Maintenance Services | 6,000 | 8,200 | 14,200 | 13,613 | 587 |
| Insurance | 23,100 | (3,016) | 20,084 | 19,183 | 901 |
| Miscellaneous Purchased Services | | 581 | 581 | 562 | 19 |
| General Supplies | 32,000 | 1,785 | 33,785 | 30,196 | 3,589 |
| Energy (Natural Gas) | 3,000 | | 3,000 | 2,321 | 679 |
| Energy (Electricity) | 95,000 | (8,686) | 86,314 | 67,791 | 18,523 |
| Energy (Oil) | 117,000 | (41,641) | 75,359 | 72,626 | 2,733 |
| Other Objects | | 467 | 467 | 467 | |
| Total | 516,127 | (37,624) | 478,503 | 449,415 | 29,088 |
| Care and Upkeep of Grounds: | | | | | |
| Cleaning, Repair & Maintenance Services | - | 2,600 | 2,600 | 2,600 | - |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Student Transportation Services: | | | | | |
| Salaries for Pupil Transportation (Between Home & School)-Regular | \$ 8,134 | \$ (2,724) | \$ 5,410 | \$ 1,419 | \$ 3,991 |
| Management Fee-ESC & CTSA Transportation Program | 2,250 | | 2,250 | 31 | 2,219 |
| Other Purchased Professional & Technical Services | 11,554 | | 11,554 | 11,448 | 106 |
| Contracted Services-Aid In Lieu of Payments- Nonpublic Schools | 19,448 | | 19,448 | 17,238 | 2,210 |
| Contracted Services-Aid In Lieu of Payments- Charter School Students | 5,304 | | 5,304 | 4,332 | 972 |
| Contracted Services (Between Home & School)- Vendors | 200,402 | | 200,402 | 198,235 | 2,167 |
| Contracted Services (Other Than Between Home & School)-Vendors | 1,000 | | 1,000 | | 1,000 |
| Contracted Services (Between Home & School)- Joint Agreements | 75,000 | | 75,000 | 71,805 | 3,195 |
| Contracted Services (Special Education Students)-Vendors | 59,822 | | 59,822 | 58,461 | 1,361 |
| Contracted Services (Special Education Students)-Joint Agreements | 3,515 | | 3,515 | | 3,515 |
| Contracted Services (Regular Students)- ESC'S & CTSA'S | 13,972 | | 13,972 | | 13,972 |
| Contracted Services (Special Education Students)-ESC'S & CTSA'S | 15,000 | | 15,000 | 765 | 14,235 |
| Total | <u>415,401</u> | <u>(2,724)</u> | <u>412,677</u> | <u>363,734</u> | <u>48,943</u> |
| Unallocated Benefits-Employee Benefits: | | | | | |
| Social Security Contributions | 82,687 | (9,241) | 73,446 | 72,040 | 1,406 |
| TPAF Contributions-ERIP | 13,218 | (4,100) | 9,118 | | 9,118 |
| Other Retirement Contributions-PERS | 66,831 | | 66,831 | 61,197 | 5,634 |
| Unemployment Compensation | 15,000 | (9,023) | 5,977 | | 5,977 |
| Workmen's Compensation | 51,191 | | 51,191 | 50,259 | 932 |
| Health Benefits | 1,665,867 | (186,215) | 1,479,652 | 1,397,318 | 82,334 |
| Tuition Reimbursement | 22,500 | (20,100) | 2,400 | 2,400 | |
| Other Employee Benefits | 6,865 | 7,970 | 14,835 | 14,835 | |
| Total | <u>1,924,159</u> | <u>(220,709)</u> | <u>1,703,450</u> | <u>1,598,049</u> | <u>105,401</u> |
| On-Behalf TPAF Pension Contribution | | | | 291,778 | (291,778) |
| On-Behalf TPAF Post Retirement Medical Benefits | | | | 329,928 | (329,928) |
| Reimbursed TPAF Social Security Contribution | | | | 351,039 | (351,039) |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>972,745</u> | <u>(972,745)</u> |
| Total Undistributed Expenditures | <u>\$ 4,328,480</u> | <u>\$ (168,456)</u> | <u>\$ 4,160,024</u> | <u>\$ 4,777,159</u> | <u>\$ (617,135)</u> |
| TOTAL CURRENT | <u>\$ 8,501,428</u> | <u>\$ (35,556)</u> | <u>\$ 8,465,872</u> | <u>\$ 8,860,997</u> | <u>\$ (395,125)</u> |
| CAPITAL OUTLAY | | | | | |
| Equipment: | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction | \$ 16,379 | \$ 23,096 | \$ 39,475 | \$ 39,475 | |
| Required Maintenance for School Facilities | | 37,660 | 37,660 | 37,660 | |
| Care and Upkeep of Grounds | | 4,500 | 4,500 | 4,500 | |
| Security | | 8,302 | 8,302 | 8,302 | |
| Total | <u>16,379</u> | <u>73,558</u> | <u>89,937</u> | <u>89,937</u> | <u>\$ -</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Capital Outlay: (cont'd) | | | | | |
| Facilities Acquisition and Construction Services: | | | | | |
| Architectural/Engineering Services | \$ 4,200 | \$ 3,991 | \$ 8,191 | \$ 8,191 | |
| Construction Services | 93,574 | 53,007 | 146,581 | 144,002 | \$ 2,579 |
| Assessment for Debt Service on SDA Funding | 1,897 | | 1,897 | 1,897 | |
| Total | <u>99,671</u> | <u>56,998</u> | <u>156,669</u> | <u>154,090</u> | <u>2,579</u> |
| TOTAL CAPITAL OUTLAY | <u>\$ 116,050</u> | <u>\$ 130,556</u> | <u>\$ 246,606</u> | <u>\$ 244,027</u> | <u>\$ 2,579</u> |
| TRANSFER OF FUNDS TO CHARTER SCHOOLS | <u>\$ 74,823</u> | <u>\$ -</u> | <u>\$ 74,823</u> | <u>\$ 66,778</u> | <u>\$ 8,045</u> |
| TOTAL EXPENDITURES | <u>\$ 8,692,301</u> | <u>\$ 95,000</u> | <u>\$ 8,787,301</u> | <u>\$ 9,171,802</u> | <u>\$ (384,501)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (281,712) | \$ (95,000) | \$ (376,712) | \$ 277,685 | \$ 654,397 |
| Other Financing Sources (Uses): | | | | | |
| Transfer Out-Capital Reserve to Capital Projects Fund | (95,000) | 95,000 | - | - | - |
| Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses | (376,712) | - | (376,712) | 277,685 | 654,397 |
| Fund Balances, July 1 | <u>1,474,256</u> | | <u>1,474,256</u> | <u>1,474,256</u> | |
| Fund Balances, June 30 | <u>\$ 1,097,544</u> | <u>\$ -</u> | <u>\$ 1,097,544</u> | <u>\$ 1,751,941</u> | <u>\$ 654,397</u> |
| Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | |
| Adjustment for Prior Year Encumbrances | \$ (192,469) | | \$ (192,469) | \$ (192,469) | |
| Increase in Capital Reserve | 500 | \$ 293,000 | 293,500 | 293,648 | \$ 148 |
| Withdrawal from Capital Reserve | (95,000) | | (95,000) | (70,046) | 24,954 |
| Increase in Maintenance Reserve | 200 | 20,393 | 20,593 | 20,393 | (200) |
| Budgeted Fund Balance | <u>(89,943)</u> | <u>(313,393)</u> | <u>(403,336)</u> | <u>226,159</u> | <u>629,495</u> |
| TOTAL | <u>\$ (376,712)</u> | <u>\$ -</u> | <u>\$ (376,712)</u> | <u>\$ 277,685</u> | <u>\$ 654,397</u> |
| RECAPITULATION OF FUND BALANCE | | | | | |
| Committed Fund Balance: | | | | | |
| Capital Reserve | | | | \$ 892,238 | |
| Maintenance Reserve | | | | <u>291,251</u> | |
| | | | | | \$ 1,183,489 |
| Assigned Fund Balance: | | | | | |
| Year-End Encumbrances | | | | 221,399 | |
| Designated for Subsequent Year's Expenditures | | | | <u>92,293</u> | |
| | | | | | 313,692 |
| Unassigned Fund Balance | | | | | <u>254,760</u> |
| | | | | | <u>1,751,941</u> |
| Reconciliation to Governmental Statements (GAAP): | | | | | |
| Last State Aid Payment not Recognized on GAAP Basis | | | | | <u>(351,839)</u> |
| Fund Balance Per Governmental Funds (GAAP) | | | | | <u>\$ 1,400,102</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(NOT APPLICABLE TO THIS REPORT)

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources | \$ 8,777 | | \$ 8,777 | \$ 1,659 | \$ (7,118) |
| Federal Sources | 439,440 | | 439,440 | 304,510 | (134,930) |
| TOTAL REVENUES | \$ 448,217 | \$ - | \$ 448,217 | \$ 306,169 | \$ (142,048) |
| EXPENDITURES | | | | | |
| Instruction: | | | | | |
| Salaries | \$ 185,365 | \$ (11,994) | \$ 173,371 | \$ 170,012 | \$ 3,359 |
| Other Purchased Services | 70,000 | (2,503) | 67,497 | 1,982 | 65,515 |
| General Supplies | 39,576 | 41,372 | 80,948 | 32,426 | 48,522 |
| Other Objects | 300 | (300) | | | - |
| Totals | 295,241 | 26,575 | 321,816 | 204,420 | 117,396 |
| Support Services: | | | | | |
| Salaries | 11,100 | | 11,100 | | 11,100 |
| Personal Services Employee Benefits | 28,257 | (404) | 27,853 | 27,853 | |
| Purchased Professional & Technical Services | 80,753 | (20,011) | 60,742 | 56,540 | 4,202 |
| Other Purchased Services | 16,302 | (5,576) | 10,726 | 5,380 | 5,346 |
| Supplies & Materials | 16,564 | (584) | 15,980 | 11,976 | 4,004 |
| Total | 152,976 | (26,575) | 126,401 | 101,749 | 24,652 |
| TOTAL EXPENDITURES | \$ 448,217 | \$ - | \$ 448,217 | \$ 306,169 | \$ 142,048 |

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

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

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

| | General Fund | Special Revenue Fund |
|---|-----------------|----------------------------|
| <u>Sources/Inflows of Resources</u> | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$ 9,449,487 | \$ 306,169 |
| Difference-Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized: | | |
| Outstanding Encumbrances-Prior Year | | 7,946 |
| Outstanding Encumbrances-Current Year | | (19,340) |
| The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33): | | |
| State Aid Receivable-Prior Year | 332,754 | |
| State Aid Receivable-Current Year | (351,839) | |
| Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes | 8,492 | |
| Total Revenues (GAAP Basis) | \$ 9,438,894 | \$ 294,775 |
| <u>Uses/Outflows of Resources</u> | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 9,171,802 | \$ 306,169 |
| Differences-Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes | | |
| | | (11,394) |
| Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes | 8,492 | |
| Total Expenditures (GAAP Basis) | \$ 9,180,294 | \$ 294,775 |

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Local Grants | NCLB Title I | NCLB Title II A | NCLB Title III | Race to The Top | IDEA Basic | IDEA Preschool | Totals |
|---|-----------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | | | | |
| Local Sources | \$ 1,659 | | | | | | | \$ 1,659 |
| Federal Sources | | \$ 100,649 | \$ 33,365 | \$ 10,114 | \$ 7,023 | \$ 144,950 | \$ 8,409 | 304,510 |
| TOTAL REVENUES | <u>\$ 1,659</u> | <u>\$ 100,649</u> | <u>\$ 33,365</u> | <u>\$ 10,114</u> | <u>\$ 7,023</u> | <u>\$ 144,950</u> | <u>\$ 8,409</u> | <u>\$ 306,169</u> |
| EXPENDITURES | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries | | \$ 81,390 | \$ 23,926 | | | \$ 60,375 | \$ 4,321 | \$ 170,012 |
| Other Purchased Services | | | | | | 1,982 | | 1,982 |
| General Supplies | \$ 1,659 | 480 | | \$ 4,189 | | 25,948 | 150 | 32,426 |
| Totals | <u>1,659</u> | <u>81,870</u> | <u>23,926</u> | <u>4,189</u> | <u>\$ -</u> | <u>88,305</u> | <u>4,471</u> | <u>204,420</u> |
| Support Services: | | | | | | | | |
| Personal Services Employee Benefits | | 16,048 | 5,353 | | | 5,554 | 898 | 27,853 |
| Purchased Professional & Technical Services | | | | 5,746 | 7,023 | 43,771 | | 56,540 |
| Other Purchased Services | | | 4,086 | 179 | | 1,115 | | 5,380 |
| Supplies & Materials | | 2,731 | | | | 6,205 | 3,040 | 11,976 |
| Total | <u>-</u> | <u>18,779</u> | <u>9,439</u> | <u>5,925</u> | <u>7,023</u> | <u>56,645</u> | <u>3,938</u> | <u>101,749</u> |
| TOTAL EXPENDITURES | <u>\$ 1,659</u> | <u>\$ 100,649</u> | <u>\$ 33,365</u> | <u>\$ 10,114</u> | <u>\$ 7,023</u> | <u>\$ 144,950</u> | <u>\$ 8,409</u> | <u>\$ 306,169</u> |

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

(NOT APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

DETAIL STATEMENTS

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FUND NET POSITION
 ENTERPRISE FUNDS
 JUNE 30, 2013

| | Food Service Fund | Before & After School Child Care Fund | Total |
|-------------------------------------|----------------------|---|------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash & Cash Equivalents | \$ 2,715 | \$ 36,327 | \$ 39,042 |
| Due from Other Funds | 47,073 | | 47,073 |
| Receivables from Other Governments: | | | |
| State | 337 | | 337 |
| Federal | 5,593 | | 5,593 |
| Other Accounts Receivable | | 95 | 95 |
| Inventory | 2,098 | | 2,098 |
| Total Current Assets | <u>57,816</u> | <u>36,422</u> | <u>94,238</u> |
| Noncurrent Assets: | | | |
| Capital Assets | 44,657 | | 44,657 |
| Less: Accumulated Depreciation | 34,962 | | 34,962 |
| Total Noncurrent Assets | <u>9,695</u> | <u>-</u> | <u>9,695</u> |
| Total Assets | <u>67,511</u> | <u>36,422</u> | <u>103,933</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 10,623 | 78 | 10,701 |
| Deferred Revenues | 782 | | 782 |
| Total Liabilities | <u>11,405</u> | <u>78</u> | <u>11,483</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 9,695 | | 9,695 |
| Unrestricted | <u>46,411</u> | <u>36,344</u> | <u>82,755</u> |
| TOTAL NET POSITION | <u>\$ 56,106</u> | <u>\$ 36,344</u> | <u>\$ 92,450</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES EXPENSES, AND
 CHANGES IN FUND NET POSITION
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

| | Food Service Fund | Before & After School Child Care Fund | Total |
|--|----------------------|---|------------------|
| Operating Revenues: | | | |
| Charges for Services: | | | |
| Daily Sales-Reimbursable Programs | \$ 73,530 | | \$ 73,530 |
| Daily Sales-Nonreimbursable Programs | 26,547 | | 26,547 |
| Child Care Program Fees | | \$ 125,100 | 125,100 |
| Miscellaneous | 34 | | 34 |
| Total Operating Revenues | <u>100,111</u> | <u>125,100</u> | <u>225,211</u> |
| Operating Expenses: | | | |
| Salaries | 65,892 | 89,341 | 155,233 |
| Employee Benefits | 19,399 | 6,521 | 25,920 |
| Purchased Property Services (Repairs) | 12,481 | | 12,481 |
| Insurance | 2,635 | 6,679 | 9,314 |
| Management Fee | 9,510 | | 9,510 |
| Other Purchased Services | 3,377 | 923 | 4,300 |
| Supplies and Materials | 4,583 | 5,971 | 10,554 |
| Depreciation | 1,915 | | 1,915 |
| Cost of Sales | 74,276 | | 74,276 |
| Miscellaneous | 1,971 | | 1,971 |
| Total Operating Expenses | <u>196,039</u> | <u>109,435</u> | <u>305,474</u> |
| Operating Income (Loss) | <u>(95,928)</u> | <u>15,665</u> | <u>(80,263)</u> |
| Nonoperating Revenues (Expenses): | | | |
| State Sources: | | | |
| State School Lunch Program | 2,591 | | 2,591 |
| Federal Sources: | | | |
| National School Lunch Program | 75,946 | | 75,946 |
| National School Breakfast Program | 361 | | 361 |
| Child and Adult Care Food Program | 930 | | 930 |
| Food Donation Program | 14,994 | | 14,994 |
| Interest Earned on Investments | 62 | | 62 |
| Total Nonoperating Revenues (Expenses) | <u>94,884</u> | <u>-</u> | <u>94,884</u> |
| Change in Net Position | (1,044) | 15,665 | 14,621 |
| Net Position, Beginning | <u>57,150</u> | <u>20,679</u> | <u>77,829</u> |
| Net Position, Ending | <u>\$ 56,106</u> | <u>\$ 36,344</u> | <u>\$ 92,450</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | Food Service Fund | Before & After School Child Care Fund | Total |
|---|----------------------|---|--------------------|
| Cash Flows from Operating Activities: | | | |
| Receipts from Customers | \$ 100,112 | \$ 125,425 | \$ 225,537 |
| Payments to Food Service Management Company | (162,137) | | (162,137) |
| Payments to Employees | | (89,341) | (89,341) |
| Payments for Employee Benefits | | (6,521) | (6,521) |
| Payments to Vendors (Net) | (14,183) | (13,495) | (27,678) |
| Net Cash Provided by (Used For) Operating Activities | <u>(76,208)</u> | <u>16,068</u> | <u>(60,140)</u> |
| Cash Flows from Noncapital Financing Activities: | | | |
| State Sources | 2,390 | | 2,390 |
| Federal Sources | 75,341 | | 75,341 |
| General Fund Interfund Activity | (37,859) | | (37,859) |
| Net Cash Provided by (Used For) Noncapital Financing Activities | <u>39,872</u> | <u>-</u> | <u>39,872</u> |
| Cash Flows from Investing Activities: | | | |
| Interest Earned on Investments | 62 | - | 62 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (36,274) | 16,068 | (20,206) |
| Cash and Cash Equivalents, July 1, 2012 | <u>38,989</u> | <u>20,259</u> | <u>59,248</u> |
| Cash and Cash Equivalents, June 30, 2013 | <u>\$ 2,715</u> | <u>\$ 36,327</u> | <u>\$ 39,042</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | | | |
| Operating Income (Loss) | \$ (95,928) | \$ 15,665 | \$ (80,263) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | | | |
| Depreciation | 1,915 | | 1,915 |
| Federal Food Donation Program | 14,994 | | 14,994 |
| (Increase) Decrease in Other Accounts Receivable | | 325 | 325 |
| (Increase) Decrease in Inventory | 255 | | 255 |
| Increase (Decrease) in Accounts Payable | 2,929 | 78 | 3,007 |
| Increase (Decrease) in Deferred Revenue | (373) | | (373) |
| Net Cash Provided by (Used For) Operating Activities | <u>\$ (76,208)</u> | <u>\$ 16,068</u> | <u>\$ (60,140)</u> |

FIDUCIARY FUND

DETAIL STATEMENTS

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2013

| | Unemployment Compensation Fund | Student Activity Agency Fund | Payroll Agency Fund | Total |
|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|-------------------|
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 181,016 | \$ 36,419 | \$ 44,604 | \$ 262,039 |
| TOTAL ASSETS | <u>181,016</u> | <u>36,419</u> | <u>44,604</u> | <u>262,039</u> |
| LIABILITIES | | | | |
| Due to Other Funds | | 6,210 | 264 | 6,474 |
| Due to Student Groups | | 30,209 | | 30,209 |
| Payroll Deductions & Withholdings | | | 44,340 | 44,340 |
| TOTAL LIABILITIES | <u>-</u> | <u>36,419</u> | <u>44,604</u> | <u>81,023</u> |
| NET POSITION | <u>\$ 181,016</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 181,016</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

| | Unemployment Compensation Fund |
|-------------------------------------|--------------------------------------|
| | |
| ADDITIONS | |
| Contributions: | |
| Plan Members | \$ 8,306 |
| Interest | 355 |
| Total Additions | 8,661 |
| DEDUCTIONS | |
| Unemployment Claims | 596 |
| Total Deductions | 596 |
| Change in Net Position | 8,065 |
| Net Position, Beginning of the Year | 172,951 |
| Net Position, End of the Year | \$ 181,016 |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Balance 07/01/12 | Additions | Deletions | Balance 06/30/13 |
|---------------------------------|---------------------|------------------|------------------|---------------------|
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 27,685 | \$ 31,784 | \$ 23,050 | \$ 36,419 |
| TOTAL ASSETS | <u>\$ 27,685</u> | <u>\$ 31,784</u> | <u>\$ 23,050</u> | <u>\$ 36,419</u> |
| LIABILITIES | | | | |
| Due to Other Funds | | \$ 6,210 | | \$ 6,210 |
| Due to Student Groups: | | | | |
| Mansfield Twp Elementary School | \$ 27,685 | 25,574 | \$ 23,050 | 30,209 |
| | <u>\$ 27,685</u> | <u>\$ 31,784</u> | <u>\$ 23,050</u> | <u>\$ 36,419</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Balance 07/01/12 | Additions | Deletions | Balance 06/30/13 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 40,937 | \$ 6,184,880 | \$ 6,181,213 | \$ 44,604 |
| Due From Other Funds | 1,146 | 8,306 | 9,452 | |
| TOTAL ASSETS | <u>\$ 42,083</u> | <u>\$ 6,193,186</u> | <u>\$ 6,190,665</u> | <u>\$ 44,604</u> |
| LIABILITIES | | | | |
| Due to Other Funds | \$ 209 | \$ 191 | \$ 136 | \$ 264 |
| Payroll Deductions & Withholdings | 41,874 | 2,581,480 | 2,579,014 | 44,340 |
| Net Payroll | | 3,611,515 | 3,611,515 | |
| TOTAL LIABILITIES | <u>\$ 42,083</u> | <u>\$ 6,193,186</u> | <u>\$ 6,190,665</u> | <u>\$ 44,604</u> |

LONG-TERM DEBT SCHEDULES

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2013

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance 07/01/12 | Issued | Retired | Balance 06/30/13 |
|---|---------------|-----------------|-------------------|------------|---------------|---------------------|-------------|-------------------|-------------------|
| | | | Date | Amount | | | | | |
| School Addition & Renovations Refunding Issue | 11/28/07 | \$ 2,540,000 | 03/01/14 | \$ 400,000 | 3.625% | | | | |
| | | | 03/01/15 | 415,000 | | <u>\$ 1,195,000</u> | | <u>\$ 380,000</u> | <u>\$ 815,000</u> |
| | | | | | | <u>\$ 1,195,000</u> | <u>\$ -</u> | <u>\$ 380,000</u> | <u>\$ 815,000</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(NOT APPLICABLE TO THIS REPORT)

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|---|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 337,922 | | \$ 337,922 | \$ 337,922 | |
| State Sources: | | | | | |
| Debt Service Aid Type II | 85,396 | | 85,396 | 85,396 | |
| Total Revenues | <u>423,318</u> | <u>\$ -</u> | <u>423,318</u> | <u>423,318</u> | <u>\$ -</u> |
| EXPENDITURES | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 43,319 | | 43,319 | 43,228 | 91 |
| Redemption of Principal | 380,000 | | 380,000 | 380,000 | |
| Total Expenditures | <u>423,319</u> | <u>-</u> | <u>423,319</u> | <u>423,228</u> | <u>91</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1) | - | (1) | 90 | 91 |
| Fund Balance, July 1 | <u>1</u> | <u>-</u> | <u>1</u> | <u>1</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 91</u> | <u>\$ 91</u> |
| Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures: | | | | | |
| Budgeted Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 90</u> | <u>\$ 91</u> |

STATISTICAL SECTION

MANSFIELD TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

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

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

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|----------------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| GOVERNMENT ACTIVITIES | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 814,442 | \$ 1,758,156 | \$ 1,828,279 | \$ 1,960,067 | \$ 1,978,629 | \$ 2,401,972 | \$ 2,594,886 | \$ 3,266,569 | \$ 3,505,421 | \$ 3,927,154 |
| Restricted | 825,658 | 478,551 | 491,388 | 512,919 | 545,336 | 638,152 | 633,103 | 633,967 | 939,494 | 1,183,580 |
| Unrestricted | 977,606 | 317,984 | 315,865 | 275,850 | 41,016 | (104,690) | (296,557) | (239,689) | (85,545) | (157,168) |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 2,617,706</u> | <u>\$ 2,554,691</u> | <u>\$ 2,635,532</u> | <u>\$ 2,748,836</u> | <u>\$ 2,564,981</u> | <u>\$ 2,935,434</u> | <u>\$ 2,931,432</u> | <u>\$ 3,660,847</u> | <u>\$ 4,359,370</u> | <u>\$ 4,953,566</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 8,890 | \$ 7,820 | \$ 6,749 | \$ 5,841 | \$ 19,268 | \$ 17,354 | \$ 15,439 | \$ 13,525 | \$ 11,610 | \$ 9,695 |
| Unrestricted | (884) | 2,036 | 6,886 | 17,131 | 9,965 | 27,449 | 25,430 | 40,163 | 66,219 | 82,755 |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>\$ 8,006</u> | <u>\$ 9,856</u> | <u>\$ 13,635</u> | <u>\$ 22,972</u> | <u>\$ 29,233</u> | <u>\$ 44,803</u> | <u>\$ 40,869</u> | <u>\$ 53,688</u> | <u>\$ 77,829</u> | <u>\$ 92,450</u> |
| DISTRICT-WIDE | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 823,332 | \$ 1,765,976 | \$ 1,835,028 | \$ 1,965,908 | \$ 1,997,897 | \$ 2,419,326 | \$ 2,610,325 | \$ 3,280,094 | \$ 3,517,031 | \$ 3,936,849 |
| Restricted | 825,658 | 478,551 | 491,388 | 512,919 | 545,336 | 638,152 | 633,103 | 633,967 | 939,494 | 1,183,580 |
| Unrestricted | 976,722 | 320,020 | 322,751 | 292,981 | 50,981 | (77,241) | (271,127) | (199,526) | (19,326) | (74,413) |
| TOTAL DISTRICT-WIDE | <u>\$ 2,625,712</u> | <u>\$ 2,564,547</u> | <u>\$ 2,649,167</u> | <u>\$ 2,771,808</u> | <u>\$ 2,594,214</u> | <u>\$ 2,980,237</u> | <u>\$ 2,972,301</u> | <u>\$ 3,714,535</u> | <u>\$ 4,437,199</u> | <u>\$ 5,046,016</u> |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| EXPENSES | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 3,365,272 | \$ 3,501,302 | \$ 3,695,969 | \$ 4,148,539 | \$ 4,147,466 | \$ 4,293,622 | \$ 4,357,749 | \$ 3,982,469 | \$ 4,273,829 | \$ 4,498,884 |
| Special Education | 1,060,096 | 1,122,099 | 1,139,400 | 1,233,506 | 1,343,184 | 1,332,142 | 1,437,322 | 1,309,437 | 1,402,918 | 1,483,278 |
| Other Special Education | 505,080 | 483,563 | 363,753 | 327,209 | 374,427 | 271,390 | 309,366 | 359,138 | 408,872 | 397,791 |
| Other Instruction | | | | | | | | | | 517 |
| Support Services: | | | | | | | | | | |
| Tuition | 9,720 | 85,446 | 125,297 | 173,486 | 82,815 | 114,954 | 232,690 | 306,557 | 46,951 | 1,982 |
| Student & Instruction Related Services | 926,949 | 966,761 | 1,065,612 | 1,110,024 | 1,177,123 | 1,080,325 | 1,161,165 | 1,095,002 | 1,236,731 | 1,260,806 |
| General & Business Administrative Services | 448,419 | 511,955 | 505,404 | 540,260 | 678,334 | 553,615 | 559,412 | 583,913 | 569,400 | 594,934 |
| School Administration | 206,218 | 202,854 | 203,778 | 219,927 | 232,502 | 217,405 | 234,180 | 211,304 | 209,801 | 223,682 |
| Plant Operations & Maintenance | 506,873 | 543,585 | 537,011 | 579,489 | 689,270 | 642,171 | 674,921 | 568,853 | 595,046 | 595,477 |
| Pupil Transportation | 492,616 | 474,334 | 504,461 | 531,289 | 579,881 | 577,866 | 640,255 | 559,630 | 529,235 | 518,101 |
| Special Schools | 16,987 | 19,169 | 21,228 | 5,340 | 35,207 | 10,089 | 17,137 | | | |
| Transfers to Charter Schools | | 8,385 | 16,943 | 8,609 | 9,311 | | 3,576 | 9,219 | 54,501 | 66,778 |
| Interest on Long-Term Debt | 207,050 | 194,331 | 181,062 | 166,899 | 75,721 | 94,485 | 78,301 | 65,867 | 52,529 | 40,534 |
| Total Governmental Activities Expenses | <u>7,745,280</u> | <u>8,113,784</u> | <u>8,359,918</u> | <u>9,044,577</u> | <u>9,425,241</u> | <u>9,188,064</u> | <u>9,706,074</u> | <u>9,051,389</u> | <u>9,379,813</u> | <u>9,682,764</u> |
| Business-Type Activities: | | | | | | | | | | |
| Food Services | 150,929 | 156,015 | 145,652 | 176,926 | 182,330 | 170,316 | 202,312 | 183,609 | 195,341 | 196,039 |
| Before and After School Child Care | | | | 71,657 | 95,259 | 95,188 | 98,518 | 94,688 | 100,893 | 109,435 |
| Total Business-Type Activities | <u>150,929</u> | <u>156,015</u> | <u>145,652</u> | <u>248,583</u> | <u>277,589</u> | <u>265,504</u> | <u>300,830</u> | <u>278,297</u> | <u>296,234</u> | <u>305,474</u> |
| TOTAL DISTRICT EXPENSES | <u>\$ 7,896,209</u> | <u>\$ 8,269,799</u> | <u>\$ 8,505,570</u> | <u>\$ 9,293,160</u> | <u>\$ 9,702,830</u> | <u>\$ 9,453,568</u> | <u>\$ 10,006,904</u> | <u>\$ 9,329,686</u> | <u>\$ 9,676,047</u> | <u>\$ 9,988,238</u> |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Regular Instruction | \$ 170 | | | | | \$ 15,200 | \$ 12,900 | \$ 15,200 | \$ 14,550 | \$ 17,463 |
| Special Education Instruction | 34,595 | \$ 16,910 | \$ 10,749 | \$ 31,410 | \$ 27,804 | 26,677 | 55,117 | 27,443 | | 28,194 |
| Student and Instruction Related Services | 46 | | | | 6,602 | 13,377 | 6,313 | 3,136 | | |
| General & Business Administrative Services | | | | | 160 | | | | | |
| Plant Operations & Maintenance | 535 | 1,796 | 1,093 | 14,920 | 15,771 | 8,789 | 5,432 | 222 | 2,838 | 182 |
| Pupil Transportation | 16,569 | 20,220 | 21,272 | 45,220 | 46,163 | 14,074 | 154,183 | 116,207 | 157,737 | 153,748 |
| Special Schools | 6,618 | 10,525 | 15,120 | | 14,934 | 7,215 | 9,635 | | | |
| Operating Grants & Contributions | 331,783 | 328,276 | 348,662 | 373,260 | 338,608 | 321,155 | 326,086 | 396,710 | 306,644 | 294,775 |
| Capital Grants & Contributions | 23,544 | | | | | | | 195,691 | | |
| Total Governmental Activities Program Revenues | 413,860 | 377,727 | 396,896 | 464,810 | 450,042 | 406,487 | 569,666 | 754,609 | 481,769 | 494,362 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 100,327 | 94,098 | 101,176 | 125,402 | 125,365 | 125,546 | 116,609 | 109,843 | 114,379 | 100,077 |
| Before and After School Child Care | | | | 73,685 | 95,274 | 94,026 | 98,353 | 103,981 | 111,459 | 125,100 |
| Operating Grants & Contributions | 50,110 | 47,429 | 48,255 | 58,730 | 62,714 | 61,384 | 81,398 | 77,201 | 94,187 | 94,822 |
| Total Business-Type Activities Program Revenues | 150,437 | 141,527 | 149,431 | 257,817 | 283,353 | 280,956 | 296,360 | 291,025 | 320,025 | 319,999 |
| TOTAL DISTRICT-PROGRAM REVENUES | \$ 564,297 | \$ 519,254 | \$ 546,327 | \$ 722,627 | \$ 733,395 | \$ 687,443 | \$ 866,026 | \$ 1,045,634 | \$ 801,794 | \$ 814,361 |
| NET (EXPENSE) REVENUES | | | | | | | | | | |
| Governmental Activities | \$ (7,331,420) | \$ (7,736,057) | \$ (7,963,022) | \$ (8,579,767) | \$ (8,975,199) | \$ (8,781,577) | \$ (9,136,408) | \$ (8,296,780) | \$ (8,898,044) | \$ (9,188,402) |
| Business-Type Activities | (492) | (14,488) | 3,779 | 9,234 | 5,764 | 15,452 | (4,470) | 12,728 | 23,791 | 14,525 |
| TOTAL DISTRICT-WIDE NET EXPENSES | \$ (7,331,912) | \$ (7,750,545) | \$ (7,959,243) | \$ (8,570,533) | \$ (8,969,435) | \$ (8,766,125) | \$ (9,140,878) | \$ (8,284,052) | \$ (8,874,253) | \$ (9,173,877) |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| GENERAL REVENUES & OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 3,941,254 | \$ 3,918,290 | \$ 4,182,653 | \$ 4,469,733 | \$ 4,469,733 | \$ 4,626,544 | \$ 4,626,544 | \$ 4,771,606 | \$ 4,867,038 | \$ 4,867,038 |
| Taxes Levied for Debt Service | 333,050 | 331,134 | 327,277 | 333,504 | 328,248 | 347,102 | 212,565 | 343,226 | 344,783 | 337,922 |
| Unrestricted Grants & Contributions | 3,308,587 | 3,395,489 | 3,486,893 | 3,841,904 | 4,067,587 | 4,159,141 | 4,311,169 | 3,995,416 | 4,357,864 | 4,590,032 |
| Investment Earnings | 16,791 | 37,103 | 37,459 | 57,778 | 50,791 | 24,744 | 9,168 | 4,170 | 4,733 | 3,656 |
| Miscellaneous Income | 10,296 | 7,364 | 10,081 | 10,152 | 6,385 | 24,499 | 23,223 | 11,777 | 37,149 | 23,882 |
| Transfers In (Out) | | | | (20,000) | (54,700) | (30,000) | (55,000) | (100,000) | (15,000) | |
| Special Item-Prior Year Accounts Receivable Cancelled | (27,522) | (16,338) | | | | | | | | |
| Special Item-Payment to Refunding Bond Agent | | | | | (76,700) | | | | | |
| Loss on Disposal of Capital Assets | | | (500) | | | | (13,762) | | | |
| Total Governmental Activities | <u>7,582,456</u> | <u>7,673,042</u> | <u>8,043,863</u> | <u>8,693,071</u> | <u>8,791,344</u> | <u>9,152,030</u> | <u>9,113,907</u> | <u>9,026,195</u> | <u>9,596,567</u> | <u>9,822,530</u> |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | | | | 103 | 10 | | 144 | 91 | 99 | 62 |
| Miscellaneous Income | | | | | 487 | 118 | 392 | | 251 | 34 |
| Special Item-Prior Year Accounts Receivable Cancelled | 7,522 | 16,338 | | | | | | | | |
| Total Business-Type Activities | <u>7,522</u> | <u>16,338</u> | <u>-</u> | <u>103</u> | <u>497</u> | <u>118</u> | <u>536</u> | <u>91</u> | <u>350</u> | <u>96</u> |
| TOTAL DISTRICT-WIDE | <u>\$ 7,589,978</u> | <u>\$ 7,689,380</u> | <u>\$ 8,043,863</u> | <u>\$ 8,693,174</u> | <u>\$ 8,791,841</u> | <u>\$ 9,152,148</u> | <u>\$ 9,114,443</u> | <u>\$ 9,026,286</u> | <u>\$ 9,596,917</u> | <u>\$ 9,822,626</u> |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental Activities | \$ 251,036 | \$ (63,015) | \$ 80,841 | \$ 113,304 | \$ (183,855) | \$ 370,453 | \$ (22,501) | \$ 729,415 | \$ 698,523 | \$ 634,128 |
| Business-Type Activities | 7,030 | 1,850 | 3,779 | 9,337 | 6,261 | 15,570 | (3,934) | 12,819 | 24,141 | 14,621 |
| TOTAL DISTRICT | <u>\$ 258,066</u> | <u>\$ (61,165)</u> | <u>\$ 84,620</u> | <u>\$ 122,641</u> | <u>\$ (177,594)</u> | <u>\$ 386,023</u> | <u>\$ (26,435)</u> | <u>\$ 742,234</u> | <u>\$ 722,664</u> | <u>\$ 648,749</u> |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|------------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 449,644 | \$ 358,931 | \$ 168,848 | \$ 71,788 | \$ 96,467 | \$ 74,489 | | | | |
| Committed | 601,132 | 251,487 | 261,545 | 272,529 | 305,773 | 524,699 | \$ 278,353 | \$ 577,188 | \$ 939,494 | \$ 1,183,489 |
| Assigned | 220,561 | 141,638 | 327,567 | 296,773 | | 94,182 | 22,696 | 28,689 | 282,412 | 313,692 |
| Unassigned | 63,074 | 9,899 | 9,835 | 118,393 | 106,372 | (96,812) | (96,299) | (21,602) | (80,404) | (97,079) |
| Total General Fund | <u>\$ 1,334,411</u> | <u>\$ 761,955</u> | <u>\$ 767,795</u> | <u>\$ 759,483</u> | <u>\$ 508,612</u> | <u>\$ 596,558</u> | <u>\$ 204,750</u> | <u>\$ 584,275</u> | <u>\$ 1,141,502</u> | <u>\$ 1,400,102</u> |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted, Reported In: | | | | | | | | | | |
| Capital Projects Fund | \$ 768,429 | \$ 322,623 | \$ 228,287 | \$ 232,763 | \$ 250,000 | | \$ 354,750 | \$ 56,779 | | |
| Assigned, Reported In: | | | | | | | | | | |
| Debt Service Fund | 1,521 | 1,582 | 1,578 | 7,627 | 239,563 | \$ 113,453 | | 1 | \$ 1 | \$ 91 |
| Unassigned, Reported In: | | | | | | | | | | |
| Special Revenue Fund | (999) | (999) | (999) | (999) | (2,624) | | | | | |
| Total All Other Governmental Funds | <u>\$ 768,951</u> | <u>\$ 323,206</u> | <u>\$ 228,866</u> | <u>\$ 239,391</u> | <u>\$ 486,939</u> | <u>\$ 113,453</u> | <u>\$ 354,750</u> | <u>\$ 56,780</u> | <u>\$ 1</u> | <u>\$ 91</u> |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-------------------|-----------------------|--------------------|------------------|-------------------|---------------------|---------------------|------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 4,274,304 | \$ 4,249,424 | \$ 4,509,930 | \$ 4,803,237 | \$ 4,797,981 | \$ 4,973,646 | \$ 4,839,109 | \$ 5,114,832 | \$ 5,211,821 | \$ 5,204,960 |
| Tuition Charges | 34,595 | 16,000 | 10,749 | 31,410 | 27,804 | 48,694 | 77,320 | 42,468 | 14,550 | 44,194 |
| Interest Earnings | 16,791 | 37,103 | 37,459 | 57,778 | 50,791 | 24,744 | 9,168 | 4,170 | 4,733 | 3,656 |
| Miscellaneous | 14,914 | 16,215 | 12,672 | 28,055 | 21,349 | 29,326 | 23,264 | 7,629 | 34,384 | 21,029 |
| State Sources | 3,347,889 | 3,417,753 | 3,508,295 | 3,857,320 | 4,109,823 | 4,149,294 | 3,814,254 | 3,978,367 | 4,217,382 | 4,575,602 |
| State Sources-Capital Projects | 23,544 | | | | | | | 195,691 | | |
| Federal Sources | 310,121 | 311,603 | 324,669 | 351,806 | 291,632 | 330,203 | 821,007 | 413,395 | 445,963 | 307,546 |
| Total Revenues | 8,022,158 | 8,048,098 | 8,403,774 | 9,129,606 | 9,299,380 | 9,555,907 | 9,584,122 | 9,756,552 | 9,928,833 | 10,156,987 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 2,387,427 | 2,513,391 | 2,644,103 | 2,804,583 | 2,776,090 | 3,020,603 | 3,010,938 | 2,722,072 | 2,891,836 | 2,970,429 |
| Special Education Instruction | 626,315 | 761,120 | 761,964 | 840,350 | 888,290 | 877,154 | 904,573 | 863,440 | 905,969 | 913,914 |
| Other Special Instruction | 264,464 | 295,597 | 180,258 | 147,215 | 163,583 | 149,217 | 167,407 | 184,518 | 195,821 | 198,995 |
| Other Instruction | | | | | | | | | | 500 |
| Support Services: | | | | | | | | | | |
| Tuition | 9,720 | 3,666 | 42,571 | 20,691 | | | 175,109 | 94,126 | | |
| Student & Inst Related Services | 630,668 | 697,601 | 742,900 | 743,935 | 777,621 | 717,752 | 750,829 | 698,928 | 805,899 | 783,559 |
| General Administration | 225,183 | 256,553 | 258,703 | 261,791 | 332,044 | 260,898 | 256,256 | 265,495 | 248,726 | 255,185 |
| School Administration Services | 154,142 | 146,803 | 147,185 | 152,247 | 160,795 | 151,466 | 162,033 | 144,925 | 144,256 | 151,528 |
| Central Services | 120,009 | 126,477 | 122,052 | 121,538 | 134,787 | 135,887 | 137,055 | 141,356 | 151,157 | 165,927 |
| Plant Operations & Maintenance | 424,055 | 469,685 | 461,258 | 492,421 | 598,927 | 543,483 | 566,031 | 465,284 | 498,437 | 486,432 |
| Pupil Transportation | 475,502 | 454,114 | 480,942 | 486,069 | 530,730 | 560,803 | 485,637 | 442,890 | 371,014 | 363,734 |
| Employee Benefits | 1,167,605 | 1,199,993 | 1,205,134 | 1,284,771 | 1,393,991 | 1,487,436 | 1,610,116 | 1,580,510 | 1,564,070 | 1,598,049 |
| On-Behalf TPAF Pension & Social Security Contribution | 450,276 | 458,088 | 538,662 | 884,345 | 929,440 | 627,266 | 657,061 | 639,055 | 790,537 | 972,745 |
| Capital Outlay | 60,212 | 58,480 | 6,594 | 42,863 | | | 27,467 | 2,590 | 52,457 | 250,622 |
| Special Schools | 10,369 | 8,644 | 6,108 | 5,340 | 14,306 | 7,155 | 11,990 | | | |
| Transfer of Funds to Charter Schools | | 8,385 | 16,943 | 8,609 | 9,311 | | 3,576 | 9,219 | 54,501 | 66,778 |
| Special Revenue Funds | 354,041 | 342,718 | 348,662 | 373,260 | 340,233 | 318,531 | 326,086 | 396,710 | 306,644 | 294,775 |
| Capital Projects Fund | 60,382 | 811,529 | 98,637 | 6,110 | 115,676 | 325,000 | | 493,662 | | |
| Debt Service: | | | | | | | | | | |
| Principal | 225,000 | 235,000 | 245,000 | 264,560 | 134,901 | 515,000 | 345,000 | 360,000 | 375,000 | 380,000 |
| Interest & Other Charges | 210,169 | 199,117 | 184,598 | 166,695 | 93,155 | 100,494 | 82,469 | 70,217 | 57,061 | 45,125 |
| Total Expenditures | 7,855,539 | 9,046,961 | 8,492,274 | 9,107,393 | 9,393,880 | 9,811,447 | 9,679,633 | 9,574,997 | 9,413,385 | 9,898,297 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 166,619 | (998,863) | (88,500) | 22,213 | (94,500) | (255,540) | (95,511) | 181,555 | 515,448 | 258,690 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Proceeds from New Bond Issue | | | | | 250,000 | | | | | |
| Proceeds from Refunding Bond Issue | | | | | 2,540,000 | | | | | |
| Payment to Refunding Bond Escrow Agent | | | | | (2,676,700) | | | | | |
| Premium on Bond Issue | | | | | 32,577 | | | | | |
| Transfers In (Out) | (27,522) | (16,338) | | (20,000) | (54,700) | (30,000) | (55,000) | (100,000) | (15,000) | |
| Total Other Financing Sources (Uses) | (27,522) | (16,338) | - | (20,000) | 91,177 | (30,000) | (55,000) | (100,000) | (15,000) | - |
| Net Change in Fund Balances | \$ 139,097 | \$ (1,015,201) | \$ (88,500) | \$ 2,213 | \$ (3,323) | \$ (285,540) | \$ (150,511) | \$ 81,555 | \$ 500,448 | \$ 258,690 |
| Debt Service as a Percentage of Non- capital Expenditures | 5.96% | 5.61% | 5.40% | 5.00% | 2.52% | 6.95% | 4.63% | 4.97% | 4.84% | 4.61% |

Source: District Records

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

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

| Description | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Interest Income | \$ 11,925 | \$ 31,380 | \$ 30,195 | \$ 47,192 | \$ 34,629 | \$ 24,744 | \$ 9,168 | \$ 4,170 | \$ 4,733 | \$ 3,656 |
| Tuition | 34,595 | 16,000 | 10,749 | 31,410 | 27,804 | 48,694 | 77,320 | 42,468 | 14,550 | 44,194 |
| Payroll Balances Transferred | 2,309 | | 2,209 | | | | | | | |
| Miscellaneous Refunds | 312 | | | | 84 | 133 | | | | |
| Prior Year Refunds | 3,976 | 7,346 | 7,265 | 4,703 | 1,552 | 19,640 | 10,077 | 6,054 | 5,676 | 9,823 |
| Rentals | | | | 11,865 | 12,320 | 8,540 | 2,559 | | 584 | |
| Miscellaneous Other | 3,699 | 18 | 66 | | 1,327 | 73 | 54 | 4 | 4 | 3 |
| Interlocal Agreement for Technology Services | | | | 5,449 | | | | | | |
| Vendor Rebates | | | | | | | 4,245 | | | |
| Donations | | | | | | | 4,000 | 1,050 | 26,957 | 9,544 |
| Outstanding Checks Voided | | | 541 | | 1,326 | 141 | 335 | 157 | | |
| Annual Totals | \$ 56,816 | \$ 54,744 | \$ 51,025 | \$ 100,619 | \$ 79,042 | \$ 101,965 | \$ 107,758 | \$ 53,903 | \$ 52,504 | \$ 67,220 |

Source: District Records

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Vacant Land | \$ 19,664,400 | \$ 15,322,700 | \$ 15,310,000 | \$ 13,502,500 | \$ 15,458,200 | \$ 13,896,400 | \$ 12,975,500 | \$ 12,083,200 | \$ 11,755,100 | \$ 11,751,900 |
| Residential | 421,042,700 | 424,186,900 | 425,474,200 | 429,716,900 | 431,684,500 | 431,329,200 | 430,605,100 | 430,604,600 | 425,685,800 | 424,374,700 |
| Farm Regular | 46,883,300 | 48,128,800 | 50,163,600 | 50,595,400 | 50,829,400 | 51,820,800 | 51,652,000 | 51,652,000 | 55,172,200 | 54,693,000 |
| Q Farm | 2,706,000 | 2,825,200 | 2,759,200 | 2,751,200 | 2,668,700 | 3,612,000 | 2,903,275 | 2,959,050 | 2,943,150 | 2,782,050 |
| Commercial | 80,815,900 | 83,240,900 | 83,783,000 | 89,207,400 | 94,972,200 | 94,831,500 | 95,113,500 | 95,234,500 | 95,234,500 | 90,238,000 |
| Industrial | 16,107,900 | 16,513,100 | 16,101,700 | 16,054,300 | 16,094,300 | 16,094,300 | 16,100,300 | 16,100,300 | 16,099,500 | 16,099,500 |
| Apartment | 51,416,800 | 49,489,900 | 49,489,900 | 49,799,900 | 49,799,900 | 49,799,900 | 40,656,000 | 40,656,000 | 40,656,000 | 40,656,000 |
| Total Assessed Value | 638,637,000 | 639,707,500 | 643,081,600 | 651,627,600 | 661,507,200 | 661,384,100 | 650,005,675 | 649,289,650 | 647,546,250 | 640,595,150 |
| Public Utilities (a) | 2,123,585 | 1,825,320 | 1,413,210 | 1,333,868 | 1,304,575 | 1,335,310 | 1,434,922 | 1,262,054 | 1,346,173 | 1,315,776 |
| Net Valuation Taxable | \$ 640,760,585 | \$ 641,532,820 | \$ 644,494,810 | \$ 652,961,468 | \$ 662,811,775 | \$ 662,719,410 | \$ 651,440,597 | \$ 650,551,704 | \$ 648,892,423 | \$ 641,910,926 |
| Estimated Actual County Equalized Value | \$ 647,625,413 | \$ 708,954,382 | \$ 808,143,962 | \$ 874,462,928 | \$ 947,686,266 | \$ 973,509,210 | \$ 889,703,083 | \$ 835,647,661 | \$ 763,942,104 | \$ 724,259,197 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 98.94% | 90.49% | 79.75% | 74.67% | 69.94% | 68.08% | 73.22% | 77.85% | 84.94% | 88.63% |
| Total Direct School Tax Rate (b) | \$ 0.66 | \$ 0.70 | \$ 0.75 | \$ 0.74 | \$ 0.75 | \$ 0.73 | \$ 0.78 | \$ 0.80 | \$ 0.80 | \$ 0.82 |

Source: Municipal Tax Assessor

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

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

* Revalued/Reassessed

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

| Assessment Year | School District Direct Rate | | | | Overlapping Rates | | Total Direct & Overlapping Tax Rate |
|--------------------|-----------------------------|---|------------------------------------|----------------------------|-------------------|---------|--|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-6) | | Municipality | County | |
| | | | Total Direct School Tax Rate | Regional School Rate | | | |
| 2004 | \$ 0.61 | \$ 0.05 | \$ 0.66 | \$ 0.75 | \$ 0.34 | \$ 0.67 | \$ 2.42 |
| 2005 | 0.65 | 0.05 | 0.70 | 0.80 | 0.34 | 0.70 | 2.54 |
| 2006 | 0.70 | 0.05 | 0.75 | 0.89 | 0.34 | 0.78 | 2.76 |
| 2007 | 0.69 | 0.05 | 0.74 | 0.87 | 0.35 | 0.82 | 2.78 |
| 2008 | 0.70 | 0.05 | 0.75 | 0.86 | 0.39 | 0.87 | 2.87 |
| 2009 | 0.70 | 0.03 | 0.73 | 0.91 | 0.45 | 0.89 | 2.98 |
| 2010 | 0.73 | 0.05 | 0.78 | 0.89 | 0.52 | 0.84 | 3.03 |
| 2011 | 0.75 | 0.05 | 0.80 | 0.90 | 0.56 | 0.81 | 3.07 |
| 2012 | 0.75 | 0.05 | 0.80 | 0.90 | 0.58 | 0.80 | 3.08 |
| 2013 | 0.77 | 0.05 | 0.82 | 0.92 | 0.59 | 0.81 | 3.14 |

Sources: Municipal Tax Collector

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

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

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

| | 2013 | | | 2004 | | |
|--------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Mansfield Plaza LLC | \$ 45,104,800 | 1 | 7.03% | \$ 21,999,800 | 3 | 3.43% |
| Green Eagle Property Res. L.P. | 22,000,000 | 2 | 3.43% | 24,637,200 | 2 | 3.84% |
| Mansfield Plaza Associates LLC | 14,149,800 | 3 | 2.20% | 13,769,800 | 5 | 2.15% |
| Middleberry Associates | 14,000,000 | 4 | 2.18% | 14,000,000 | 4 | 2.18% |
| Borealis Compounds | 6,560,900 | 5 | 1.02% | 6,462,000 | 6 | 1.01% |
| NYK Services Center | 3,611,800 | 6 | 0.56% | 4,136,500 | 7 | 0.65% |
| Sarva Mangal LLC | 3,077,900 | 7 | 0.48% | | | |
| Eden Mansfield LLC | 2,667,600 | 8 | 0.42% | | | |
| The Shoppes at Mansfield LLC | 2,653,900 | 9 | 0.41% | | | |
| Mansfield Commons II LLC | 2,400,000 | 10 | 0.37% | | | |
| Mansfield Village | | | | 32,248,900 | 1 | 5.03% |
| Tahoe Partners | | | | 2,819,200 | 8 | 0.44% |
| Mian Realty LLC | | | | 2,098,700 | 9 | 0.33% |
| Verizon | | | | 1,847,839 | 10 | 0.29% |
| | <u>\$ 116,226,700</u> | | <u>18.10%</u> | <u>\$ 124,019,939</u> | | <u>19.35%</u> |

Source: Municipal Tax Assessor

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|-----------------------------|------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2003 | \$ 14,326,199 | \$ 13,877,408 | 96.87% |
| 2004 | 15,648,288 | 15,174,424 | 96.97% |
| 2005 | 16,347,422 | 15,982,200 | 97.76% |
| 2006 | 17,954,283 | 17,544,317 | 97.71% |
| 2007 | 18,365,546 | 17,972,662 | 97.86% |
| 2008 | 19,109,031 | 18,564,828 | 97.15% |
| 2009 | 19,752,369 | 19,164,940 | 97.02% |
| 2010 | 19,759,480 | 19,238,201 | 97.36% |
| 2011 | 20,004,296 | 19,516,406 | 97.56% |
| 2012 | 20,010,651 | 19,305,229 | 96.47% |

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

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

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

| Fiscal Year Ending June 30, | Governmental Activities | | | Business-Type Activities | | Total District | % of Personal Income (a) | Per Capita (a) |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------|--------------------------------------|-------------------|-------------------|--------------------------------|-------------------|
| | General Obligation Bonds (b) | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | | | |
| 2004 | \$ 3,480,000 | | | | | \$ 3,480,000 | 1.22% | \$ 423 |
| 2005 | 3,245,000 | | | | | 3,245,000 | 1.11% | 396 |
| 2006 | 3,000,000 | | | | | 3,000,000 | 0.99% | 367 |
| 2007 | 2,735,000 | | | | | 2,735,000 | 0.85% | 337 |
| 2008 | 2,790,000 | | | | | 2,790,000 | 0.82% | 344 |
| 2009 | 2,275,000 | | | | | 2,275,000 | 0.64% | 281 |
| 2010 | 1,930,000 | | | | | 1,930,000 | 0.58% | 250 |
| 2011 | 1,570,000 | | | | | 1,570,000 | 0.46% | 204 |
| 2012 | 1,195,000 | | | | | 1,195,000 | 0.35% | 157 |
| 2013 | 815,000 | | | | | 815,000 | N/A | 107 |

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

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

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

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

| Fiscal Year Ending June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | % of Actual Taxable Value (a) of Property | Per Capita (a) |
|-----------------------------------|-----------------------------------|------------|---|--|-------------------|
| | General Obligation Bonds(c) | Deductions | | | |
| 2004 | \$ 3,480,000 | | \$ 3,480,000 | 0.54% | \$ 423 |
| 2005 | 3,245,000 | | 3,245,000 | 0.51% | 396 |
| 2006 | 3,000,000 | | 3,000,000 | 0.47% | 367 |
| 2007 | 2,735,000 | | 2,735,000 | 0.42% | 337 |
| 2008 | 2,790,000 | | 2,790,000 | 0.42% | 344 |
| 2009 | 2,275,000 | | 2,275,000 | 0.34% | 281 |
| 2010 | 1,930,000 | | 1,930,000 | 0.30% | 250 |
| 2011 | 1,570,000 | | 1,570,000 | 0.24% | 204 |
| 2012 | 1,195,000 | | 1,195,000 | 0.18% | 157 |
| 2013 | 815,000 | | 815,000 | 0.13% | 107 |

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012

| GOVERNMENTAL UNIT | Debt Outstanding | Estimated % Applicable (a) | Estimated Share of Overlapping Debt |
|-----------------------------------|---------------------|-------------------------------|--|
| Debt Repaid with Property Taxes: | | | |
| Municipality | \$ 2,598,572 | 100.00 | \$ 2,598,572 |
| Regional High School | 23,759,000 | 30.59 | 7,268,327 |
| County General Obligation Debt | 17,416,763 | 6.47 | <u>1,126,806</u> |
| Subtotal, Overlapping Debt | | | 10,993,705 |
| School District Direct Debt | | | <u>1,195,000</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 12,188,705</u></u> |

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

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

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

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

| <u>Year</u> | <u>Population (a)</u> | <u>Personal Income (b)</u> | <u>Per Capita Personal Income (c)</u> | <u>Unemployment Rate (d)</u> |
|-------------|-------------------------|----------------------------------|---|------------------------------------|
| 2004 | 8,226 | \$ 292,936,086 | \$ 35,611 | 4.4% |
| 2005 | 8,185 | 302,378,455 | 36,943 | 3.9% |
| 2006 | 8,168 | 322,570,656 | 39,492 | 4.2% |
| 2007 | 8,124 | 340,103,136 | 41,864 | 3.9% |
| 2008 | 8,120 | 355,875,240 | 43,827 | 5.2% |
| 2009 | 8,089 | 348,401,319 | 43,071 | 9.2% |
| 2010 | 7,724 | 341,269,492 | 44,183 | 9.5% |
| 2011 | 7,701 | 346,067,538 | 44,938 | 8.8% |
| 2012 | 7,593 | N/A | N/A | 8.6% |
| 2013 | 7,593 | N/A | N/A | N/A |

Sources:

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

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

| Employer | 2013 | | | 2004 | | |
|----------|-----------|------|--|-----------|------|--|
| | Employees | Rank | Percentage of Total Municipal Employment | Employees | Rank | Percentage of Total Municipal Employment |

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

| FUNCTION/PROGRAM | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular | 46.5 | 46.0 | 48.0 | 48.3 | 48.0 | 44.0 | 46.0 | 42.1 | 42.1 | 42.1 |
| Special Education | 12.0 | 12.0 | 13.5 | 12.5 | 11.5 | 13.5 | 14.0 | 12.0 | 12.0 | 12.0 |
| Other Special Education | 8.3 | 5.0 | 8.0 | 9.0 | 9.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Other Instruction | 4.0 | 7.0 | 5.0 | 4.5 | 4.5 | 8.5 | 8.5 | 3.0 | 3.0 | 3.0 |
| Support Services: | | | | | | | | | | |
| Student and Instruction Related Services | 4.0 | 8.6 | 8.8 | 10.1 | 6.6 | 6.0 | 6.0 | 7.4 | 7.5 | 7.5 |
| General Administration | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| School Administration Services | | | | 2.0 | 2.0 | 2.0 | 2.0 | 2.8 | 2.8 | 2.8 |
| Central Services | 2.0 | 2.5 | 2.2 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.5 |
| Administrative Information Technology | | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.5 |
| Plant Operations and Maintenance | 5.8 | 5.0 | 6.0 | 6.5 | 6.5 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Child Care | | | | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Total | 84.5 | 88.1 | 94.5 | 99.4 | 94.6 | 93.5 | 96.0 | 85.8 | 85.9 | 85.9 |

Sources: District Personnel Records

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Enrollment</u> | <u>Operating Expenditures (a)</u> | <u>Cost Per Pupil</u> | <u>Percentage Change</u> | <u>Teaching Staff (b)</u> | <u>Teacher Ratio</u> | <u>Average Daily Enrollment (ADE) (c)</u> | <u>Average Daily Attendance (ADA) (c)</u> | <u>% Change in Average Daily Enrollment</u> | <u>Student Attendance Percentage</u> |
|--------------------|-------------------|-------------------------------------|-----------------------|--------------------------|-----------------------------|----------------------|---|---|---|--------------------------------------|
| 2004 | 760 | \$ 7,299,776 | \$ 9,605 | 5.73% | 65 | 1 to 11.46 | 759.4 | 725.4 | 2.02% | 95.52% |
| 2005 | 729 | 7,742,835 | 10,621 | 10.58% | 65 | 1 to 11.69 | 717.2 | 685.0 | -5.56% | 95.51% |
| 2006 | 698 | 7,957,445 | 11,400 | 7.34% | 65 | 1 to 11.22 | 699.8 | 668.2 | -2.43% | 95.48% |
| 2007 | 703 | 8,627,165 | 12,272 | 7.65% | 65 | 1 to 10.82 | 706.3 | 675.5 | 0.93% | 95.64% |
| 2008 | 707 | 9,050,148 | 12,801 | 4.31% | 65 | 1 to 10.88 | 715.6 | 685.4 | 1.32% | 95.78% |
| 2009 | 697 | 8,857,651 | 12,708 | -0.72% | 64.5 | 1 to 10.81 | 690.2 | 656.0 | -3.55% | 95.04% |
| 2010 | 723 | 9,224,697 | 12,759 | 0.40% | 67 | 1 to 10.79 | 722.9 | 691.2 | 4.74% | 95.61% |
| 2011 | 695 | 8,648,528 | 12,444 | -2.47% | 57 | 1 to 12.20 | 695.8 | 659.9 | -3.75% | 94.84% |
| 2012 | 717 | 8,928,867 | 12,453 | 0.07% | 57.2 | 1 to 12.53 | 717.8 | 688.0 | 3.16% | 95.85% |
| 2013 | 705 | 9,222,550 | 13,082 | 5.05% | 57.2 | 1 to 12.33 | 703.9 | 670.5 | -1.94% | 95.26% |

Source: District Records

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

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

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

| DISTRICT BUILDING | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Mansfield Township School (1964)</u> | | | | | | | | | | |
| Square Feet | 88,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 |
| Capacity (Students) | 651 | 835 | 835 | 835 | 835 | 835 | 835 | 835 | 835 | 835 |
| Enrollment | 752 | 722 | 711 | 698 | 703 | 689 | 710 | 683 | 721 | 706 |

Number of Schools at June 30, 2013:

Elementary 1

Source: District Facilities Office

N/A=Not Available

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

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

UNDISTRIBUTED EXPENDITURES-REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

| | Mansfield Township Elementary School | Total |
|-------------------------|---|-------------------|
| * School Facilities | | |
| 2004 | \$ 37,621 | \$ 37,621 |
| 2005 | 40,248 | 40,248 |
| 2006 | 44,625 | 44,625 |
| 2007 | 57,064 | 57,064 |
| 2008 | 79,318 | 79,318 |
| 2009 | 69,706 | 69,706 |
| 2010 | 90,010 | 90,010 |
| 2011 | 21,634 | 21,634 |
| 2012 | 72,121 | 72,121 |
| 2013 | 34,417 | 34,417 |
| Total School Facilities | <u>\$ 546,764</u> | <u>\$ 546,764</u> |

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

Source: District Records

MANSFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
(UNAUDITED)

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Package Policy-School Alliance Insurance Fund: | | |
| Property-Blanket Building & Contents (Fund Limit) | \$ 250,000,000 | \$ 1,000 |
| Comprehensive General Liability | 5,000,000 | |
| Medical Expense Limit | 5,000 | |
| Blanket Employee Dishonesty (Per Loss) | 400,000 | 1,000 |
| School Board Legal Liability-School Alliance Insurance Fund: | | |
| Directors and Officers Policy | 5,000,000 | 5,000 |
| Worker's Compensation-School Alliance Insurance Fund: | | |
| Injury by Accident Per Accident | 5,000,000 | |
| Injury by Disease Per Employee | 5,000,000 | |
| Injury by Disease Policy Limit | 5,000,000 | |
| Umbrella Liability-School Alliance Insurance Fund: | | |
| Policy Limit | 5,000,000 | |
| Environmental Impairment Liability-Illinois Insurance Company: | | |
| Policy Limit | 1,000,000 | 10,000 |
| Student Accident Insurance-QBE Specialty Insurance: | | |
| Maximum Benefit Amount | 1,000,000 | |
| Public Employees' Faithful Performance-Selective Insurance Company: | | |
| Treasurer's Bond | 195,000 | |
| Board Secretary's Bond | 85,000 | |

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

October 22, 2013

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mansfield Township School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated October 22, 2013.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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



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

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
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INDEPENDENT AUDITOR'S REPORT

October 22, 2013

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

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

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2013, and have issued our report thereon dated October 22, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| Grantor/Program Title | Federal CFDA Number | Grant or State Project Number | Program or Award Amount | Grant Period From-To | Balance 6/30/2012 | Carryover Amount | Cash Received | Budgetary Expenditure | Adjustment | Repayment of Prior Year Balance | Balance June 30, 2013 | | |
|---|---------------------|-------------------------------|-------------------------|-----------------------|-------------------|------------------|---------------|-----------------------|------------|---------------------------------|-----------------------|------------------|----------------|
| | | | | | | | | | | | Accounts Receivable | Deferred Revenue | Due to Grantor |
| US Department of Health & Human Services: | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Medical Assistance Program | 93.778 | N/A | \$ 17,632 | 07/01/2011-06/30/2012 | \$ (2,886) | | \$ 2,886 | | | | | | |
| Medical Assistance Program | 93.778 | N/A | 14,430 | 07/01/2012-06/30/2013 | | | 14,430 | \$ 14,430 | | | | | |
| Total General Fund | | | | | (2,886) | \$ - | 17,316 | 14,430 | \$ - | \$ - | \$ - | \$ - | \$ - |
| US Department of Education Passed Through | | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| NCLB Title I | 84.010A | NCLB-297011 | 94,494 | 09/01/2010-08/31/2011 | (23,013) | | 23,013 | | | | | | |
| NCLB Title I- Carryover | 84.010A | NCLB-297011 | 94,494 | 09/01/2010-08/31/2011 | 10,792 | (1,150) | | 9,642 | | | | | |
| NCLB Title I | 84.010A | NCLB-297012 | 88,184 | 09/01/2011-08/31/2012 | (32,905) | | 32,919 | 14 | | | | | |
| NCLB Title I- Carryover | 84.010A | NCLB-297012 | 88,184 | 09/01/2011-08/31/2012 | | 1,150 | | 1,150 | | | | | |
| NCLB Title I | 84.010A | NCLB-297013 | 89,843 | 09/01/2012-08/31/2013 | | | 40,594 | 89,843 | | | (49,249) | | |
| NCLB Title IIA | 84.367A | NCLB-297011 | 33,357 | 09/01/2010-08/31/2011 | (16,325) | | 16,325 | | | | | | |
| NCLB Title IIA-Carryover | 84.367A | NCLB-297011 | 33,357 | 09/01/2010-08/31/2011 | 3,462 | | | 3,462 | | | | | |
| NCLB Title IIA | 84.367A | NCLB-297012 | 31,047 | 09/01/2011-08/31/2012 | (5,712) | (5,372) | 11,197 | 113 | | | | | |
| NCLB Title IIA-Carryover | 84.367A | NCLB-297012 | 31,047 | 09/01/2011-08/31/2012 | | 5,372 | | 5,372 | | | | | |
| NCLB Title IIA | 84.367A | NCLB-297013 | 27,980 | 09/01/2012-08/31/2013 | | | 6,142 | 24,418 | | | (21,838) | 3,562 | |
| NCLB Title III | 84.365A | NCLB-297012 | 10,352 | 09/01/2011-08/31/2012 | (3,929) | | 6,312 | 2,383 | | | | | |
| NCLB Title III | 84.365A | NCLB-297013 | 15,409 | 09/01/2012-08/31/2013 | | | | 7,731 | | | (15,409) | 7,678 | |
| IDEA Basic | 84.027 | IDEA-297011 | 169,029 | 09/01/2010-08/31/2011 | (31,879) | | 31,879 | | | | | | |
| IDEA Basic-Carryover | 84.027 | IDEA-297011 | 169,029 | 09/01/2010-08/31/2011 | 14,911 | (7,519) | | 7,153 | | | | 239 | |
| IDEA Basic | 84.027 | IDEA-297012 | 167,873 | 09/01/2011-08/31/2012 | (20,709) | (75,614) | 46,944 | | | | (49,379) | | |
| IDEA Basic-Carryover | 84.027 | IDEA-297012 | 167,873 | 09/01/2011-08/31/2012 | | 83,133 | | 57,784 | | | | 25,349 | |
| IDEA Basic | 84.027 | IDEA-297013 | 178,116 | 09/01/2012-08/31/2013 | | | | 80,013 | | | (178,116) | 98,103 | |
| IDEA Preschool | 84.173 | IDEA-297011 | 7,331 | 09/01/2010-08/31/2011 | (3,665) | | 3,665 | | | | | | |
| IDEA Preschool | 84.173 | IDEA-297012 | 7,264 | 09/01/2011-08/31/2012 | (323) | (1,000) | 1,323 | | | | | | |
| IDEA Preschool-Carryover | 84.173 | IDEA-297012 | 7,264 | 09/01/2011-08/31/2012 | | 1,000 | | 1,000 | | | | | |

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| Grantor/Program Title | Federal CFDA Number | Grant or State Project Number | Program or Award Amount | Grant Period From-To | Balance 6/30/2012 | Carryover Amount | Cash Received | Budgetary Expenditure | Adjustment | Repayment of Prior Year Balance | Balance June 30, 2013 | | | |
|--|---------------------|-------------------------------|-------------------------|-----------------------|-------------------|------------------|---------------|-----------------------|------------|---------------------------------|-----------------------|------------------|----------------|------|
| | | | | | | | | | | | Accounts Receivable | Deferred Revenue | Due to Grantor | |
| US Department of Education Passed Through State Department of Education: | | | | | | | | | | | | | | |
| Special Revenue Fund (continued): | | | | | | | | | | | | | | |
| IDEA Preschool | 84.173 | IDEA-297013 | \$ 7,409 | 09/01/2012-08/31/2013 | | | \$ 2,742 | \$ 7,409 | | | | \$ (4,667) | | |
| Race to the Top | 84.413A | N/A | 7,023 | 09/01/2011-11/30/2015 | | | | 7,023 | | | | (7,023) | | |
| Total Special Revenue Fund | | | | | \$ (109,295) | \$ - | 223,055 | 304,510 | \$ - | \$ - | | (325,681) | \$ 134,931 | \$ - |
| US Department of Agriculture Passed Through State Department of Agriculture: | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| Food Donation Program | 10.550 | N/A | 15,521 | 07/01/2011-06/30/2012 | 1,155 | | | 1,155 | | | | | | |
| Food Donation Program | 10.550 | N/A | 14,621 | 07/01/2012-06/30/2013 | | | 14,621 | 13,839 | | | | | 782 | |
| National School Breakfast Program | 10.553 | N/A | 370 | 07/01/2011-06/30/2012 | (3) | | 3 | | | | | | | |
| National School Breakfast Program | 10.553 | N/A | 361 | 07/01/2012-06/30/2013 | | | 330 | 361 | | | | (31) | | |
| National School Lunch Program | 10.555 | N/A | 74,946 | 07/01/2011-06/30/2012 | (3,631) | | 3,631 | | | | | | | |
| National School Lunch Program | 10.555 | N/A | 75,946 | 07/01/2012-06/30/2013 | | | 70,455 | 75,946 | | | | (5,491) | | |
| Child and Adult Care Food Program | 10.558 | N/A | 850 | 07/01/2011-06/30/2012 | (63) | | 63 | | | | | | | |
| Child and Adult Care Food Program | 10.558 | N/A | 930 | 07/01/2012-06/30/2013 | | | 859 | 930 | | | | (71) | | |
| Total Enterprise Fund | | | | | (2,542) | - | 89,962 | 92,231 | - | - | | (5,593) | 782 | - |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | | \$ (114,723) | \$ - | \$ 330,333 | \$ 411,171 | \$ - | \$ - | | \$ (331,274) | \$ 135,713 | \$ - |

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE-SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From-To | Balance June 30, 2012 | | Cash Received | Budgetary Expenditure | Adjustment | Balance June 30, 2013 | | | Memo | | |
|---|-------------------------------|-------------------------|----------------------|-----------------------------|----------------|---------------------|-----------------------|-------------|-----------------------|------------------|----------------|----------------------|------------------------|--|
| | | | | Deferred Rev. (Accts. Rec.) | Due to Grantor | | | | Accounts Receivable | Deferred Revenue | Due to Grantor | Budgetary Receivable | Cumulative Expenditure | |
| <u>State Department of Education</u> | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| Equalization Aid | 13-495-034 | \$ 2,948,932 | 07/01/2012- | | | | | | | | | | | |
| | -5120-078 | | 06/30/2013 | | | \$ 2,948,932 | \$ 2,948,932 | | | | | \$ 293,792 | \$ 2,948,932 | |
| Categorical Special Education Aid | 13-495-034 | 387,990 | 07/01/2012- | | | | | | | | | | | |
| | -5120-089 | | 06/30/2013 | | | 387,990 | 387,990 | | | | | 38,654 | 387,990 | |
| Categorical Transportation Aid | 13-495-034 | 112,193 | 07/01/2012- | | | | | | | | | | | |
| | -5120-014 | | 06/30/2013 | | | 112,193 | 112,193 | | | | | 11,177 | 112,193 | |
| Categorical Security Aid | 13-495-034 | 82,468 | 07/01/2012- | | | | | | | | | | | |
| | -5120-084 | | 06/30/2013 | | | 82,468 | 82,468 | | | | | 8,216 | 82,468 | |
| Nonpublic Remote Transportation Aid | 12-495-034 | 2,695 | 07/01/2011- | | | | | | | | | | | |
| | -5120-014 | | 06/30/2012 | \$ (2,695) | | 2,695 | | | | | | | 2,695 | |
| Nonpublic Remote Transportation Aid | 13-495-034 | 4,963 | 07/01/2012- | | | | | | | | | | | |
| | -5120-014 | | 06/30/2013 | | | | 4,963 | | \$ (4,963) | | | | 4,963 | |
| Payment for Institutionalized Children-Unknown District of Residence | 12-495-034 | 11,606 | 07/01/2011- | | | | | | | | | | | |
| | -5120-078 | | 06/30/2012 | (11,606) | | 11,606 | | | | | | | 11,606 | |
| Reimbursed TPAF Social Security Contribution | 12-495-034 | 353,621 | 07/01/2011- | | | | | | | | | | | |
| | -5095-002 | | 06/30/2012 | (17,382) | | 17,382 | | | | | | | 353,621 | |
| Reimbursed TPAF Social Security Contribution | 13-495-034 | 351,039 | 07/01/2012- | | | | | | | | | | | |
| | -5095-002 | | 06/30/2013 | | | 333,756 | 351,039 | | (17,283) | | | | 351,039 | |
| On-Behalf TPAF Pension Contribution-Post Retirement Medical | 13-495-034 | 329,928 | 07/01/2012- | | | | | | | | | | | |
| | -5095-001 | | 06/30/2013 | | | 329,928 | 329,928 | | | | | | 329,928 | |
| On-Behalf TPAF Pension Contribution-Non Contributory Group Insurance | 13-495-034 | 14,584 | 07/01/2012- | | | | | | | | | | | |
| | -5095-007 | | 06/30/2013 | | | 14,584 | 14,584 | | | | | | 14,584 | |
| On-Behalf TPAF Pension Contribution-Normal Cost and Accrued Liability | 13-495-034 | 277,194 | 07/01/2012- | | | | | | | | | | | |
| | -5095-006 | | 06/30/2013 | | | 277,194 | 277,194 | | | | | | 277,194 | |
| Total General Fund | | | | <u>(31,683)</u> | <u>\$ -</u> | <u>4,518,728</u> | <u>4,509,291</u> | <u>\$ -</u> | <u>(22,246)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>351,839</u> | <u>4,877,213</u> | |
| Debt Service Fund: | | | | | | | | | | | | | | |
| Debt Service Aid-State Support | 13-495-034 | 85,396 | 07/01/2012- | | | | | | | | | | | |
| | -5120-017 | | 06/30/2013 | - | - | 85,396 | 85,396 | - | - | - | - | - | 85,396 | |
| <u>State Department of Agriculture</u> | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| State School Lunch Program | 12-100-010 | 2,704 | 07/01/2011- | | | | | | | | | | | |
| | -3350-023 | | 06/30/2012 | (136) | | 136 | | | | | | | 2,704 | |
| State School Lunch Program | 13-100-010 | 2,591 | 07/01/2012- | | | | | | | | | | | |
| | -3350-023 | | 06/30/2013 | | | 2,254 | 2,591 | | (337) | | | | 2,591 | |
| Total Enterprise Fund | | | | <u>(136)</u> | <u>-</u> | <u>2,390</u> | <u>2,591</u> | <u>-</u> | <u>(337)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,295</u> | |
| TOTAL STATE FINANCIAL ASSISTANCE | | | | <u>\$ (31,819)</u> | <u>\$ -</u> | <u>\$ 4,606,514</u> | <u>\$ 4,597,278</u> | <u>\$ -</u> | <u>\$ (22,583)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 351,839</u> | <u>\$ 4,967,904</u> | |

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2013

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$19,085) for the general fund and (\$11,394) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

| | <u>Local</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------|-----------------|-------------------|--------------------|---------------------|
| General Fund | | \$ 14,430 | \$4,490,206 | \$ 4,504,636 |
| Special Revenue Fund | \$ 1,659 | 293,116 | | 294,775 |
| Debt Service Fund | | | 85,396 | 85,396 |
| Food Service Fund | | <u>92,231</u> | <u>2,591</u> | <u>94,822</u> |
| | <u>\$ 1,659</u> | <u>\$ 399,777</u> | <u>\$4,578,193</u> | <u>\$ 4,979,629</u> |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2013
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2013. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND 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: Unmodified

Internal Control Over Financial Reporting:

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

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

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

Federal Awards

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes No

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

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

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

Identification of Major Programs:

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: NOT APPLICABLE

Auditee qualified as a low-risk auditee Yes No

State Awards

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

Auditee Qualified as low-risk auditee X Yes No

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

Internal Control Over Major Programs:

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

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

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 04-04? Yes X No

Identification of Major Programs:

| <u>GMIS Numbers</u> | <u>Amount</u> | <u>Name of State Program</u> |
|---------------------|---------------|--|
| 13-495-034-5095-002 | \$ 351,039 | Reimbursed TPAF Social Security Contribution |
| 13-495-034-5120-014 | 112,193 | Categorical Transportation Aid |
| 13-495-034-5120-078 | 2,948,932 | Equalization Aid |
| 13-495-034-5120-089 | 387,990 | Categorical Special Education Aid |

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2013.

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

There were no findings or questioned costs for the year ended June 30, 2013.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

K-7

There were no prior year findings or questioned costs.