

MANSFIELD TOWNSHIP BOARD OF EDUCATION

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2014

MANSFIELD TOWNSHIP BOARD OF EDUCATION

***Mansfield Township Board of Education
Columbus, New Jersey***

***Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2014***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Prepared by
Mansfield Township Board of Education
Finance Department**

**And
Barre & Company, CPAs**

STATE BOARD OF EDUCATION

ARCELIO APONTE..... Middlesex
President

JOSEPH FISICARO Burlington
Vice President

MARK W. BIEDRON Hunterdon

RONALD K.BUTCHER..... Gloucester

CLAIRE CHAMBERLAIN Somerset

JOSEPH FISICARO Burlington

JACK FORNARO Warren

EDITHE FULTON..... Ocean

ROBERT P. HANEY Monmouth

ERNEST P. LEPORE..... Hudson

ANDREW J. MULVIHILL..... Sussex

J. PETER SIMON..... Morris

DOROTHY S. STRICKLAND Essex

**David C. Hespe, Acting Commissioner of Education
Secretary, State Board of Education**

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

INTRODUCTORY SECTION	1
Letter of Transmittal	2
Organizational Chart.....	7
Roster of Officials.....	8
Consultants and Advisors.....	9
FINANCIAL SECTION	10
Independent Auditor's Report.....	11
REQUIRED SUPPLEMENTARY INFORMATION – PART I.....	14
Management's Discussion and Analysis	15
BASIC FINANCIAL STATEMENTS	28
SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS	29
A-1 Statement of Net Position.....	30
A-2 Statement of Activities	31
SECTION B - FUND FINANCIAL STATEMENTS	32
GOVERNMENTAL FUNDS.....	33
B-1 Balance Sheet	34
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	35
B-3 Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	36
PROPRIETARY FUNDS	37
B-4 Statement of Net Position.....	38
B-5 Statement of Revenues, Expenses, and Changes in Net Position	39
B-6 Statement of Cash Flows.....	40
FIDUCIARY FUNDS.....	41
B-7 Statement of Fiduciary Net Position	42
B-8 Statement of Changes in Fiduciary Net Position	43
NOTES TO THE FINANCIAL STATEMENTS.....	44
REQUIRED SUPPLEMENTARY INFORMATION – PART II.....	78

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

FINANCIAL SECTION (CONTINUED)

SECTION C - BUDGETARY COMPARISON SCHEDULES	79
C-1 Budgetary Comparison Schedule – General Fund	80
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	85
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....	86
C-3 Budget-To-GAAP Reconciliation	87
OTHER SUPPLEMENTARY INFORMATION.....	88
SECTION D - SCHOL BASED BUDGET SCHEDULES	N/A
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual.....	N/A
SECTION E - SPECIAL REVENUE FUND	89
E-1 Combining Schedule of Revenues and Expenditures – Budgetary Basis	90
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis.....	N/A
SECTION F – CAPITAL PROJECTS FUND.....	N/A
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	N/A
SECTION G – PROPRIETARY FUNDS	91
ENTERPRISE FUND	N/A
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position.....	N/A
G-3 Combining Schedule of Cash Flows.....	N/A
INTERNAL SERVICE FUND.....	N/A
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position.....	N/A
G-6 Combining Schedule of Cash Flows.....	N/A

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

FINANCIAL SECTION (CONTINUED)

SECTION H - FIDUCIARY FUNDS.....92

H-1	Combining Statement of Fiduciary Net Position	93
H-2	Combining Statement of Changes in Fiduciary Net Position	94
H-3	Student Activity Fund – Schedule of Receipts and Disbursements	95
H-4	Payroll Agency and Payroll Account Funds – Schedule of Receipts and Disbursements.....	96

SECTION I – LONG-TERM DEBT SCHEDULES.....97

I-1	Schedule of Serial Bonds	98
I-2	Schedule of Obligations under Capital Leases.....	N/A
I-3	Schedule of Intergovernmental Loans Payable	99
I-4	Debt Service Fund Budgetary Comparison Schedule	N/A

STATISTICAL SECTION (UNAUDITED).....100

INTRODUCTION TO THE STATISTICAL SECTION.....101

FINANCIAL TRENDS102

J-1	Net Assets by Component.....	103
J-2	Changes in Net Assets	104
J-3	Fund Balances – Governmental Funds	106
J-4	Changes in Fund Balances – Governmental Funds	107
J-5	General Fund Other Local Revenue by Source.....	108

REVENUE CAPACITY.....109

J-6	Assessed Value and Estimated Actual Value of Taxable Property	110
J-7	Direct and Overlapping Property Tax Rates	111
J-8	Principal Property Taxpayers*	112
J-9	Property Tax Levies and Collections	113

DEBT CAPACITY114

J-10	Ratios of Outstanding Debt by Type.....	115
J-11	Ratios of General Bonded Debt Outstanding	116
J-12	Direct and Overlapping Governmental Activities Debt.....	117
J-13	Legal Debt Margin Information	118

DEMOGRAPHIC AND ECONOMIC INFORMATION.....119

J-14	Demographic and Economic Statistics	120
J-15	Principal Employers	121

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page No.

STATISTICAL SECTION (CONTINUED)

OPERATING INFORMATION.....122

J-16 Full-Time Equivalent District Employees by Function/Program 123

J-17 Operating Statistics..... 124

J-18 School Building Information 125

J-19 Schedule of Required Maintenance Expenditures by School Facility 126

J-20 Insurance Schedule 127

* Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

SINGLE AUDIT SECTION128

K-1 Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance *With Government Auditing Standards*129 129

K-2 Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control over Compliance In Accordance With OMB Circular A-133 and New Jersey OMB Circular *04-04*..... 131

K-3 Schedule of Expenditures of Federal Awards – Schedule A 134

K-4 Schedule of Expenditures of State Financial Assistance – Schedule B 135

K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance 136

K-6 Schedule of Findings and Questioned Costs..... 139

K-7 Summary Schedule of Prior Audit Findings 142

INTRODUCTORY SECTION

***MANSFIELD TOWNSHIP BOARD OF EDUCATION
200 MANSFIELD ROAD EAST
COLUMBUS, NEW JERSEY 08022
609-298-2037***

December 1, 2014

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Mansfield Township School District (District) for the fiscal year ended June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management. Data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 6, including services for special needs students. As of June 30, 2014 the District's average daily enrollment was 721 students, which is six more students than the previous year's enrollment. The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	741.00	3.78%
2012-2013	714.00	-4.67%
2011-2012	749.00	4.17%
2010-2011	719.00	3.16%
2009-2010	697.00	1.75%
2008-2009	685.00	-0.29%
2007-2008	687.00	1.78%
2006-2007	675.00	2.74%
2005-2006	657.00	3.46%
2004-2005	635.00	-0.88%

2. ECONOMIC CONDITION AND OUTLOOK

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

3. MAJOR INITIATIVES

The Mansfield Township School District undertook several important activities during the 2013-2014 school year. These included the following:

- Write Steps Writing Program K-5
- Schellenger Educational Consultants (Professional Development)
- Hired a Part-Time Curriculum and Instruction Supervisor
- Purchased New Computers and Increased Broadband
- New Smartboards & Projectors

4. INTERNAL ACCOUNTING CONTROLS

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

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

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of fund and account groups. These funds and account groups are explained in Notes to the Basic Financial Statement. The 2013-2014 CAFR presents financial reports utilizing the overall format of GASB 34.

7. FINANCIAL INFORMATION AT YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital project fund, and debt service fund revenues for the fiscal year ended June 30, 2014.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 10,579,760	86.95%	\$ 748,437	7.07%
State Sources	1,427,291	11.73%	(156,155)	-10.94%
Federal Sources	160,974	1.32%	36,140	22.45%
Total	<u>\$ 12,168,025</u>	<u>100.00%</u>	<u>\$ 628,422</u>	

The following schedule presents a summary of general fund, special revenue, and debt service fund expenditures for the fiscal year ended June 30, 2014.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 4,107,921	35.16%	\$ (49,770)	-1.21%
Undistributed	6,484,142	55.49%	345,286	5.33%
Capital Outlay	63,136	0.54%	(113,299)	-179.45%
Debt Service	1,029,657	8.81%	57,949	5.63%
Total	<u>\$ 11,684,856</u>	<u>100.00%</u>	<u>\$ 240,166</u>	

8. DEBT ADMINISTRATION

At June 30, 2013, the district's outstanding debt issues include \$8,490,000 of general obligation bonds and \$136,313 in compensated absences payable.

9. CASH MANAGEMENT

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

10. RISK MANAGEMENT

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

11. OTHER INFORMATION

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

12. ACKNOWLEDGEMENTS

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

Respectfully submitted,



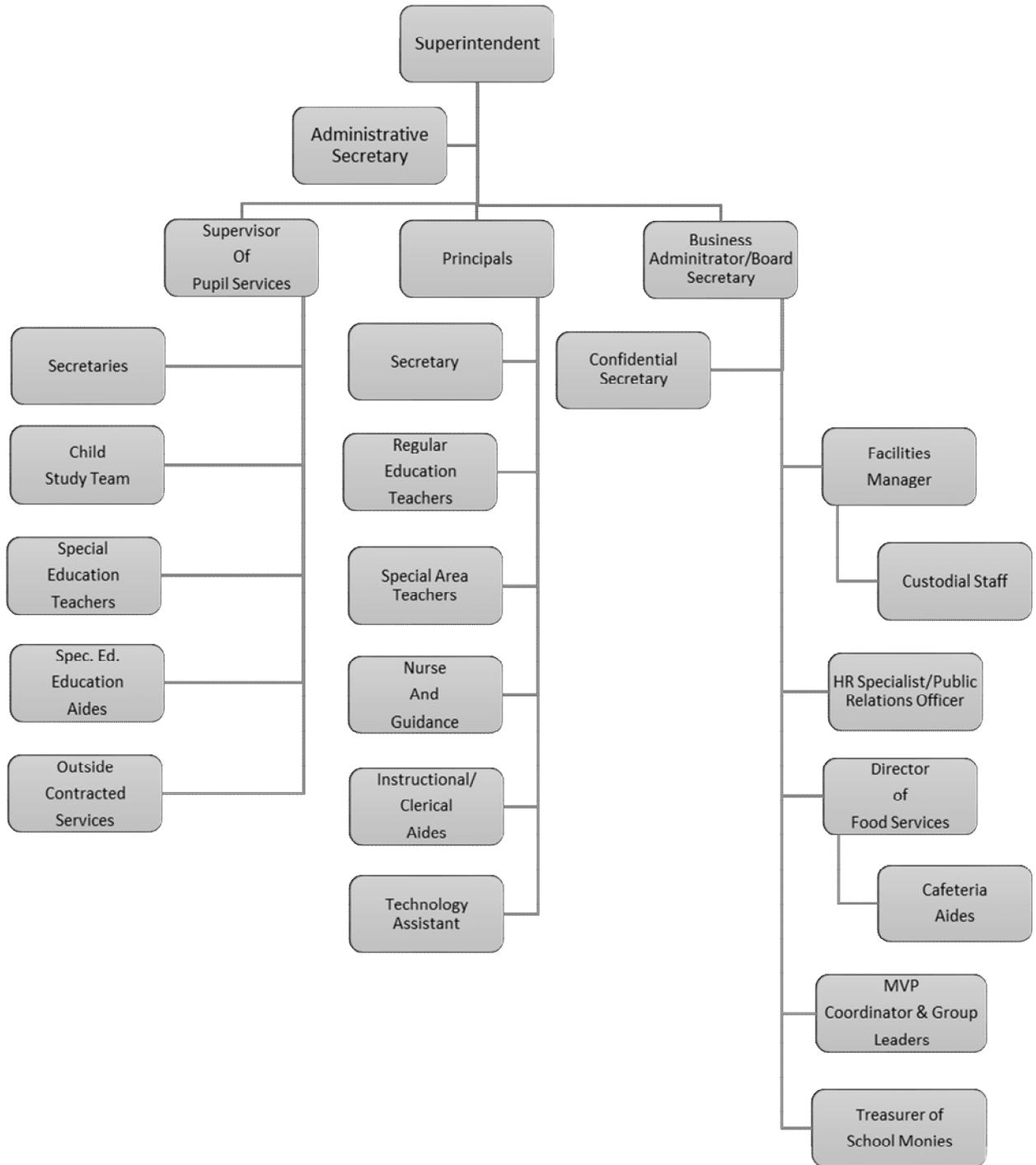
Diane Bacher
Superintendent



Joyce A. Goode
Business Administrator/Board Secretary

MANSFIELD TOWNSHIP BOARD OF EDUCATION

ORGANIZATIONAL CHART



**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Joseph Broski, President	2014
Ramy Reddy	2014
Marcial Mojena, Vice President	2014
Beverly Pencak	2015
Alison Perrone	2015
Matthew Varava	2015
Curtis Wyers, Jr.	2014
Jarad Fantasia	2016
Deborah Regi	2016

OTHER OFFICIALS

Diane Bacher, Superintendent

Joyce Goode, Business Administrator/Board Secretary

Maria Parry, CPA, Treasurer of School Monies

Frank Cavallo, Esq, Solicitor

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

CONSULTANTS AND ADVISORS

ARCHITECT

Faridy, Veisz & Fraytak, P.C.
1515 Lower Ferry Road
P.O. Box 7371
Trenton, New Jersey 08628

Audit Firm

Barre & Company
Certified Public Accountants
2204 Morris Avenue
Union, New Jersey 07083

Attorney and Board Counsel

Park McCay
9000 Midlantic Drive, Suite 300
Mount Laurel, New Jersey 08054

Official Depositories

1st Constitution Bank
3659 Nottingham Way
Hamilton, New Jersey 08690

FINANCIAL SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The School District's 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 audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education, in the County of Burlington , State of New Jersey, as of June 30, 2014, and the respective changes in the 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 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 response 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information such as the combining and individual

nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," respectively; and the other information, such as 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 nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use 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 nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014 on our consideration of the Mansfield Township Board of Education's internal control over financial reporting and 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 School District's internal control over financial reporting and compliance.



Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

December 1, 2014

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

As management of the Mansfield Township Board of Education, we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2013-2014) and the prior year (2012-2013) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2014 are as follows:

- ❖ Net position for all Governmental Activities increased by \$\$1,001,415.
- ❖ General revenues for all funds accounted for \$\$11,957,517 in revenue or 92% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,062,262 or 8% of total revenues of \$13,019,779.
- ❖ The School District had for all funds \$11,984,678 in expenses; only \$1,062,262 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$11,957,517 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$10,926,999 in revenues and \$10,480,306 in expenditures. The General Fund's fund balance increased \$446,693 over 2013. This increase was anticipated by the Board of Education.
- ❖ For Governmental Activities, total assets decreased by \$394,871 and total liabilities decreased by \$606,544.
- ❖ Net position increased in the Business-Type Activities by \$33,686.
- ❖ For Business-Type Activities, total assets increased by \$46,390 and total liabilities increased by \$12,704.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Highlights (Continued)

- ❖ Amount of repayment in bond principal was \$640,000.

Overview of the Financial Statements

This annual report consists of five parts: introduction, management's discussion and analysis, the basic financial statements, supplementary information and statistical section. The basic financial statements include two kinds of statements that present different views of the District.

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Overview of the Financial Statements (Continued)

District-wide Statements

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

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

- Over-time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one must consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities*: Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. Property taxes and state aid, finances most of these activities.
- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's nutritional services program is included here.

Fund Financial Statements

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Overview of the Financial Statements (Continued)

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

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Proprietary funds*: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flows. The District uses *internal service funds* (the other kind of proprietary funds) to report activities that provide supplies and services for its other programs and activities.
- *Fiduciary funds*: The District is the agent, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. 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 provides a summary of the School District's net position for 2014 with comparative amounts for 2013.

**Table 1
Net Position**

	2014	2013
Assets		
Current and Other Assets	\$ 1,887,655	\$ 1,377,995
Capital Assets	<u>11,247,043</u>	<u>11,315,442</u>
Total Assets	<u>13,134,698</u>	<u>12,693,437</u>
Liabilities		
Account and Other Payables	49,362	32,344
Other Current Liabilities	833,219	777,415
Long-Term Liabilities	<u>8,751,303</u>	<u>9,417,965</u>
Total Liabilities	<u>9,633,884</u>	<u>10,227,724</u>
Net Position		
Net Investment in Capital Assets	1,927,043	1,355,442
Restricted	(34,779)	(79,330)
Unrestricted	<u>1,608,550</u>	<u>1,189,601</u>
Total Net Position	<u>\$ 3,500,814</u>	<u>\$ 2,465,713</u>

The District's combined net position were \$3,500,814 on June 30, 2014, and \$2,465,713 for 2013.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

Table 2 shows changes in net position for fiscal year 2014 with comparative amounts for 2013.

**Table 2
Changes in Net Position**

	2014	2013
Revenues		
Program Revenues:		
Charges for Services	\$ 365,930	\$ 464,543
Operating Grants and Contributions	696,332	240,534
General Revenues:		
Property Taxes	9,231,874	8,809,680
Debt Service	1,036,203	825,461
Grants and Entitlements	1,099,398	1,524,196
Other	<u>590,042</u>	<u>196,308</u>
Total Revenues	<u>13,019,779</u>	<u>12,060,722</u>
Program Expenses		
Instruction	4,643,930	4,157,691
Support Services:		
Tuition	353,698	138,866
Student and Instruction Related	1,598,286	1,395,704
General and Business Administrative	2,321,157	2,870,732
School Administrative	326,090	261,746
Plant Operations and Maintenance	895,389	880,446
Pupil Transportation	564,508	560,285
Capital Asset Appraisal Adjustment		1,620,882
Capital Outlay	63,136	-
Interest on Long-Term Debt	381,624	467,920
Unallocated Depreciation	333,705	339,393
Food Service/EDCP	<u>503,155</u>	<u>477,803</u>
Total Program Expenses	<u>11,984,678</u>	<u>13,171,468</u>
Changes in Net Position	<u>\$ 1,035,101</u>	<u>\$ (1,110,746)</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 82% for 2014 and 76% for 2013 of revenues for governmental activities for the Columbus School District. The District's total revenues were \$12,482,938 for the year ended June 30, 2014, and \$11,539,684 for 2013. Federal, state, and local grants and state aid accounted for another 13% for 2014 and 13% for 2013 of revenues which includes \$780,358 for 2014 and \$888,202 for 2013 of state reimbursed TPAF pension, social security and post-retirement medical contributions.

The total cost of all programs and services was \$11,481,523 for 2014 and \$12,693,665 for 2013. Instruction comprises 40% for 2014 and 33% for 2013 of District's expenses.

Business-Type Activities

Business-type activities are made up of the nutritional services fund and after school program. Revenues for the District's business-type activities (food service and Extended Day Care Program (EDCP)) were comprised of charges for services and federal and state reimbursements.

FOOD SERVICE

Expenses exceeded revenues by \$1,804 for 2014 and revenues exceeded expenses by \$12,006 for 2013.

Charges for services represent \$157,401 for 2014 and \$163,178 for 2013 of revenue. This represents amounts paid by patrons for daily food service.

Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, were \$50,064 for 2014 and \$52,103 for 2013.

EXTENDED DAY CARE PROGRAM

Revenues exceeded expenses by \$35,490 for 2014 and \$31,255 for 2013.

Charges for services represent \$329,150 for 2014 and \$301,365 for 2013 of revenue. This represents tuition paid by parents for before and after school hours care program.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

Governmental Activities

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	Total Cost of Services	
	2014	2013
Instruction	\$ 4,643,930	\$ 4,157,691
Support Services:		
Tuition	353,698	138,866
Student and Instruction Related	1,598,286	1,395,704
General and Business Administrative	2,321,157	2,870,732
School Administrative	326,090	261,746
Plant Operations and Maintenance	895,389	880,446
Pupil Transportation	564,508	560,285
Capital Outlay	63,136	-
Capital Asset Appraisal Adjustment		1,620,882
Interest on Long-Term Debt	381,624	467,920
Unallocated Depreciation	333,705	339,393
Total Expenses	\$ 11,481,523	\$ 12,693,665

	Net Cost of Services	
	2014	2013
Instruction	\$ 4,217,146	\$ 4,016,558
Support Services:		
Tuition	353,698	138,866
Student and Instruction Related	1,598,286	1,381,928
General and Business Administrative	2,321,157	2,870,732
School Administrative	326,090	261,746
Plant Operations and Maintenance	895,389	880,446
Pupil Transportation	465,645	560,285
Capital Outlay	63,136	-
Capital Asset Appraisal Adjustment		1,620,882
Interest on Long-Term Debt	381,624	438,745
Unallocated Depreciation	333,705	339,393
Total Expenses	\$ 10,955,876	\$ 12,509,581

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District as a Whole (Continued)

Governmental Activities (Continued)

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

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

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

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

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

“Other” includes special schools and unallocated depreciation.

Financial Analysis of the School District's Funds

Information about the District's major funds starts on page 32. All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$12,168,025 for 2014 and \$11,539,603 for 2013 and expenditures were \$11,684,856 for 2014 and \$11,444,690 for 2013. The net change in fund balance for the year was an increase of \$483,169 for 2014 and an increase of \$94,913 for 2013. The positive change is most significant in the General Fund, an increase of \$446,693 for 2014 and an increase of \$211,985 for 2013.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District's Funds (Continued)

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 10,579,760	86.95%	\$ 748,437	7.07%
State Sources	1,427,291	11.73%	(156,155)	-10.94%
Federal Sources	160,974	1.32%	36,140	22.45%
Total	<u>\$ 12,168,025</u>	<u>100.00%</u>	<u>\$ 628,422</u>	

Local Sources increased by \$748,437. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

State Sources decreased due to a reduction in State aid.

Federal Sources increased due to increased Federal grants funding.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2014, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 4,107,921	35.16%	\$ (49,770)	-1.21%
Undistributed	6,484,142	55.49%	345,286	5.33%
Capital Outlay	63,136	0.54%	(113,299)	-179.45%
Debt Service	1,029,657	8.81%	57,949	5.63%
Total	<u>\$ 11,684,856</u>	<u>100.00%</u>	<u>\$ 240,166</u>	

Changes in expenditures were the results of varying factors. Current expense increased primarily due to increased salaries and staff.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Financial Analysis of the School District's Funds (Continued)

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ♣ Interest income was significantly over estimated during budget preparation.
- ♣ Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- ♣ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- ♣ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.

Capital Assets

At the end of the fiscal year 2014, the School District had \$11,201,342 invested in land, buildings, equipment, and transportation vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2014 and 2013.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Capital Assets (Continued)

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	2014	2013
Land	\$ 561,110	\$ 561,110
Land Improvements	359,741	359,741
Buildings and Buildings Improvements	9,886,382	10,201,008
Machinery and Equipment	390,420	239,807
Infrastructure	3,689	9,624
Total	\$ 11,201,342	\$ 11,371,290

For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2014, the School District had \$9,456,303 of outstanding debt. Of this amount, \$136,303 is for compensated absences.

Outstanding Debt at June 30,

	2014	2013
Serial Bonds	\$ 9,320,000	\$ 9,960,000
Total	\$ 9,320,000	\$ 9,960,000

For more detailed information, please refer to the Notes to the Financial Statements.

Factors Bearing on the District's Future

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

- State law and policies regarding taxation and educational funding
- Local property tax pressures

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
COLUMBUS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED
(CONTINUED)**

Economic Factors and Next Year's Budget

The District anticipates that the approved 2014-2015 budget will be adequate to satisfy all 2014-2015 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Contracting the District's Financial Management

This financial report is designed to provide the District's citizen, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board offices at 200 Mansfield Road East, Columbus, New Jersey 08022.

BASIC FINANCIAL STATEMENTS

SECTION A - 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 BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,197,314	\$ 298,560	\$ 1,495,874
Restricted Cash	92,747		92,747
Interfund Receivables	44,732		44,732
Receivables	73,396	2,562	75,958
Inventories		1,001	1,001
Deferred Bond Issuance Costs, Net	177,343		177,343
Capital Assets, Net	11,201,342	45,701	11,247,043
	<u>12,786,874</u>	<u>347,824</u>	<u>13,134,698</u>
Total Assets			
LIABILITIES:			
Interfund Payable	4,314	40,878	45,192
Accounts Payable		4,170	4,170
Accrued Interest	127,608		127,608
Deferred Revenue	611		611
Noncurrent Liabilities:			
Due Within One Year	705,000		705,000
Due Beyond One Year	8,751,303		8,751,303
	<u>9,588,836</u>	<u>45,048</u>	<u>9,633,884</u>
Total Liabilities			
NET POSITION:			
Net Investment in Capital Assets	1,881,342	45,701	1,927,043
Restricted for:			
Debt Service Fund	(127,526)		(127,526)
Other Purposes	92,747		92,747
Unrestricted	1,351,475	257,075	1,608,550
	<u>3,198,038</u>	<u>302,776</u>	<u>3,500,814</u>
Total Net Position			

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular	\$ 2,813,391	\$ 340,941	\$ 36,780	\$ -	\$ -	\$ (3,117,552)	\$ (3,117,552)
Special Education	1,048,901	142,962		390,004		(801,859)	(801,859)
Other Special Education Support Services:	262,058	35,677				(297,735)	(297,735)
Tuition	353,698					(353,698)	(353,698)
Student and Instruction Related Services	1,486,155	112,131				(1,598,286)	(1,598,286)
General and Business Administrative Services	2,274,446	46,711				(2,321,157)	(2,321,157)
School Administrative Services	287,970	38,120				(326,090)	(326,090)
Plant Operations and Maintenance	832,463	62,926				(895,389)	(895,389)
Pupil Transportation	563,617	891		98,863		(465,645)	(465,645)
Capital Outlay	63,136					(63,136)	(63,136)
Interest on Long-Term Debt	381,624					(381,624)	(381,624)
Unallocated Depreciation	333,705					(333,705)	(333,705)
Total Governmental Activities	10,701,164	\$ 780,359	36,780	488,867	-	(10,955,876)	(10,955,876)
BUSINESS-TYPE ACTIVITIES:							
Food Service/EDCP	503,155			207,465		33,460	33,460
Total Business-Type Activities	503,155			207,465		33,460	33,460
Total Primary Government	\$ 11,204,319		\$ 365,930	\$ 696,332	\$ -	\$ (10,955,876)	\$ (10,922,416)
GENERAL REVENUES:							
Property Taxes Levied For:							
General Purposes					\$ 9,231,874	\$ -	\$ 9,231,874
Debt Service					1,036,203		1,036,203
Federal and State Aid Not Restricted					1,099,398		1,099,398
Investment Earnings					2,919	226	3,145
Tuition Revenue					75,843		75,843
Capital Asset Adjustment					314,913		314,913
Miscellaneous Income					196,141		196,141
Total General Revenues					11,957,291	226	11,957,517
Change in Net Position					1,001,415	33,686	1,035,101
Net Position - Beginning					2,196,623	269,090	2,465,713
Net Position - Ending					\$ 3,198,038	\$ 302,776	\$ 3,500,814

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

SECTION B - 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.

GOVERNMENTAL FUNDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Total net change in fund balances - governmental funds (B-2)		\$ 483,169
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.</p>		
Depreciation Expense	\$ (385,505)	
Capital Asset Adjustment	314,913	
Capital Outlay	-	(70,592)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		640,000
<p>Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
		(20,857)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations & sick pay) 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>		
		(38,338)
<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 net is an addition in the reconciliation.</p>		
		8,033
Change in net position of governmental activities		\$ 1,001,415

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total
ASSETS:				
Cash and Cash Equivalents	\$ 1,250,256	\$ -	\$ 82	\$ 1,250,338
Capital and Maintenance Reserve	92,747			92,747
Interfund Receivables	44,732			44,732
Receivables From Other Governments	15,447	57,949		73,396
Total Assets	\$ 1,403,182	\$ 57,949	\$ 82	\$ 1,461,213
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Cash Deficit	\$ -	\$ 53,024	\$ -	\$ 53,024
Interfund Payables		4,314		4,314
Deferred Revenue		611		611
Total Liabilities	-	57,949	-	57,949
Fund Balances:				
Reserved For:				
Encumbrances	27,517			27,517
Capital Reserve Account	76,877			76,877
Maintenance Reserve Account	15,870			15,870
Excess Surplus	542,460			542,460
Designated for Subsequent Year's Expenditures	513,054			513,054
Unassigned Fund Balance				
General Fund	227,404			227,404
Debt Service Fund			82	82
Total Fund Balances	1,403,182	-	82	1,403,264
Total Liabilities and Fund Balances	\$ 1,403,182	\$ 57,949	\$ 82	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance costs are \$296,951 and the accumulated amortization is \$119,608.	177,343
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$16,967,812 and the accumulated depreciation is \$5,766,470.	11,201,342
Some liabilities are not due and payable in the current year and therefore are not reported as a liability in the funds. Those liabilities consist of accrued interest on bond.	(127,608)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(9,456,303)</u>
Net Position of Governmental Activities	<u>\$ 3,198,038</u>

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 9,231,874	\$ -	\$ 1,036,203	\$ 10,268,077
Tuition	112,623			112,623
Interest on Investments	2,919			2,919
Miscellaneous	182,222	13,919		196,141
Total Local Sources	9,529,638	13,919	1,036,203	10,579,760
State Sources	1,397,361		29,930	1,427,291
Federal Sources		160,974		160,974
Total Revenues	10,926,999	174,893	1,066,133	12,168,025
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,645,117	40,714		2,685,831
Special Education	1,048,901	111,131		1,160,032
Other Special Education	262,058			262,058
Support Services and Undistributed Costs:				
Tuition	353,698			353,698
Student and Instruction Related Services	1,435,915	23,048		1,458,963
General and Business Administrative Services	515,554			515,554
School Administrative Services	287,970			287,970
Plant Operations and Maintenance	824,284			824,284
Pupil Transportation	563,617			563,617
Employee Benefits	2,480,056			2,480,056
Capital Outlay	63,136			63,136
Debt Service:				
Interest			389,657	389,657
Principal			640,000	640,000
Total Expenditures	10,480,306	174,893	1,029,657	11,684,856
Excess (Deficiency) of Revenues Over (Under) Expenditures	446,693	-	36,476	483,169
FUND BALANCES, JULY 1	956,489	-	(36,394)	920,095
FUND BALANCES, JUNE 30	\$ 1,403,182	\$ -	\$ 82	\$ 1,403,264

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

PROPRIETARY FUNDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2014

	Business- Type Activities - Enterprise Funds			
	Food Service	Kindergarten Connection	MVP Program	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 19,601	\$ 141,543	\$ 137,416	\$ 298,560
Receivables:				
State	137			137
Federal	2,425			2,425
Inventories	1,001			1,001
Total Current Assets	<u>23,164</u>	<u>141,543</u>	<u>137,416</u>	<u>302,123</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	192,240		23,582	215,822
Less: Accumulated Depreciation	<u>(167,566)</u>		<u>(2,555)</u>	<u>(170,121)</u>
Total Noncurrent Assets	<u>24,674</u>	<u>-</u>	<u>21,027</u>	<u>45,701</u>
Total Assets	<u>\$ 47,838</u>	<u>\$ 141,543</u>	<u>\$ 158,443</u>	<u>\$ 347,824</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Current Liabilities:				
Interfund Accounts Payable	\$ -	\$ 25,456	\$ 15,422	\$ 40,878
Accounts Payable	4,170			4,170
Total Current Liabilities	<u>4,170</u>	<u>25,456</u>	<u>15,422</u>	<u>45,048</u>
Total Liabilities	<u>4,170</u>	<u>25,456</u>	<u>15,422</u>	<u>45,048</u>
Net Position:				
Unassigned	43,668	116,087	143,021	302,776
Total Net Position	<u>43,668</u>	<u>116,087</u>	<u>143,021</u>	<u>302,776</u>
Total Liabilities and Net Position	<u>\$ 47,838</u>	<u>\$ 141,543</u>	<u>\$ 158,443</u>	<u>\$ 347,824</u>

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			
	Food Service	Kindergarten Connection	MVP Program	Totals
OPERATING REVENUES:				
Charges for Services:				
Daily Sales Reimbursable Program	\$ 125,164			\$ 125,164
Daily Sales Non-reimbursable Program	32,237			32,237
Miscellaneous		93,358	235,792	329,150
Total Operating Revenues	157,401	93,358	235,792	486,551
OPERATING EXPENSES:				
Salaries	88,111	53,556	191,520	333,187
Other Purchased Services		500		500
Supplies and Materials	2,188		15,264	17,452
Depreciation Expense	6,489		2,358	8,847
Cost of Sales	111,208	3,890	26,757	141,855
Miscellaneous Expenditures	1,314			1,314
Total Operating Expenses	209,310	57,946	235,899	503,155
OPERATING INCOME (LOSS)	(51,909)	35,412	(107)	(16,604)
NONOPERATING REVENUES:				
Interest Earned	41	185		226
State Sources:				
State Lunch Program	2,546			2,546
Federal Sources:				
Federal Lunch Program	36,043			36,043
Food Distribution Program	11,475			11,475
Total Nonoperating Revenues	50,105	185	-	50,290
CHANGE IN NET POSITION	(1,804)	35,597	(107)	33,686
TOTAL NET POSITION - JULY 1	45,472	80,490	143,128	269,090
TOTAL NET POSITION - JUNE 30	\$ 43,668	\$ 116,087	\$ 143,021	\$ 302,776

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			
	Food Service	Kindergarten Connection	MVP Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 157,437	\$ 93,358	\$ 235,792	\$ 486,587
Cash Payments to Suppliers and Employees	(212,350)	(61,888)	(218,119)	(492,357)
Net Cash Provided By (Used In) Operating Activities	<u>(54,913)</u>	<u>31,470</u>	<u>17,673</u>	<u>(5,770)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Received From State And Federal Reimbursements	38,589			38,589
Food Distribution Program	11,475			11,475
Net Cash Provided By Noncapital Financing Activities	<u>50,064</u>	<u>-</u>	<u>-</u>	<u>50,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Deposits and Investments	41	185		226
Net Cash Provided By Investing Activities	<u>41</u>	<u>185</u>	<u>-</u>	<u>226</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,808)	31,655	17,673	44,520
CASH AND CASH EQUIVALENTS, JULY 1	24,409	109,888	119,743	254,040
CASH AND CASH EQUIVALENTS , JUNE 30	<u>\$ 19,601</u>	<u>\$ 141,543</u>	<u>\$ 137,416</u>	<u>\$ 298,560</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided By (Used In) Operating Activities:				
Operating Income (Loss)	\$ (51,909)	\$ 35,412	\$ (107)	\$ (16,604)
Depreciation & Net Amortization	6,489		2,358	8,847
Change In Assets And Liabilities:				
Increase In Receivables From Other Governments	36			36
Decrease In Inventories	287			287
Increase In Non Current Assets	(11,040)			(11,040)
Increase (Decrease) In Interfund Payable		(3,942)	15,422	11,480
Increase In Accounts Payable	1,224			1,224
Net Cash Provided By (Used In) Operating Activities	<u>\$ (54,913)</u>	<u>\$ 31,470</u>	<u>\$ 17,673</u>	<u>\$ (5,770)</u>

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

FIDUCIARY FUNDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2014

	Unemployment Compensation Insurance	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and Cash Equivalents	\$ 2,504	\$ 17,457
Interfund Accounts Receivable	<u> 3,766</u>	<u> 460</u>
Total Assets	<u> 6,270</u>	<u><u> \$ 17,917</u></u>
LIABILITIES:		
Liabilities:		
Current Liabilities:		
Cash Overdraft	-	\$ 460
Interfund Accounts Payable		3,766
Payable to Student Groups		10,938
Accounts Payable	154	
Payroll Deductions and Withholdings	<u> </u>	<u> 2,753</u>
Total Liabilities	<u> 154</u>	<u><u> \$ 17,917</u></u>
NET POSITION:		
Reserved For Unemployment Claims	<u> 6,116</u>	
Total Net Position	<u><u> \$ 6,116</u></u>	

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY NET ASSETS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Interest	\$ 13
Contributions:	
Employees	9,490
Board Contributions	<u>100</u>
Total Additions	<u>9,603</u>
DEDUCTIONS:	
Unemployment Claims	<u>22,048</u>
Total Deductions	<u>22,048</u>
CHANGE IN NET POSITION	(12,445)
NET POSITION - BEGINNING OF YEAR	<u>18,561</u>
NET POSITION - END OF YEAR	<u><u>\$ 6,116</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Mansfield Township Board of Education (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to 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 of the Board's accounting policies are described below.

Starting on fiscal year ended June 30, 2013, the School District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the School District's June 30, 2013 fiscal year financial statements; however, there was no effect on beginning net position/fund balance.

A. Reporting Entity

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

The Mansfield Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As Type II district, the School District functions independent through a board of Education. The operations of the District include two elementary schools located in Mansfield Township. Mansfield Township Board of Education had an approximate enrollment at June 30, 2014 of 721 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, includes whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

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

B. Basis of Presentation, Basis of Accounting

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-Wide Statements: The statement of net assets and the statement of activities display information about the District as a whole.

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 activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — *governmental, proprietary, and fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional 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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

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

The District reports the following proprietary funds:

Enterprise Fund (Food Service): The enterprise fund accounts for all revenues and expenses pertaining to the Board's operations. The funds are 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.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Scholarship Funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Basis of Accounting (Continued)

matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

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

Total Revenues & Expenditures (Budgetary Basis)	\$ 174,893
Adjustments:	
Less Encumbrances at June 30, 2014	-
Plus Encumbrances at June 30, 2013	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 174,893</u>

General Fund:	
Total Revenues & Expenditures (Budgetary Basis)	\$ 10,918,552
Adjustments:	
Last State Aid Payment	
Less at June 30, 2014	(38,043)
Plus at June 30, 2013	46,490
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 10,926,999</u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrances

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

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

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

E. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

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

N.J.S.A17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions banks (both state and national banks) and savings banks the deposits of which are federally insured. All

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the non-current portion of interfund-loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectable.

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

Tuition Expenditures – Tuition charges for the fiscal year 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the state.

Property taxes are levied pursuant to law, are collected by the municipality, and are transferred to the Board of Education. The tax bills are mailed by the municipal tax collector and are due in four quarterly installments on February 1, May 1, August 1, and November 1.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories and Prepaid Items

The costs of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Enterprise Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred revenue.

Short-Term Interfund Receivables/Payables

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost of estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives.

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	40
Building Improvements	15
Vehicles	10
Office equipment	5 – 10
Computer Equipment	5

Compensated Absences

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Accumulated sick leave and vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probably that the School District will compensate the employee for the benefits. Sick leave, vacation benefits and salary related payments are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability by the governmental fund that will pay it. Accumulated sick leave, vacation benefits and salary related payments are accrued when incurred in the government-wide and proprietary fund financial statements.

Deferred Revenues

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

Long Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Fund Equity

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

- ❖ Non-spendable – includes fund balance amounts that cannot be spend either because it is not in spendable form or because legal or contractual constraints.
- ❖ Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- ❖ Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- ❖ Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Business Administrator.
- ❖ Unassigned- includes balance within the General fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

Reservations/Designations of fund balances of governmental funds are created to either 1) satisfy legal covenants that require a portion of the fund balance to be segregated or 2) identify the portion of the fund balance that is appropriated for future expenditures. Specific reservations/designations of the fund balance accounts are summarized below:

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Reserved for Encumbrances – This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Reserved for Capital Reserve Account – This reserve was created by budget appropriation to fund future capital expenditures (See Note 2C).

Reserved for Obligations under Capital Leases – Proceeds of the lease purchase certificates of participation held by the Trustee to offset final principal payments due on the certificates.

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance utilized in the adopted subsequent year's budget.

Insurance

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

Subsequent Events

The Mansfield Township Board of Education has evaluated subsequent events occurring up to December 1, 2014, which is the date the financial statements were available to be issued.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits and Investments

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligations that a federal agency or a federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits and Investments (Continued)

Investments (Continued)

- d. Bonds or other obligations of the school district or bonds or other obligations of the local unit or units which the school district is located.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 18A:20-37.

As of June 30, 2014, cash and cash equivalents and investments of the District consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Operating Account	<u>\$ 1,343,003</u>	<u>\$ (53,024)</u>	<u>\$ 82</u>	<u>\$ 298,560</u>	<u>\$ 19,501</u>	<u>\$ 1,608,122</u>

The investments recorded in the District-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the District-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2014 was \$1,608,122 and the bank balance was \$1,751,493. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits and Investments (Continued)

Risk Category (Continued)

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2014, the Board had funds invested and on deposit in checking accounts and New Jersey ARM. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3: GOVERNMENT UNIT DEPOSIT PROTECTION ACT (GUDPA)

The District has deposited cash in 2014 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In Addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

**NOTE 3: GOVERNMENT UNIT DEPOSIT PROTECTION ACT (GUDPA)
(CONTINUED)**

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

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

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

NOTE 4: RESERVE ACCOUNTS

A. Capital Reserve Account

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014**

NOTE 4: RESERVE ACCOUNTS (CONTINUED)

Capital Reserve Account (Continued)

appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special questions at one of the four special elections authorized pursuant to *N.J.S.A.19-60-2*. Pursuant to *N.J.A.C.6-23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 01, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$ 76,780
Interest Earnings	97
Ending Balance, June 30, 2014	<u><u>\$ 76,877</u></u>

B. Maintenance Reserve Account

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4: RESERVE ACCOUNTS (CONTINUED)

The activity of the maintenance reserve for the July 01, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$ 15,925
Withdrawal	71
Interest Earnings	<u>16</u>
Ending Balance, June 30, 2014	<u><u>\$ 15,870</u></u>

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivables at June 30, 2014, consisted of accounts, intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 73,271	\$ 73,408
Federal Aid	-	2,425
Other	125	125
Gross Receivables	<u>73,396</u>	<u>75,958</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 73,396</u></u>	<u><u>\$ 75,958</u></u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6: CAPITAL ASSETS

Capital asset activity based on an independent appraisal for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Adjustment</u>	<u>Balance (Restated)</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:						
<i>Capital Assets Not Being Depreciated:</i>						
Land	\$ 561,110	\$ -	\$ 561,110	\$ -	\$ -	\$ 561,110
Total Capital Assets Not Being Depreciated	<u>561,110</u>	<u>-</u>	<u>561,110</u>	<u>-</u>	<u>-</u>	<u>561,110</u>
<i>Capital Assets Being Depreciated:</i>						
Site Improvements	359,741	-	359,741	-	-	359,741
Building and Building Improvements	14,842,724	-	14,842,724	-	-	14,842,724
Machinery and Equipment	239,807	964,706	1,204,513	-	9,900	1,194,613
Infrastructure	9,624	-	9,624	-	-	9,624
Totals at Historical Cost	<u>15,451,896</u>	<u>964,706</u>	<u>16,416,602</u>	<u>-</u>	<u>9,900</u>	<u>16,406,702</u>
Less Accumulated Depreciation For:						
Site Improvements	311,312	-	311,312	17,772	-	329,084
Building and Building Improvements	4,330,404	-	4,330,404	296,854	-	4,627,258
Machinery and Equipment	93,742	649,793	743,535	70,558	9,900	804,193
Infrastructure	5,614	-	5,614	321	-	5,935
Total Accumulated Depreciation	<u>4,741,072</u>	<u>649,793</u>	<u>5,390,865</u>	<u>385,505</u>	<u>9,900</u>	<u>5,766,470</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>10,710,824</u>	<u>314,913</u>	<u>11,025,737</u>	<u>(385,505)</u>	<u>-</u>	<u>10,640,232</u>
Government Activity Capital Assets, Net	<u>\$ 11,271,934</u>	<u>\$ 314,913</u>	<u>\$ 11,586,847</u>	<u>\$ (385,505)</u>	<u>\$ -</u>	<u>\$ 11,201,342</u>
Business-Type Activities:						
<i>Capital Assets Being Depreciated:</i>						
Machinery and Equipment	204,782	\$ -	\$ 204,782	\$ 11,040	\$ -	\$ 215,822
Less Accumulated Depreciation	(161,274)	-	(161,274)	(8,847)	-	(170,121)
Enterprise Fund Capital Assets, Net	<u>\$ 43,508</u>	<u>\$ -</u>	<u>\$ 43,508</u>	<u>\$ 2,193</u>	<u>\$ -</u>	<u>\$ 45,701</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014**

NOTE 6: CAPITAL ASSETS

Depreciation expense was charged to functions as follows:

Depreciation Expense:	
Instructional	\$ 16,429
Support/Administration	27,192
Maintenance/Custodial	8,179
Unallocated	<u>333,705</u>
Total	<u><u>\$ 385,505</u></u>

NOTE 7: INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2014:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 44,732	\$ -
Special Revenue Fund		4,314
Proprietary Fund		40,878
Fiduciary Fund	<u>4,226</u>	<u>3,766</u>
Total	<u><u>\$ 48,958</u></u>	<u><u>\$ 48,958</u></u>

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014**

NOTE 8: LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

Changes in long-term obligations for year ended June 30, 2014 are as follows:

	Balance			Balance	Amounts
	July 1, 2013	Increase	Decrease	June 30, 2014	Due Within
					One Year
Bonds Payable	\$ 9,960,000	\$ -	\$ 640,000	\$ 9,320,000	\$ 705,000
Compensated Absences Payable	97,965	59,627	21,289	136,303	-
Total	<u>\$ 10,057,965</u>	<u>\$ 59,627</u>	<u>\$ 661,289</u>	<u>\$ 9,456,303</u>	<u>\$ 705,000</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014**

NOTE 8: LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable (Continued)

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	705,000	364,857	1,069,857
2016	750,000	339,238	1,089,238
2017	855,000	304,975	1,159,975
2018	955,000	258,936	1,213,936
2019-2023	6,055,000	650,484	6,705,484
	<u>\$ 9,320,000</u>	<u>\$ 1,918,490</u>	<u>\$ 11,238,490</u>

Bonds Authorized But Not Issued

As of June 30, 2014, the District had no authorized but not issued bonds.

NOTE 9: RISK MANAGEMENT

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

Property and Liability Insurance

The district maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this report.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014**

NOTE 9: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$ 100	\$ 9,490	\$ 13	\$ 22,048	\$ 6,116
2012-2013	-	21,465	10	2,914	18,561

NOTE 10: CONTINGENT LIABILITIES

Grant Programs

The school district participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the district has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2014 may be impaired. In the opinion of the district, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11: PENSION PLANS

A. Employee Retirement Systems and Pension Plans

Description of Plans

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

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:1 5A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 12: PENSION PLANS (CONTINUED)

Employee Retirement Systems and Pension Plans (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation

Legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of one percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. From fiscal year 1997 to fiscal year 2003, State and local government employers were not required to make contributions to the pension funds. The use of surplus pension assets replaced the annual payments that would otherwise have been made by employers. Subsequent law, P.L.2003, c.108, led to the resumption of contributions, on a phased-in approach. In 2009, employer contributions to PERS were further amended by P.L.2009, c.19.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 12: PENSION PLANS (CONTINUED)

Employee Retirement Systems and Pension Plans (Continued)

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.64% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a noncontributing employer of TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/14	\$116,537	100%	\$116,537
6/30/13	\$115,354	100%	\$115,354
6/30/12	\$101,566	100%	\$101,566

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/14	\$462,198	100%	None
6/30/13	\$272,049	100%	None
6/30/12	\$137,940	100%	None

During the year ended June 30, 2014, the State of New Jersey contributed \$175,100 to the TPAF for normal cost pension contribution and \$287,098 to the post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$318,160 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB No. 24.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 13: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013 there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 14: FUND BALANCE APPROPRIATED

General Fund

Of the \$1,403,182 General Fund fund balance at June 30, 2014, \$27,517 is reserved for encumbrances; \$76,877 is reserved for capital reserve account; \$15,870 is reserved for maintenance reserve account; \$542,460 is reserved for excess surplus; \$513,054 is designated for subsequent year's expenditures and \$227,404 is an unassigned and undesignated.

Debt Service Fund

Of the \$82 Debt Service Fund fund balance at June 30, 2014, this amount is unassigned and designated.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15: ECONOMIC DEPENDENCY

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

NOTE 16: DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred 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 portions of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

The Legends Group	Advanced Asset Planning
Lincoln Investment	Thomas Seeley
Equivest	

NOTE 17: COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the district's personnel policies. Payment for accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 10 years of service with the School District. Accumulated sick days are paid at a reimbursement rate of \$60.00 per day up to a total of \$7,300. Maximum per employee for teachers. Accumulated sick days are paid at a reimbursement rate of \$45.00 per day up to a total of \$5,300 maximum per employee for all other employees.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 17: COMPENSATED ABSENCES (CONTINUED)

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2014 is \$136,303 .

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014 no liability existed for compensated absences in the proprietary fund types.

NOTE 18: JOINT INSURANCE FUND

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

The fund provides the School District with the following coverage:

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 19: CALCULATION OF EXCESS SURPLUS

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, the Reserved Fund Balance – Excess Surplus is 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. At June 30, 2014, there is \$542,460 excess fund balance.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C - BUDGETARY COMPARISON SCHEDULES

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,231,874	\$ -	\$ 9,231,874	\$ 9,231,874	\$ -
Tuition from Other LEA's Within the State	112,623		112,623	112,623	-
Earnings on Investments	18,919	(16,000)	2,919	2,919	-
Other Revenues from Local Sources	153,677		153,677	182,222	28,545
Total Local Sources	9,517,093	(16,000)	9,501,093	9,529,638	28,545
State Sources:					
Transportation Aid	96,284		96,284	96,284	-
Special Education Aid	384,623		384,623	384,623	-
Extraordinary Aid	66,140	(66,140)	-	7,334	7,334
Equalization Aid	61,810		61,810	61,810	-
Security Aid	50,390		50,390	50,390	-
Additional Adjustment Aid				2	2
Other State Aid	10,790	(10,788)	2	8,113	8,111
On-Behalf TPAF Pension Contributions				175,100	175,100
On-Behalf TPAF Post Retirement Medical Contributions				287,098	287,098
Reimbursed TPAF Social Security Contributions				318,160	318,160
Total State Sources	670,037	(76,928)	593,109	1,388,914	795,805
Total Revenues	10,187,130	(92,928)	10,094,202	10,918,552	824,350
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	166,314	(58,400)	107,914	107,914	-
Grades 1-5	1,990,095	(33,197)	1,956,898	1,940,634	16,264
Grades 6-8	365,442	2,171	367,613	365,224	2,389
Total Regular Programs - Instruction	2,521,851	(89,426)	2,432,425	2,413,772	18,653
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	61,195	20,378	81,573	71,216	10,357
Purchased Prof/Ed Services	12,000	(10,414)	1,586	1,581	5
Other Purchased Services	700		700	682	18
General Supplies	233,017	(87,291)	145,726	120,196	25,530
Textbooks	13,400	(4,804)	8,596	8,374	222
Miscellaneous Expenditures	18,210	11,086	29,296	29,296	-
Total Regular Programs - Undistributed Instruction	338,522	(71,045)	267,477	231,345	36,132
Total Regular Programs	2,860,373	(160,471)	2,699,902	2,645,117	54,785
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	159,038	(101,157)	57,881	57,881	-
Other Salaries for Instruction	16,750	(11,628)	5,122	5,122	-
General Supplies	3,000	(2,083)	917	917	-
Total Multiple Disabilities	178,788	(114,868)	63,920	63,920	-
Resource Room/Resource Center:					
Salaries of Teachers	686,652	(54,958)	631,694	631,694	-
Other Salaries for Instruction	75,870	214,811	290,681	247,845	42,836
General Supplies	9,900	(4,679)	5,221	5,221	-
Total Resource Room/Resource Center	772,422	155,174	927,596	884,760	42,836

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	60,511	(4,455)	56,056	56,056	-
Other Salaries for Instruction	46,299	(2,900)	43,399	43,399	-
General Supplies	5,000	(4,234)	766	766	-
Total Preschool Disabilities - Full-Time	111,810	(11,589)	100,221	100,221	-
Total Special Education	1,063,020	28,717	1,091,737	1,048,901	42,836
Total Instruction	3,923,393	(131,754)	3,791,639	3,694,018	97,621
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	92,391	19,180	111,571	97,069	14,502
Tuition to Other LEAs Within the State - Special Education	783	20,845	21,628	21,628	-
Tuition to County Vocational School Districts - Special Education and Regional Day School Within the State	87,152	(27,294)	59,858	59,858	-
Tuition to Private Schools for the Disabled Within the State	2,560	89,349	91,909	91,910	(1)
Tuition - Other		279	279	279	-
Total Instruction	182,886	102,359	285,245	353,698	(68,453)
Health Services:					
Salaries	157,270	(11,971)	145,299	145,299	-
Purchased Prof/Tech Services	3,000	(115)	2,885	2,885	-
Other Purchased Services	800	(630)	170	170	-
Supplies and Materials	5,500	1,453	6,953	6,953	-
Total Health Services	166,570	(11,263)	155,307	155,307	-

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Other Support Services Students - Related Services:					
Salaries	\$ 277,470	\$ (12,484)	\$ 264,986	\$ 264,986	\$ -
Supplies and Materials	3,000		3,000	2,960	40
Total Other Support Services Students - Related Services	320,270	(52,284)	267,986	267,946	40
Other Support Services Students - Extraordinary Services:					
Salaries	143,646	2,138	145,784	134,703	11,081
Total Other Support Services Students - Extraordinary Services	143,646	2,138	145,784	134,703	11,081
Other Support Services Students - Regular Services:					
Other Salaries		2,242	2,242	2,242	-
Other Purchased Prof/Tech Services	117,700	(7,568)	110,132	110,123	9
Total Other Support Services Students - Regular Services	119,410	(7,036)	112,374	112,365	9
Other Support Services Students - Special Services:					
Salaries of Other Professional Staff	113,800	1,587	115,387	102,534	12,853
Salaries of Secretarial and Clerical Assistants	74,890	2,347	77,237	75,504	1,733
Purchased Prof/Ed Services	311,000	147,816	458,816	461,282	(2,466)
Travel	600	(368)	232	232	-
Miscellaneous Purchased Services	7,940	(5,118)	2,822	2,822	-
Supplies and Materials	21,595	(3,792)	17,803	17,693	110
Other Objects	375	(61)	314	314	-
Total Other Support Services Students - Special Services	530,200	142,411	672,611	660,381	12,230
Improvement of Instruction Services:					
Purchased Prof/Ed Services	2,211	(439)	1,772	1,772	-
Total Improvement of Instruction Services	2,211	(439)	1,772	1,772	-
Educational Media/Library:					
Salaries	44,260		44,260	44,013	247
Supplies and Materials	27,000	(18,322)	8,678	8,449	229
Total Educational Media/Library	73,460	(20,522)	52,938	52,462	476
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	48,000		48,000	48,000	-
Purchased Prof/Ed Services	7,000	(4,021)	2,979	2,979	-
Total Instructional Staff Training Services	55,000	(4,021)	50,979	50,979	-
Support Services General Administration:					
Salaries	367,645	42,039	409,684	409,247	437
Legal Fees	35,000	1,032	36,032	32,643	3,389
Audit Fees	22,000	(6,600)	15,400	15,400	-
Other Purchased Professional Fees	10,000	(5,255)	4,745	3,163	1,582
Travel	2,000	(161)	1,839	404	1,435
Communications/Telephone	44,025	3,172	47,197	47,197	-
Other Purchased Services	25,910	240	26,150	24,364	1,786
General Supplies	5,000	(964)	4,036	4,036	-
Miscellaneous Expenditures	1,150	2,688	3,838	1,851	1,987
BOE Membership Dues and Fees	8,000	(979)	7,021	6,781	240
Total Support Services General Administration	520,730	35,212	555,942	545,086	10,856

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 192,310	\$ 3,441	\$ 195,751	\$ 195,751	\$ -
Salaries of Secretarial and Clerical Assistants	51,420	30,674	82,094	82,094	-
Other Purchased Services	3,100	(307)	2,793	2,770	23
Supplies and Materials	5,500	(476)	5,024	5,025	(1)
Other Objects	2,000	330	2,330	2,330	-
Total Support Services School Administration	254,330	33,662	287,992	287,970	22
Central Services:					
Salaries	209,744	14,576	224,320	191,243	33,077
Purchased Technical Services	19,870	4,326	24,196	26,846	(2,650)
Miscellaneous Purchased Services	7,100	(2,459)	4,641	4,308	333
Supplies and Materials	5,245	1,060	6,305	6,030	275
Miscellaneous Expenditures	2,000	2,099	4,099	4,099	-
Total Central Services	243,959	19,602	263,561	232,526	31,035
Required Maintenance for School Facilities:					
Salaries	85,100	708	85,808	85,808	-
Cleaning, Repair and Maintenance Services	28,000	32,073	60,073	59,031	1,042
General Supplies	32,365	(9,508)	22,857	22,857	-
Total Required Maintenance for School Facilities	145,465	23,273	168,738	167,696	1,042
Other Operation and Maintenance of Plant Services:					
Salaries	304,327	79,053	383,380	372,837	10,543
Purchased Prof/Tech Services	7,000	(3,278)	3,722	3,722	-
Cleaning, Repair and Maintenance Services	10,000	(464)	9,536	8,588	948
Other Purchased Property Services	46,000	(254)	45,746	39,143	6,603
Insurance	21,820	(5,298)	16,522		16,522
Miscellaneous Purchased Services	2,800	(1,197)	1,603	1,134	469
General Supplies	30,000	1,155	31,155	31,155	-
Energy (Heat and Electricity)	187,737	20,876	208,613	199,654	8,959
Other Objects		355	355	355	-
Total Other Operation and Maintenance of Plant Services	609,684	90,948	700,632	656,588	44,044
Student Transportation Services:					
Salaries for Pupil Transportation (Other Than B/T Home & School)	4,353	2,139	6,492	6,492	-
Contracted Services - Aid In Lieu of Payment for Non-public School Students	75,000	(23,728)	51,272	48,585	2,687
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	5,000	11,320	16,320	16,320	-
Contracted Services (B/T Home & School) - Joint Agreements	369,895	2,550	372,445	372,445	-
Contracted Services (Special Ed Students) - Vendors	2,000	12,358	14,358	14,358	-
Contracted Services (Special Ed Students) - Joint Agreements	95,425	3,265	98,690	98,690	-
Miscellaneous Purchased Services - Transportation	2,050	2,677	4,727	4,727	-
Other Objects		2,000	2,000	2,000	-
Total Student Transportation Services	553,723	12,581	566,304	563,617	2,687
Other Support Services:					
Employee Benefits	2,186,754	(204,072)	1,982,682	1,699,698	282,984
Total Other Support Services	2,186,754	(204,072)	1,982,682	1,699,698	282,984

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Non-budgeted:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				175,100	(175,100)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				287,098	(287,098)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				318,160	(318,160)
Total Non-budgeted	-	-	-	780,358	(780,358)
Total Undistributed Expenditures	6,108,298	162,549	6,270,847	6,723,152	(452,305)
Total Expenditures - Current Expenses	10,031,691	30,795	10,062,486	10,417,170	(354,684)
Capital Outlay:					
Instructional Expenditures (Equipment):					
School-Sponsored Co-Curricular/Extra-Curricular Activities	69,139		69,139	18,297	50,842
Total Instructional Expenditures (Equipment)	69,139	-	69,139	18,297	50,842
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding				44,839	(44,839)
Total Facilities Acquisition and Construction Services	-	-	-	44,839	(44,839)
Total Capital Outlay	69,139	-	69,139	63,136	6,003
Total Expenditures	10,100,830	30,795	10,131,625	10,480,306	(348,681)
Excess (Deficiency) of Revenues Over (Under) Expenditures	86,300	(123,723)	(37,423)	438,246	475,669
FUND BALANCES, JULY 1	1,002,979	-	1,002,979	1,002,979	-
FUND BALANCES, JUNE 30	<u>\$ 1,089,279</u>	<u>\$ (123,723)</u>	<u>\$ 965,556</u>	<u>\$ 1,441,225</u>	<u>\$ 475,669</u>
RECAPITULATION:					
Restricted Fund Balance					
Capital Reserve				\$ 76,877	
Maintenance Reserve				15,870	
Excess Surplus				542,460	
Assigned Fund Balance					
Encumbrances - Current Year				27,517	
Unassigned Fund Balance				265,447	
Designated Fund Balance				513,054	
				<u>1,441,225</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(38,043)	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,403,182</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ 14,000	\$ 505	\$ 14,505	\$ 13,919	\$ (586)
Federal	165,812	7,816	173,628	160,974	(12,654)
Total Revenues	179,812	8,321	188,133	174,893	(13,240)
EXPENDITURES:					
Instruction:					
Purchased Prof/Tech Services	4,500		4,500	4,500	-
Other Purchased Services	123,746		123,746		123,746
General Supplies	31,106	5,695	36,801	36,214	587
Total Instruction	159,352	5,695	165,047	151,845	13,202
Support Services:					
Purchased Prof/Ed Services	8,364	1,052	9,416	9,416	-
Other Purchased Prof/Tech Services	3,000		3,000	3,000	-
Supplies and Materials	10,670		10,670	10,632	38
Total Support Services	22,034	1,052	23,086	23,048	38
Total Expenditures	181,386	6,747	188,133	174,893	13,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,574)	\$ 1,574	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTE TO RSI
 FISCAL YEAR ENDED JUNE 30, 2014

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 10,918,552	[C-2] \$ 174,893
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	46,490	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(38,043)	
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 10,926,999	[B-2] \$ 174,893
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 10,480,306	[C-2] \$ 174,893
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 accounting purposes.		-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 10,480,306	[B-2] \$ 174,893

OTHER SUPPLEMENTARY INFORMATION

**SECTION E - SPECIAL REVENUE FUND
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

MANSFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Other Local Projects Restricted	NCLB Title I (2012-2013)	NCLB Title I (2013-2014)	I.D.E.A. Part B	I.D.E.A. Preschool	NCLB Title II Part A	Race to the Top	Grand Total
REVENUE SOURCES:								
Local	13,919	-	-	111,131	-	8,364	-	13,919
Federal		5,189	24,606		10,632		1,052	160,974
Total Revenues	13,919	5,189	24,606	111,131	10,632	8,364	1,052	174,893
EXPENDITURES:								
Instruction:								
Purchased Prof/Tech Services			4,500					4,500
Other Purchased Services	13,919	5,189	17,106	111,131				111,131
General Supplies								36,214
Total Instruction	13,919	5,189	21,606	111,131	-	-	-	151,845
Support Services:								
Purchased Prof/Ed Services			3,000			8,364	1,052	9,416
Other Purchased Prof/Tech Services					10,632			3,000
Supplies and Materials								10,632
Total Support Services	-	-	3,000	-	10,632	8,364	1,052	23,048
Total Expenditures	13,919	5,189	24,606	111,131	10,632	8,364	1,052	174,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SECTION G – PROPRIETARY FUNDS
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.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

Extended Day Care Program Fund – This fund provides for the operation of before and after school hours care program in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND
B-6.**

**SECTION H - FIDUCIARY FUNDS
DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employees’ salaries which are utilize to pay unemployment compensation claims as they arise.

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

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 COMBINING STATEMENTS OF FIDUCIARY NET POSITION
 TRUST AND AGENCY FUNDS
 JUNE 30, 2014

	Trust		Agency			
	Unemployment Compensation Insurance	Total Trust Fund	Student Activity	Payroll Agency	Payroll Account	Total Agency Fund
ASSETS:						
Cash and Cash Equivalents	\$ 2,504	\$ 2,504	\$ 10,938	\$ 6,519	\$ -	\$ 17,457
Interfund Accounts Receivable	3,766	3,766			460	460
Total Assets	6,270	6,270	\$ 10,938	\$ 6,519	\$ 460	\$ 17,917
LIABILITIES:						
Current Liabilities:						
Cash Overdraft	\$ -	-	\$ -	-	460	460
Interfund Accounts Payable				3,766		3,766
Payable to Student Groups			10,938			10,938
Accounts Payable	154	154				
Payroll Deductions and Withholdings				2,753		2,753
Total Liabilities	154	154	\$ 10,938	\$ 6,519	\$ 460	\$ 17,917
NET POSITION:						
Reserved Net Position	6,116	6,116				
Total Net Position	\$ 6,116	\$ 6,116				

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 TRUST FUNDS
 JUNE 30, 2014

	Unemployment Compensation Insurance	Total Trust
ADDITIONS:		
Interest	\$ 13	\$ 13
Contributions:		
Employees	9,490	9,490
Board Contributions	100	100
Total Additions	<u>9,603</u>	<u>9,603</u>
DEDUCTIONS:		
Expenditures	<u>22,048</u>	<u>22,048</u>
Total Deductions	<u>22,048</u>	<u>22,048</u>
CHANGE IN NET POSITION	(12,445)	(12,445)
NET POSITION - BEGINNING OF YEAR	<u>18,561</u>	<u>18,561</u>
NET POSITION - END OF YEAR	<u>\$ 6,116</u>	<u>\$ 6,116</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 JUNE 30, 2014

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2014</u>
John Hydock Elementary	\$ 8,700	\$ 10,486	\$ 11,733	\$ 7,453
Mansfield Township Elementary	<u>4,877</u>	<u>151,817</u>	<u>153,209</u>	<u>3,485</u>
Total	<u>\$ 13,577</u>	<u>\$ 162,303</u>	<u>\$ 164,942</u>	<u>\$ 10,938</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FIDUCIARY FUNDS
 PAYROLL AGENCY AND PAYROLL ACCOUNT FUNDS
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 JUNE 30, 2014

	Balance July 1, 2013	Receipts	Disbursements	Balance June 30, 2014
ASSETS:				
Cash and Cash Equivalents	\$ 59,889	\$ 6,683,688	\$ 6,737,518	\$ 6,059
Interfund Accounts Receivable	-	460	-	460
Total Assets	\$ 59,889	\$ 6,684,148	\$ 6,737,518	\$ 6,519
LIABILITIES:				
Interfund Accounts Payable	\$ 7,039	\$ 3,766	\$ 7,039	\$ 3,766
Accrued Salaries and Benefits	-	3,919,814	3,919,814	-
Payroll Deductions and Withholding Payable	52,850	2,760,568	2,810,665	2,753
Total Liabilities	\$ 59,889	\$ 6,684,148	\$ 6,737,518	\$ 6,519

- -

SECTION I – 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 and obligations under capital leases.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 YEAR ENDED JUNE 30, 2014

Purpose	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
Refunding Bonds	12/6/2006	\$ 9,985,000	9/1/2014	595,000	4.00%	\$ 9,030,000	\$ -	\$ 540,000	\$ 8,490,000
			9/1/2015	640,000	3.60%				
			9/1/2016	740,000	5.50%				
			9/1/2017	840,000	5.50%				
			9/1/2018	915,000	3.70%				
			9/1/2019	1,035,000	4.00%				
			9/1/2020	1,155,000	4.00%				
			9/1/2021	1,235,000	4.00%				
			9/1/2022	1,335,000	4.00%				
Roof replacement and installation of solar panels at JHES, including all necessary electric systems and related work.	8/19/2010	\$ 1,100,000	8/1/2014	110,000	2.000%	\$ 930,000	\$ -	\$ 100,000	\$ 830,000
			8/1/2015	110,000	2.000%				
			8/1/2016	115,000	2.250%				
			8/1/2017	115,000	2.250%				
			8/1/2018	125,000	2.500%				
			8/1/2019	130,000	2.625%				
			8/1/2020	125,000	3.000%				
Total						\$ 9,960,000	\$ -	\$ 640,000	\$ 9,320,000

MANSFIELD TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,036,203	\$ -	\$ 1,036,203	\$ 1,036,203	\$ -
Total Local Sources	1,036,203	-	1,036,203	1,036,203	-
State Sources	29,930		29,930	29,930	-
Total Revenues	1,066,133	-	1,066,133	1,066,133	-
EXPENDITURES:					
Debt Service - Regular:					
Bonds:					
Interest	389,657		389,657	389,657	-
Redemption of Principal	640,000		640,000	640,000	-
Total Expenditures	1,029,657	-	1,029,657	1,029,657	-
Excess of Revenues Over Expenditures	36,476	-	36,476	36,476	-
FUND BALANCE, JULY 1	(36,394)	-	(36,394)	(36,394)	-
FUND BALANCE, JUNE 30	\$ 82	\$ -	\$ 82	\$ 82	\$ -

STATISTICAL SECTION (UNAUDITED)

GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the school district's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the school district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the school district's current levels of outstanding debt and the school district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the school district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the school district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The school district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

FINANCIAL TRENDS

MANSFIELD TOWNSHIP BOARD OF EDUCATION
NET ASSETS/POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 1,881,342	\$ 1,311,934	\$ 2,493,969	\$ 2,371,849	\$ 2,787,489	\$ 2,398,377	\$ 2,497,657	\$ 2,892,875	\$ 3,144,764	\$ 3,426,250
Restricted	(34,779)	(79,330)	64,726	112,136	(425,259)	140,558	290,885	1,028,185	1,345,142	1,269,929
Unassigned	1,351,475	964,019	791,909	707,793	640,618	450,578	477,574	(67,205)	(136,696)	(373,189)
Total Governmental Activities Net Assets/Position	\$ 3,198,038	\$ 2,196,623	\$ 3,350,604	\$ 3,191,778	\$ 3,002,848	\$ 2,989,513	\$ 3,266,116	\$ 3,853,855	\$ 4,353,210	\$ 4,322,990
Business-Type Activities										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 45,701	\$ 43,508	\$ 24,417	\$ 36,530	\$ 48,644	\$ 60,757	\$ 72,870	\$ 84,984	\$ 97,097	\$ 109,210
Unassigned	257,075	225,582	201,412	118,528	77,845	50,383	24,817	2,556	6,089	9,533
Total Business-Type Activities Net Assets/Position	\$ 302,776	\$ 269,090	\$ 225,829	\$ 155,058	\$ 126,489	\$ 111,140	\$ 97,687	\$ 87,540	\$ 103,186	\$ 118,743
District-wide										
Net Invested in Capital Assets/										
Invested in capital assets, net of related debt	\$ 1,927,043	\$ 1,355,442	\$ 2,518,386	\$ 2,408,379	\$ 2,836,133	\$ 2,459,134	\$ 2,570,527	\$ 2,977,859	\$ 3,241,861	\$ 3,535,460
Restricted	(34,779)	(79,330)	64,726	112,136	(425,259)	140,558	290,885	1,028,185	1,345,142	1,269,929
Unassigned	1,608,550	1,189,601	993,321	826,321	718,463	500,961	502,391	(64,649)	(130,607)	(363,656)
Total District-wide Net Position	\$ 3,500,814	\$ 2,465,713	\$ 3,576,433	\$ 3,346,836	\$ 3,129,337	\$ 3,100,653	\$ 3,363,803	\$ 3,941,395	\$ 4,456,396	\$ 4,441,733

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 3,154,332	\$ 2,630,389	\$ 2,624,174	\$ 2,270,066	\$ 2,469,365	\$ 2,605,860	\$ 2,338,567	\$ 2,411,057	\$ 2,425,841	\$ 2,191,865
Special Education	1,191,863	1,266,875	1,399,316	1,244,630	1,540,150	906,902	840,790	757,500	662,672	524,402
Other Special Education	297,735	260,427	172,498	85,729	167,232	161,103	200,745	163,547	198,072	197,456
Support Services:										
Tuition	353,698	138,866	96,554	391,487	143,260	435,504	450,527	584,663	409,978	356,414
Student and Instruction Related Services	1,598,286	1,395,704	1,372,567	1,275,131	1,351,695	1,373,938	1,658,701	1,634,960	1,152,869	1,085,945
School Administrative Services	328,090	261,746	245,008	249,642	303,563	298,224	287,968	281,920	267,398	256,678
Other Administrative Services	2,321,157	338,965	273,381	285,955	344,784	277,473	234,230	249,635	289,862	235,416
Central Services	895,389	222,656	228,775	222,428	230,899	212,500	191,914	187,638	169,178	152,311
Plant Operations and Maintenance	564,508	657,790	725,536	792,901	833,199	751,251	657,816	594,930	668,631	548,086
Pupil Transportation		560,285	624,054	628,295	571,886	564,390	603,264	584,778	500,488	419,367
Allocated Benefits									1,070,094	1,019,926
Unallocated Benefits		2,457,835	2,219,958	2,173,973	2,230,953	2,097,614	2,194,740	2,243,428	696,552	592,293
Interest on Long-Term Debt	381,624	467,920	468,791	488,081	432,969	445,342	456,890	356,009	499,790	514,158
Unallocated Amortization on Bond Issuance Costs		20,857	20,857	20,858	20,858	20,857	20,857	15,672	8,413	8,413
Unallocated Increase in Compensated Absences		53,075	15,987	(5,657)	(49,692)	28,909	7,155	(26,242)	(12,055)	20,090
Capital Outlay	63,136									
Unallocated Depreciation	333,705	339,393	431,818	427,066	387,916	384,006	299,698	397,576	381,486	372,268
Unallocated Loss on Revaluation of Fixed Assets		1,620,882					511,897			
Total Governmental Activities Expenses	11,481,523	12,693,665	10,909,274	10,550,583	10,979,037	10,563,873	10,955,759	10,437,071	9,389,289	8,495,088
Business-Type Activities:										
Food Service/EDCP	503,155	477,803	469,418	451,728	298,065	295,338	273,776	201,491	198,044	193,867
Total Business-Type Activities Expenses	503,155	477,803	469,418	451,728	298,065	295,338	273,776	201,491	198,044	193,867
Total District Expenses	\$ 11,984,678	\$ 13,171,468	\$ 11,378,692	\$ 11,002,311	\$ 11,277,102	\$ 10,859,211	\$ 11,229,535	\$ 10,638,562	\$ 9,587,333	\$ 8,688,955
Program Revenues										
Governmental Activities:										
Charge for Services:										
Instruction (Tuition)	\$ 36,780	\$ -	\$ -	\$ -	\$ 249,189	\$ 139,446	\$ 169,409	\$ 206,924	\$ 145,330	\$ 176,244
Operating Grants and Contributions	488,867	184,084	182,281	152,684	306,613	157,745	489,730	215,798	156,412	164,030
Total Governmental Activities Expenses	525,647	184,084	182,281	152,684	555,802	297,191	659,139	422,722	301,742	340,274
Business-Type Activities:										
Charges for Services:										
Food Service/EDCP	329,150	464,543	487,579	436,917	269,089	266,434	239,184	145,888	138,164	141,714
Operating Grants and Contributions	207,465	56,450	52,604	43,316	44,293	42,287	43,590	39,642	39,307	37,714
Total Business-Type Activities Expenses	536,615	520,993	540,183	480,233	313,382	308,721	282,774	185,530	177,471	179,428
Total District Program Revenues	\$ 1,062,262	\$ 705,077	\$ 722,464	\$ 632,917	\$ 869,184	\$ 605,912	\$ 941,913	\$ 608,252	\$ 479,213	\$ 519,702

MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net (Expense)/Revenue										
Governmental Activities	\$ (10,955,876)	\$ (12,509,581)	\$ (10,726,993)	\$ (10,387,899)	\$ (10,423,235)	\$ (10,266,682)	\$ (10,296,620)	\$ (10,014,349)	\$ (9,087,547)	\$ (8,154,814)
Business-Type Activities	33,460	43,190	70,765	28,505	15,317	13,383	8,998	(15,961)	(20,573)	(14,439)
Total District-wide Net Expense	\$ (10,922,416)	\$ (12,466,391)	\$ (10,656,228)	\$ (10,369,394)	\$ (10,407,918)	\$ (10,253,299)	\$ (10,287,622)	\$ (10,030,310)	\$ (9,108,120)	\$ (8,169,253)
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes, Net	\$ 9,231,874	\$ 8,809,680	\$ 8,394,731	\$ 8,269,344	\$ 7,964,795	\$ 7,557,909	\$ 7,320,239	\$ 7,217,195	\$ 7,000,783	\$ 6,638,019
Taxes Levied for Debt Service	1,036,203	825,461	896,905	790,103	736,025	696,402	548,283	648,036	609,263	690,589
Federal and State Aid Not Restricted	1,099,398	1,524,196	1,347,072	1,313,731	1,453,375	1,454,153	1,627,071	1,525,497	1,300,496	1,210,014
Investment Earnings	2,919	-	-	-	-	-	-	-	-	-
Tuition Revenue	75,843	-	-	-	-	-	-	-	-	-
Capital Asset Adjustment	314,913	-	-	-	-	-	-	-	-	-
Miscellaneous Income	196,141	196,263	247,111	213,651	282,375	281,615	214,196	124,266	211,948	123,528
Transfer	-	-	-	-	-	-	(908)	-	(4,723)	-
Total Governmental Activities	11,957,291	11,355,600	10,885,819	10,586,829	10,436,570	9,990,079	9,708,881	9,514,994	9,117,767	8,662,150
Business-Type Activities:										
Investment Earnings	226	-	-	-	202	1,068	984	984	984	984
Miscellaneous Income	-	45	-	64	32	70	241	315	293	277
Transfer	-	-	-	-	-	-	908	-	4,723	-
Total Business-Type Activities	226	45	-	64	32	70	1,149	315	5,016	277
Total District-wide	\$ 11,957,517	\$ 11,355,645	\$ 10,885,825	\$ 10,586,893	\$ 10,436,602	\$ 9,990,149	\$ 9,710,030	\$ 9,515,309	\$ 9,122,783	\$ 8,662,427
Change in Net Assets/Position										
Governmental Activities	\$ 1,001,415	\$ (1,153,981)	\$ 158,826	\$ 188,930	\$ 13,335	\$ (276,603)	\$ (587,739)	\$ (499,355)	\$ 30,220	\$ 507,336
Business-Type Activities	33,686	43,235	70,771	28,569	15,349	13,453	10,147	(15,646)	(15,557)	(14,162)
Total District	\$ 1,035,101	\$ (1,110,746)	\$ 229,597	\$ 217,499	\$ 28,684	\$ (263,150)	\$ (577,592)	\$ (515,001)	\$ 14,663	\$ 493,174

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved	633,318	\$ 92,705	\$ 126,762	\$ 150,612	\$ 165,338	\$ 277,172	\$ 418,571	\$ 702,446	\$ 997,826	\$ 880,112
Assigned		10,826	36,183	94,312	-	-	-	-	-	-
Unassigned	227,404	380,438	581,559	402,469	414,408	254,096	236,912	(18,618)	278,415	112,974
Excess Surplus	542,460	472,520	-	-	-	-	-	-	-	-
Total General Fund	\$ 1,403,182	\$ 956,489	\$ 744,504	\$ 647,393	\$ 579,746	\$ 531,268	\$ 655,483	\$ 683,828	\$ 1,276,241	\$ 993,086
All Other Governmental Funds										
Reserved										
Capital Projects Fund	\$ -	\$ -	\$ -	\$ 118,078	\$ (447,478)	\$ 833	\$ 193,507	\$ 168,503	\$ 229,932	\$ 366,501
Debt Service Fund		(36,394)	80,597	960	1,280	10,348	23,189	10,099	20,213	9,369
Unassigned, Reported In:										
Debt Service Fund	82									
Total All Other Governmental Funds	\$ 82	\$ (36,394)	\$ 80,597	\$ 119,038	\$ (446,198)	\$ 11,181	\$ 216,696	\$ 178,602	\$ 250,145	\$ 375,870

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

Fiscal Year Ending June 30,	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:										
Local Sources:										
Local Tax Levy	\$ 10,268,077	\$ 9,635,141	\$ 9,291,636	\$ 9,059,447	\$ 8,700,820	\$ 8,254,311	\$ 7,868,522	\$ 7,865,231	\$ 7,610,046	\$ 7,328,608
Tuition	112,623									
Interest In Investments	2,919									
Miscellaneous	196,141	196,263	247,111	213,651	282,375	281,615	201,106	114,167	200,043	85,323
State Sources	1,427,291	1,583,446	1,347,865	1,313,731	1,445,186	1,454,153	1,965,693	1,573,626	1,303,307	1,214,848
Federal Sources	160,974	124,834	181,488	152,684	314,802	157,745	151,079	166,698	153,531	157,479
Other Local Sources							13,119	11,070	11,975	10,025
Total Revenues	12,168,025	11,539,684	11,068,100	10,739,513	10,743,183	10,147,824	10,199,519	9,730,792	9,278,902	8,796,283
Expenditures:										
Instruction:										
Regular	2,685,831	2,630,389	2,624,174	2,270,066	2,469,365	2,605,860	2,338,567	2,411,057	2,425,841	2,191,865
Special Education	1,160,032	1,266,875	1,399,316	1,244,630	1,540,150	906,902	840,790	757,500	662,672	524,402
Other Special Education	262,058	260,427	172,498	85,729	167,232	161,103	200,745	163,547	198,072	197,456
Support Services:										
Tuition	353,698	138,866	96,554	391,487	143,260	435,504	450,527	584,663	409,978	356,414
Student and Instructional Related Services	1,458,963	1,321,898	1,229,458	1,125,380	1,026,342	1,240,078	1,482,812	1,424,287	1,011,090	913,025
General and Business Administration Services	515,554	561,621	502,156	508,383	575,683	489,973	426,144	437,273	459,040	387,727
School Administrative Services	287,970	261,746	245,008	249,642	303,563	298,224	287,968	281,920	267,398	256,678
Plant Operations and Maintenance	824,284	762,789	725,536	792,901	833,199	751,251	667,816	594,930	668,631	548,086
Pupil Transportation	563,617	560,285	624,054	628,295	571,886	564,390	603,264	584,778	500,488	419,367
Employee Benefits	2,480,056								1,070,094	1,019,926
Unallocated Benefits		2,457,835	2,219,958	2,173,973	2,230,953	2,097,614	2,194,740	2,243,428	696,552	592,293
Transfer to Charter Schools	63,136	73,806	143,108	149,752	96,608					
Capital Outlay		176,435	101,359	795,447	447,478	24,726	349,880	243,116	136,569	23,282
Debt Service:										
Interest and Other Charges	389,657	411,708	441,251	420,945	436,365	449,255	460,420	361,112	510,324	517,224
Principal	640,000	560,000	485,000	370,000	310,000	260,000	235,000	160,000	100,000	200,000
Total Expenditures	11,684,856	11,444,690	11,009,430	11,206,630	11,152,084	10,284,880	10,528,673	10,247,611	9,116,749	8,147,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	483,169	94,994	58,670	(467,117)	(408,901)	(137,056)	(329,154)	(516,819)	162,153	648,538
Other Financing Sources/(Uses):										
Proceeds of Refunding Bonds	-	-	-	1,100,000	-	-	-	-	-	-
Transfers In	-	81	81,525	522	1,272	12	3,140	10,099	11,905	8,308
Transfers Out	-	(81)	(81,525)	(522)	(1,272)	(12)	(3,140)	(10,099)	(11,905)	(8,308)
Transfer to Food Service	-	-	-	-	-	-	(908)	-	(4,723)	-
Total Other Financing Sources/(Uses)	-	-	-	1,100,000	-	-	(908)	-	(4,723)	-
Net Change in Fund Balance	\$ 483,169	\$ 94,994	\$ 58,670	\$ 632,883	\$ (408,901)	\$ (137,056)	\$ (330,062)	\$ (516,819)	\$ 157,430	\$ 648,538
Debt service as a percentage of noncapital expenditures	8.86%	8.62%	8.49%	7.60%	6.97%	6.91%	6.83%	5.21%	6.80%	8.83%
Source: District records										

Note: Noncapital expenditures are total expenditures less capital outlay.
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 BOARD OF EDUCATION
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Sale of Capital Assets	Rental	Tuition	Miscellaneous	Annual Total
2014	\$ 2,919	\$ -	\$ 150,925		\$ 31,297	\$ 185,141
2013	46	-	66,739	55,088	41,639	163,512
2012	288	-	66,739	118,446	61,596	247,069
2011	-	-	-	28,444	184,685	213,129
2010	-	-	81,896	189,270	10,770	281,936
2009	10,431	-	63,749	199,165	8,258	281,603
2008	38,319	-	56,572	66,526	39,689	201,106
2007	71,219	-	-	39,581	3,367	114,167
2006	64,529	15,000	-	49,480	71,034	200,043
2005	24,229	-	-	14,779	46,316	85,324

Source: District records

REVENUE CAPACITY

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST EIGHT FISCAL YEARS
 UNAUDITED

Year Ended June 30	Vacant Land	Residential	Farm Reg.	Qfam	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2014								\$ -	\$ -	\$ -	\$ -	\$ -	0
2013	26,630,600	1,145,919,600	48,395,700	4,555,700	95,256,100	5,301,200	1,549,700	1,327,608,600	120,591,300	2,218,786	1,209,236,086	1,261,563,098	2,063
2012	31,041,800	1,131,661,700	48,095,900	4,583,000	93,223,200	5,301,200	1,549,700	1,315,456,500	118,890,500	2,453,660	1,199,019,660	1,346,272,138	2,025
2011	37,953,900	1,118,913,700	49,117,800	4,416,400	90,481,100	5,301,200	1,549,700	1,307,733,800	118,890,500	2,323,604	1,191,166,904	1,364,791,953	1,36
2010	40,718,500	1,105,446,900	48,025,500	4,040,600	89,713,300	5,301,200	1,898,100	1,295,144,100	112,985,400	2,235,393	1,184,394,083	1,297,379,493	1,317
2009	45,735,400	1,094,648,400	47,024,100	4,218,900	89,409,800	5,301,200	2,185,400	1,288,503,200	111,669,100	1,257,603	1,178,091,703	1,290,671,921	1,324
2008	17,385,103	554,560,315	25,860,900	2,244,700	47,667,900	2,331,200	918,900	630,772,018	109,046,600	1,513,781	543,239,199	1,272,162,007	1,306
2007	13,861,600	541,902,415	24,745,000	2,316,600	44,453,400	2,331,200	918,900	630,629,115	64,411,300	1,513,781	567,731,596	940,809,461	1,247
2006	11,980,000	512,806,215	25,424,900	2,400,900	44,156,100	2,331,200	918,900	600,018,215	64,282,500	1,683,852	537,419,567	817,790,604	2,469

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 Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

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

Year Ended June 30	Little Ferry School District Direct Rate			Overlapping Rates			County Open Space	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Regional School	(From J-6) Total Direct School Tax Rate	Township of Mansfield	Burlington County	Country Library		
2014	1.098	0.965	2.063	0.441	0.399	0.037	0.018	2.958
2013	1.080	0.945	2.025	0.430	0.415	0.038	0.019	2.927
2012	0.725	0.635	1.360	0.287	0.293	0.029	0.038	2.007
2011	0.702	0.615	1.317	0.238	0.302	0.029	0.039	1.925
2010	0.688	0.636	1.324	0.226	0.317	0.031	0.041	1.939
2009	0.664	0.642	1.306	0.219	0.324	0.031	0.042	1.922
2008	0.637	0.644	1.281	0.182	0.323	0.030	0.041	1.857
2007	0.610	0.637	1.247	0.168	0.334	0.032	0.039	1.820
2006	1.209	1.260	2.469	0.315	0.613	0.056	0.067	3.520
2005	1.204	1.170	2.374	0.310	0.571	0.050	0.060	3.365

Source: 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 year net budget 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.

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND SIX YEARS AGO

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value	Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value
N.A.D.E.	\$ 42,592,700	1	4.48%	\$ 23,790,731	1	5.24%
Vanco USA, LLC	3,574,700	2	0.38%	4,275,501	2	0.94%
Homestead Plaza II	3,251,100	3	0.34%	2,072,200	3	0.46%
Generation Builders, Inc.	3,232,000	4	0.34%	1,930,334	6	0.43%
Transcontinental Gas & Pipeline Corp	2,772,400	5	0.29%	1,800,000	8	0.40%
Cubalmart, LP	2,713,000	6	0.29%	1,681,600	9	0.37%
MLC Developers, LLC	2,711,000	7	0.29%	1,589,200	7	0.35%
Rockwell, James & Teresa	2,064,000	8	0.22%	1,546,598	8	0.34%
Verizon - New Jersey	2,048,817	9	0.22%	1,427,300	9	0.31%
Danmik, Inc.	1,956,100	10	0.21%	1,179,900	10	0.26%
Total	<u>\$ 66,915,817</u>		<u>7.06%</u>	<u>\$ 41,293,364</u>		<u>9.10%</u>

Source: Municipal Tax Assessor

N/A At the time of CAFR completion, this data was not yet available

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

Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 10,268,077	\$ 10,298,007	100%	\$ -
2013	9,635,141	9,635,141	100%	-
2012	9,291,636	9,291,636	100%	-
2011	9,059,447	9,059,447	100%	-
2010	8,700,820	8,700,820	100%	-
2009	8,254,311	8,254,311	100%	-
2008	7,868,522	7,868,522	100%	-
2007	7,865,231	7,865,231	100%	-
2006	7,610,236	7,610,236	100%	-
2005	7,327,328	7,327,328	100%	-

Source: 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.

N/A At the time of CAFR completion, this data was not yet available

DEBT CAPACITY

MANSFIELD TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANS)		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases	Capital Leases				
2014	\$ 9,320,000	\$ -	\$ -	\$ -	-	-	-	\$ 9,320,000	N/A	N/A	
2013	9,960,000	-	-	-	-	-	-	9,960,000			
2012	10,520,000	-	-	-	-	-	-	10,520,000			
2011	11,005,000	-	-	-	-	-	-	11,005,000			
2010	10,275,000	-	-	300,000	-	-	-	10,575,000			
2009	10,585,000	-	-	-	-	-	-	10,585,000			
2008	10,845,000	-	-	-	-	-	-	10,845,000			
2007	11,080,000	-	-	-	-	-	-	11,080,000			
2006	11,044,000	-	-	-	-	-	-	11,044,000			
2005	11,144,000	-	-	-	-	-	-	11,144,000			

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

- a** See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding.

N/A At the time of CAFR completion, this data was not yet available

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 9,320,000	\$ -	\$ 9,320,000	N/A	N/A
2013	9,960,000	-	9,960,000	N/A	N/A
2012	10,520,000	-	10,520,000	0.87%	N/A
2011	11,005,000	-	11,005,000	0.92%	N/A
2010	10,275,000	-	10,275,000	0.86%	1,203
2009	10,585,000	-	10,585,000	0.89%	1,323
2008	10,845,000	-	10,845,000	0.92%	1,358
2007	11,080,000	-	11,080,000	2.04%	1,392
2006	11,044,000	-	11,044,000	1.95%	1,382
2005	11,144,000	-	11,144,000	2.07%	1,419

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

a See J-6 for property tax data.

b Population data can be found in J-14.

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST NINE FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Unit										
Debt Repaid With Property Taxes										
Mansfield Township										
Burlington County										
Regional School Debt										
Subtotal, Overlapping Debt										
Little Ferry District Direct Debt										
Total Direct and Overlapping Debt as of June 30,										

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

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 Little Ferry. 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, for 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.

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis	
2012	\$ 1,329,827,376
2011	1,289,108,570
2010	1,346,272,138
[A]	\$ 3,965,208,084

Average Equalized Valuation of Taxable Property **[A/3]** \$ 1,321,736,028

Debt Limit (4% of Average Equalization Value) **[B]** 52,869,441 **a**
 Total Net Debt Applicable To Limit **[C]** 9,320,000
 Legal Debt Margin **[B-C]** \$ 43,549,441

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 52,869,441	\$ 33,043,401	\$ 33,099,920	\$ 23,602,298	\$ 33,047,207	\$ 25,256,352	\$ 25,256,352	\$ 25,256,352	\$ 20,433,747	\$ 21,651,424
Total Net Debt Applicable to Limit	9,320,000	9,960,000	10,520,000	11,005,000	10,275,000	10,585,000	10,845,000	11,080,000	11,044,000	11,144,000
Legal Debt Margin	<u>\$ 43,549,441</u>	<u>\$ 23,083,401</u>	<u>\$ 22,579,920</u>	<u>\$ 12,597,298</u>	<u>\$ 22,772,207</u>	<u>\$ 14,671,352</u>	<u>\$ 14,411,352</u>	<u>\$ 14,176,352</u>	<u>\$ 9,389,747</u>	<u>\$ 10,507,424</u>

Total Net Debt Applicable to the Limit 17.63% 30.14% 31.78% 46.63% 31.09% 41.91% 42.94% 43.87% 54.05% 51.47%
 As a Percentage of Debt Limit

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2010	8,544	N/A	N/A	11.60%
2009	8,000	372,128,000	46,516	10.90%
2008	7,984	371,766,976	46,564	6.40%
2007	7,961	350,896,997	44,077	4.70%
2006	7,990	338,536,300	42,370	5.20%
2005	7,854	314,866,860	40,090	4.30%

Source:

^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 municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND LAST SIX FISCAL YEARS
 UNAUDITED

Employer	2014			2007		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A		N/A		1	N/A
	N/A		N/A		2	N/A
	N/A		N/A		3	N/A
	N/A		N/A		4	N/A
	N/A		N/A		5	N/A
	N/A		N/A		6	N/A
	N/A		N/A		7	N/A
	N/A		N/A		8	N/A
	N/A		N/A		9	N/A
	N/A		N/A		9	N/A
	<u>N/A</u>		<u>N/A</u>	<u>0</u>		<u>N/A</u>

Source: N/A

N/A At the time of CAFR completion, this data was not yet available

OPERATING INFORMATION

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Regular	51.0	38.4	42.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0
Special Education	20.0	24.0	16.0	23.0	25.0	25.0	25.0	25.0	25.0	22.0
Other Special Education	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Support Services:										
Student and Instructional Related Services	21.2	21.2	33.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0
School Administrative Services	2.5	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
General & Business Administrative Services	3.5	3.5	3.0	3.0	3.0	3.0	3.0	4.0	3.0	3.0
Plant Operations and Maintenance	14.5	14.5	8.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0
Pupil Transportation	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0	0.0	0.0
Business & Other Support Services	0.0	0.0	0.0	0.0	2.5	3.0	3.0	3.0	3.0	3.0
Food Service	7.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Total	123.2	113.1	115.5	119.5	124.0	125.0	125.0	127.0	126.0	122.0

Source: District Personnel Records

N/A At the time of CAFR completion, this data was not yet available

MANSFIELD TOWNSHIP BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	upil/Teacher Rat		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2014	741.0	\$ 10,592,063	\$ 14,294	0.00%	74	1:10	721.0	695.7	-27.10%	96.49%	
2013	714.0	9,427,276	13,203	7.85%	63	1:11	714.9	683.8	-3.78%	95.65%	
2012	749.0	9,169,389	12,242	-1.34%	58	1:13	743.0	715.0	4.65%	96.23%	
2011	719.0	8,922,056	12,409	-4.30%	53	1:14	710.0	682.0	3.21%	96.06%	
2010	697.0	9,037,750	12,967	0.66%	58	1:12	687.9	654.7	0.13%	95.17%	
2009	685.0	8,824,209	12,882	6.28%	56	1:12	687.0	667.8	-0.29%	97.21%	
2008	687.0	8,326,868	12,121	-6.03%	56	1:12	689.0	665.8	0.12%	96.63%	
2007	675.0	8,706,398	12,898	8.33%	55	1:12	688.2	653.1	1.06%	94.90%	
2006	657.0	7,822,695	11,907	4.38%	54	1:12	681.0	650.1	6.52%	95.46%	
2005	635.0	7,243,209	11,407	2.89%	54	1:12	639.3	610.0	-0.88%	95.42%	

Sources: District records

Note: Enrollment based on annual October District count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certified staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS).

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District Building										
<u>Elementary</u>										
John Hydock										
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (students)	280	280	280	280	280	280	280	280	280	280
Enrollment	253	276	307	279	293	262	282	282	282	262
Mansfield Township										
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	640	640	640	640	640	640	640	640	640	640
Enrollment	472	438	441	435	459	423	405	376	376	349

Number of Schools at June 30, 2014

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

Source: District Facilities Office

Note: Year of original construction is shown in parenthesis.
Increases in square footage and capacity are the result of and additions.
Enrollment is based on the annual October District count.

N/A At the time of CAFR completion, this data was not yet available

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

UNDISTRIBUTED EXPENDITURES:
REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

	John Hydock Elementary	Mansfield Township Elementary	Total
2014	\$ 38,127	\$ 41,709	\$ 79,836
2013	25,996	38,320	64,316
2012	16,129	30,242	46,371
2011	27,194	30,284	57,478
2010	27,081	38,192	65,273
2009	23,903	35,854	59,757
2008	26,389	25,842	52,231
2007	55,388	57,533	112,921
2006	58,528	70,279	128,807
2005	41,230	61,844	103,074
Total School Facilities	<u>\$ 339,965</u>	<u>\$ 430,099</u>	<u>\$ 770,064</u>

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

Source: District records

MANSFIELD TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2014

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

Source: District Records

SINGLE AUDIT SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

K-1
Page 1

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

Honorable President and
Members of the Board of Trustees
Mansfield Township Board of Education

Columbus, 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; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 1, 2014.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is 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. We consider the deficiencies noted as finding 2014-01 described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as Finding No. 2014-01.

Restriction on Use

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



Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

December 1, 2014

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

K-2
Page 1

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04**

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

Report on Compliance for Each Major State Program

We have audited the compliance of the Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the year ended June 30, 2014. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

The School District's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Mansfield Township Board of Education, in the County of Burlington, State of New Jersey, 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 state programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

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

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

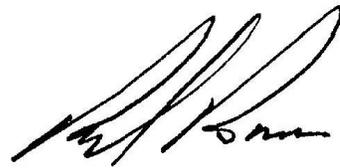
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-01 to be a significant deficiency.

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.

Restriction on Use

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



Richard M. Barre
Licensed Public School Accountant
No. CS-01181

Barre & Company, CPA's

December 1, 2014

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2013		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Prior Year's Balance	Balance at June 30, 2014		MEMO	
			From	To	Deferred Revenues (Accounts Receivable)	Deferred Revenues Payable					Due to Grantor	Due to Grantor		
State Department of Education														
General Fund:														
Equalization Aid	14-495-034-5120-078	\$ 61,810	7/1/13	6/30/14	\$ -	\$ -	\$ -	\$ 57,845	\$ (61,810)	\$ -	\$ (3,965)	\$ -	\$ 3,965	\$ 61,810
Equalization Aid	13-495-034-5120-078	-	7/1/12	6/30/13	-	-	-	-	(384,623)	-	(24,670)	-	24,670	384,623
Special Education Aid	14-495-034-5120-089	384,623	7/1/12	6/30/14	-	-	359,953	47,158	(50,390)	(2)	(3,232)	-	3,232	50,390
Special Education Aid	13-495-034-5120-089	-	7/1/12	6/30/13	-	-	-	2	(2)	-	(6,176)	-	6,176	96,284
Security Aid	14-495-034-5120-084	50,390	7/1/13	6/30/14	2	-	90,108	66,140	(7,334)	-	(8,113)	-	7,334	7,334
Security Aid	14-495-034-5120-085	2	7/1/13	6/30/14	-	-	-	-	-	-	-	-	-	-
Adjustment Aid	14-495-034-5120-014	96,284	7/1/13	6/30/14	-	-	-	10,788	(8,113)	-	(8,113)	-	8,113	8,113
Transportation Aid	14-100-034-5120-014	7,334	7/1/13	6/30/14	-	-	-	-	-	-	-	-	-	-
Extraordinary Aid	14-100-034-5120-473	66,140	7/1/12	6/30/13	-	-	-	-	-	-	-	-	-	-
Nonpublic Aid	14-100-034-5065-042	6,113	7/1/13	6/30/14	-	-	-	287,098	(287,098)	-	-	-	-	287,098
Nonpublic Aid	14-100-034-5065-042	6,113	7/1/12	6/30/13	-	-	-	175,100	(175,100)	-	-	-	-	175,100
TPAF - Retirement Medical Contributions	14-495-034-5095-001	287,098	7/1/13	6/30/14	-	-	-	318,160	(318,160)	-	-	-	-	318,160
TPAF - Pension Contributions	14-495-034-5095-001	175,100	7/1/13	6/30/14	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF - Social Security	14-495-034-5095-006	175,100	7/1/13	6/30/14	-	-	-	-	-	-	-	-	-	-
Reimbursed TPAF - Social Security	14-495-034-5095-002	318,160	7/1/13	6/30/14	-	-	-	1,428,526	(1,388,914)	-	(53,490)	-	53,490	1,388,914
Total General Fund					(93,102)	-	-	-	(1,388,914)	-	(53,490)	-	-	-
Debt Service Fund:														
Debt Service Aid Type II	14-495-034-5120-017	-	7/1/13	6/30/14	-	-	29,930	-	(29,930)	-	-	-	(29,930)	29,930
Total Debt Service Fund					-	-	29,930	-	(29,930)	-	-	-	(29,930)	29,930
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program (State Share)	14-100-010-3350-023	-	7/1/13	6/30/14	-	-	2,409	-	(2,546)	-	(137)	-	(2,409)	2,546
National School Lunch Program (State Share)	13-100-010-3350-023	-	7/1/12	6/30/13	(146)	-	146	-	-	-	-	-	-	-
Total Enterprise Fund					(146)	-	2,555	-	(2,546)	-	(137)	-	(2,409)	2,546
Total State Financial Assistance					(93,248)	-	1,461,011	-	(1,421,390)	-	(53,627)	-	21,151	1,421,390

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL
ASSISTANCE
JUNE 30, 2014**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL
ASSISTANCE
JUNE 30, 2014**

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$38,043 for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,397,361	\$ 1,397,361
Special Revenue Fund	160,974	-	160,974
Debt Service Fund	-	29,930	29,930
Food Service Fund	47,518	2,546	50,064
Total Awards & Financial Assistance	<u>\$ 208,492</u>	<u>\$ 1,429,837</u>	<u>\$ 1,638,329</u>

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. FEDERAL AND STATE LOANS OUTSTANDING

Mansfield Township Board of Education has no loan balances outstanding at June 30, 2014.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL
ASSISTANCE
JUNE 30, 2014**

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the school district for the year ended June 30, 2014. TPAF Social Security Contributions 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, 2014.

NOTE 7. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district.

Program	Total	2013
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 29,795	\$ 21,206
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	<u>8,364</u>	<u>13,651</u>
Total	<u>\$ 38,159</u>	<u>\$ 34,857</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies identified?	_____ Yes	<u> X </u> None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	<u> X </u> No

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No
Internal Control over major programs:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies that are not considered to be material weaknesses?	_____ Yes	<u> X </u> None Reported
Type of auditor’s report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ Yes	<u> X </u> No

Identification of major state programs:

GMIS Number(s)	Name of State Program
<u>14-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>14-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>14-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>14-495-034-5095-001</u>	<u>On-Behalf TPAF Pension Contributions</u>
<u>14-495-034-5095-002</u>	<u>On-Behalf TPAF Social Security Contributions</u>

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

Finding 2014-01:

Criteria:

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

Condition:

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

Context:

The reports had differences that were not corrected.

Cause:

The report differences were not identified and corrected.

Effect:

The financial statements were misstated.

Recommendation:

The bank reconciliations and general ledger accounting system should be in agreement

Management's Response:

The finding is a repeat finding from the prior year and will be corrected during fiscal year 2015.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

This section identifies audit findings required to be reported by NJOMB Circular Letter 04-04.

STATE AWARDS

Finding 2014-01:

Criteria:

The Treasurer's Reports should be in agreement with the general ledger accounting system and the bank.

Condition:

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

Context:

The reports had differences that were not corrected.

Cause:

The report differences were not identified and corrected.

Effect:

The financial statements were misstated.

Recommendation:

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

Management's Response:

The finding is a repeat finding from the prior year and will be corrected during fiscal year 2015.

MANSFIELD TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

STATUS OF PRIOR YEAR FINDINGS

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

Findings

There were matters reported. Finding No. 2013-02 from the prior year was not corrected and is a repeated finding for this year.