

**Mantua Township School
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

MANTUA TOWNSHIP SCHOOL DISTRICT

MANTUA, NEW JERSEY

**Mantua Township School Board of Education
Mantua, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Of the

**Mantua Township School Board of Education
Mantua, New Jersey**

For the Fiscal Year Ended June 30, 2015

Prepared by:

**Mantua Township School
Board of Education Administration**

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INTRODUCTORY SECTION

MANTUA TOWNSHIP PUBLIC SCHOOLS

DR. H. SIMMERMAN ADMINISTRATION BUILDING

684 MAIN STREET

SEWELL, NJ 08080

(856) 468-2225 (PHONE) (856)468-5563 (FAX)

Michelle H. Daminger
Board Secretary

Dr. Robert Fisicaro
Superintendent

Theresa Labbree
Supervisor of Curriculum

November 24, 2015

Honorable President and
Members of the Board of Education
Township of Mantua School District
684 Main Street
Sewell, New Jersey 08080

Dear Board Members:

The comprehensive annual financial report of the Township of Mantua School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes under the new Governmental Accounting Standards Board Statement No. 34, the Independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the district-wide statements, fund statements, notes to the financial statements, required supplementary information other than MD&A including budgetary comparison schedules, and other supplementary information. The statistical tables include selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB Circulars 04-04 and/or 15-08, *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 structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Township of Mantua School District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Township of Mantua Board of Education and all its schools constitute the District's reporting entity.

For the 2014/2015 school year, the District's three elementary schools were organized as follows:

- Centre City K-3 with special education programs for learning and/or language disability, multiple disability, and preschool disability pupils. A resource room for supplemental special education services is also available.

- J. Mason Tomlin 4-6 with special education programs for learning and/or language disability, and multiple disability pupils. A resource room for supplemental special education services is also available.

- Sewell K-3 with a resource room for offering special education supplementary services and special education program for multiple disability pupils.

The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	1,270	-3.24%
2013-2014	1,312	-1.51%
2012-2013	1,332	-4.34%
2011-2012	1,393	-2.62%
2010-2011	1,430	-4.86%
2009-2010	1,503	-3.84%
2008-2009	1,563	1.30%
2007-2008	1,543	.19%
2006-2007	1,540	-1.66%
2005-2006	1,566	3.09%

2. INSTRUCTIONAL PROGRAMS: In addition to the basic elementary curriculum emphasizing reading, writing, and arithmetic, each of the District's schools provides:

- Remedial instruction
- Resource room instruction for classifiable learning disabilities
- Speech and language development services
- Computer instruction
- Art and music instruction
- Library programs
- Physical education instruction
- Guidance and child study team services
- A full time nurse at each school
- Foreign language instruction in Spanish

2. INSTRUCTIONAL PROGRAMS (CONTINUED): All curricular materials are reviewed annually and updated as determined necessary after each review.

Student academic performance is measured utilizing Measures of Academic Program (MAP) in grades one, two, three, four, five, and six. This is a computerized program which measures student's abilities in reading and mathematics. This assessment is administered in the fall and in the spring. Additionally, certain students also take this assessment mid-year in order to determine their progress. The MAP assessment provides immediate feedback regarding student's abilities and provides teachers with specific information which can be used to enhance instruction.

Parent and community involvement in the schools is provided through a number of opportunities at both the local and district levels. In addition to individual school parent associations, these affiliations include school based planning teams, the District Advisory Council, the Municipal Alliance and cooperative efforts with the Township recreation, environmental groups and planning board. School Based Planning and Intervention and Referral Service Teams function at each school to further refine planning for student and school needs.

3. INTERNAL ACCOUNTING CONTROLS: The Business Administrator is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but no absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the District management.

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

4. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as committed to fund balance at June 30, 2015.

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

6. DEBT ADMINISTRATION: At June 30, 2015, the District's outstanding debt issues included \$4,540,000 of general obligation bonds. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements include renovations and additions to the various schools and the purchase of furniture, fixtures, and equipment for the additions.

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 2, "Notes to the Financial Statements."

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

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Petroni & Associates LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08. The auditor's report on the general purpose 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.

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

Respectfully submitted,

Dr. Robert Fisicaro

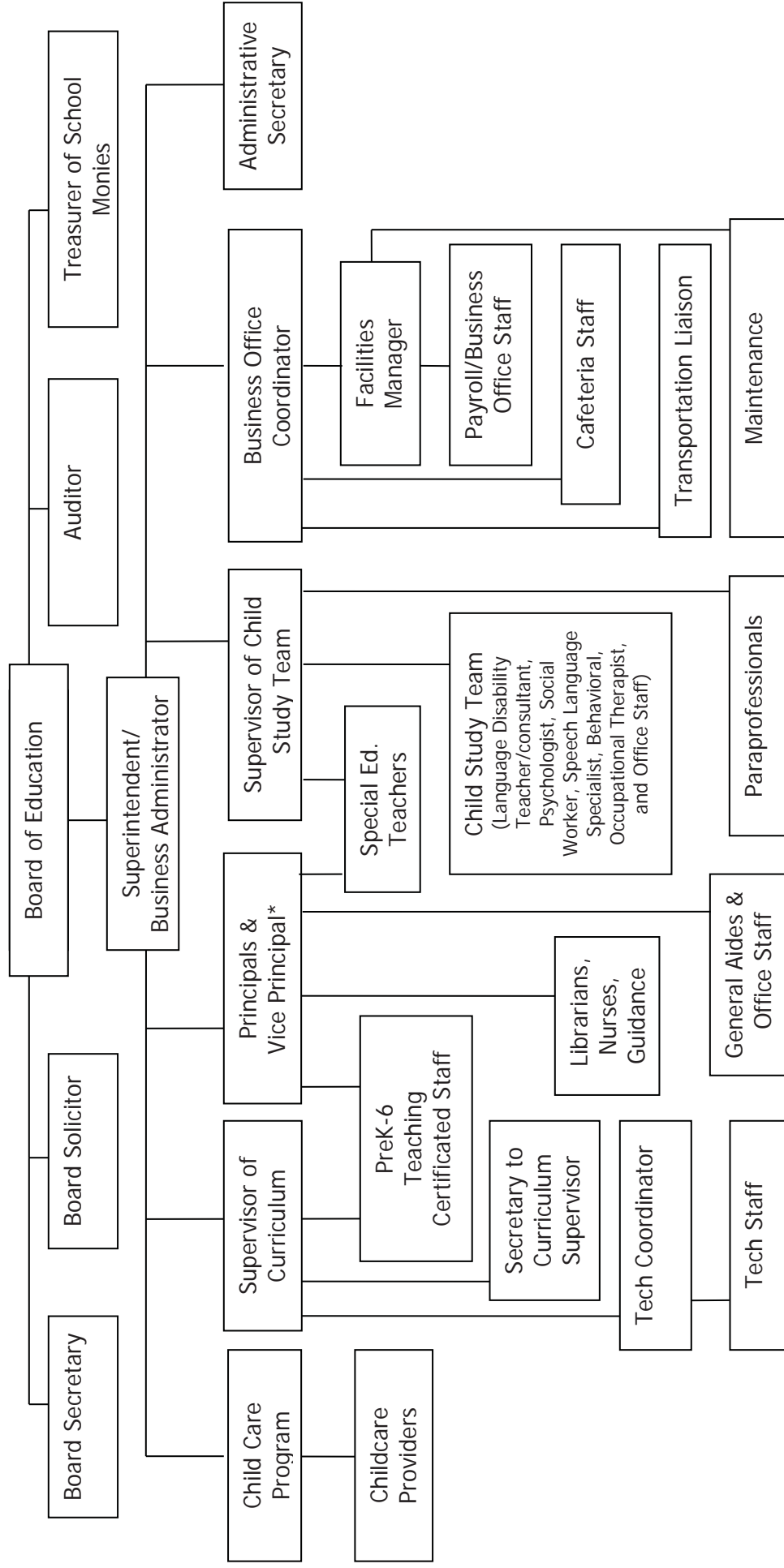
Dr. Robert Fisicaro
Superintendent

Michelle H. Daminger

Michelle H. Daminger
Board Secretary

MANTUA TOWNSHIP BOARD OF EDUCATION

ORGANIZATIONAL CHART



*Centre City and JMT Schools

MANTUA TOWNSHIP BOARD OF EDUCATION
Mantua, New Jersey

ROSTER OF OFFICIALS
June 30, 2015

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Thomas D. Gregg	President	2015
Eileen Lukens	Vice President	2017
Fran Adler	Board Member	2016
Richard Chrono	Board Member	2015
Mario DiLisciandro	Board Member	2016
Robert Johnson	Board Member	2016
Bonnie Nuss	Board Member	2017
Mary Porter	Board Member	2017
Stephen Reiners	Board Member	2015

OTHER OFFICIALS

Dr. Robert Fisicaro, Superintendent/Business Administrator

Michelle H. Daminger, Board Secretary

Frank P. Cavallo Jr., Solicitor

MANTUA TOWNSHIP BOARD OF EDUCATION
Mantua, New Jersey

CONSULTANTS AND ADVISORS

Auditor

Petroni & Associates LLC
102 West High Street, Suite 100
Glassboro, NJ 08028

Contact: Nick Petroni
Certified Public Accountant

Solicitor

Parker McCay
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, NJ 08054

Contact: Frank P. Cavallo, Jr.

Depository

Fulton Bank of New Jersey
450 Bridgeton Pike
Mantua, NJ 08051

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Mantua Township School District
684 Main Street
Sewell, New Jersey 08080

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mantua Township School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board'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 district's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education, Mantua, New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mantua Township Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of state financial assistance as required by New Jersey OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by New Jersey OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by New Jersey OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, on our consideration of the Mantua Township Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Mantua Township Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 24, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

This section of the Mantua Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this Report and the District's financial statements, which immediately follows this Section.

Overview of the Financial Statements

This Annual Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. 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 regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Proprietary funds statements* offer *short-term and long-term* financial information about activities the District operates *like businesses, such as food service*.
- *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 supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Figure A-1: Major Features of the District-wide and Fund Financial Statements

	District-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

District-wide Financial 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 of 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 - are one way to measure the District's overall 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 overall financial condition of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building 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 regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- **Business-type Activities** - The District charges fees to help it cover the costs of certain services it provides. The District's food service program and child care program would be 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:

- 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 completing approved capital projects) or to show that it is properly using certain revenues (such as federal grants).

The District has four 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 the reader 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.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Fund Financial Statements (Continued)

- **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. In fact, 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 flow.
- **Internal Service Funds** - (the other kind of Proprietary Fund) are optional and utilized to report activities that provide supplies and services for other District programs and activities and for other districts.
- **Fiduciary Funds** - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Student Activity Fund. 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 the District cannot use these assets to finance its operations.

Notes to the Financial Statements

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

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Financial Analysis of the District as a Whole

Net Position

	FY 2015		FY 2014		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2015	FY 2014
Assets						
Current and other assets	\$ 1,180,213	\$ 287,785	\$ 1,766,654	\$ 246,905	\$ 1,467,998	\$ 2,013,559
Capital assets	20,044,950	1,714	20,439,013	3,134	20,046,664	20,442,147
Total assets	<u>21,225,163</u>	<u>289,499</u>	<u>22,205,667</u>	<u>250,039</u>	<u>21,514,662</u>	<u>22,455,706</u>
Deferred Outflows of Resources						
Deferred outflows related to pension		<u>737,677</u>			<u>737,677</u>	
Liabilities						
Noncurrent liabilities	5,634,456	39,218	6,628,489	38,565	5,673,674	6,667,054
Other liabilities	421,386	19,907	689,924	15,027	441,293	704,951
Net pension liability	<u>6,034,577</u>				<u>6,034,577</u>	
Total liabilities	<u>12,090,419</u>	<u>59,125</u>	<u>7,318,413</u>	<u>53,592</u>	<u>12,149,544</u>	<u>7,372,005</u>
Deferred Inflows of Resources						
Deferred inflows related to pension		<u>359,628</u>			<u>359,628</u>	
Net position						
Invested in capital assets						
Net of related debt	15,278,865	1,714	14,640,335	3,134	15,280,579	14,643,469
Restricted	750,814		644,023		750,814	644,023
Unrestricted	<u>(6,516,886)</u>	<u>228,660</u>	<u>(397,104)</u>	<u>193,313</u>	<u>(6,288,226)</u>	<u>(203,791)</u>
Total net position	<u>\$ 9,512,793</u>	<u>\$ 230,374</u>	<u>\$ 14,887,254</u>	<u>\$ 196,447</u>	<u>\$ 9,743,167</u>	<u>\$ 15,083,701</u>

Net Position - The District's combined total net position are \$9,743,167 on June 30, 2015, (see Exhibit A-1). Approximately 2.4% of the total net position are from business-type activities, while the balance of the total net position of 97.6% is attributable to governmental activities. There was an increase from the prior year of \$219,709 offset by a prior period adjustment of pension liability and deferred outflows in the amount of \$5,596,268 required by the adoption of GASB Statement No. 68 (See Note 2 in the Notes to the Financial Statements).

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Financial Analysis of the District as a Whole (Continued)

Changes in Net Position

	FY 2015		FY 2014		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2015	FY 2014
REVENUES:						
Program revenues:						
Charges for services	\$ 119,265	\$ 554,970	\$ 119,585	\$ 495,266	\$ 674,235	\$ 614,851
Operating grants & contributions	647,320	139,126	635,865	134,712	786,446	770,577
General revenues:						
Property taxes	12,983,358		12,798,057		12,983,358	12,798,057
Grants and entitlements	8,416,642		8,097,381		8,416,642	8,097,381
Other	435,327		505,068		435,327	505,068
Total revenues	<u>22,601,912</u>	<u>694,096</u>	<u>22,155,956</u>	<u>629,978</u>	<u>23,296,008</u>	<u>22,785,934</u>
EXPENSES:						
Instruction	9,614,338		8,974,830		9,614,338	8,974,830
Student support services	1,959,900		1,980,664		1,959,900	1,980,664
General administrative services	378,003		393,533		378,003	393,533
School administration	714,276		734,176		714,276	734,176
Central services	204,758		153,580		204,758	153,580
Administrative information technology	123,971		170,226		123,971	170,226
Plant operations & maintenance	1,736,359		1,575,484		1,736,359	1,575,484
Pupil transportation	888,883		945,874		888,883	945,874
Employee benefits	5,906,225		5,632,643		5,906,225	5,632,643
Interest on debt	168,557		207,756		168,557	207,756
Unallocated depreciation	680,235		665,946		680,235	665,946
Capital outlay			44,364			44,364
Food service		352,372		356,853	352,372	356,853
Childcare		312,397		291,810	312,397	291,810
Total expenses	<u>22,375,505</u>	<u>664,769</u>	<u>21,479,076</u>	<u>648,663</u>	<u>23,040,274</u>	<u>22,127,739</u>
Transfers	(4,600)	4,600				
Increase (decrease) in net position	<u>\$ 221,807</u>	<u>\$ 33,927</u>	<u>\$ 676,880</u>	<u>\$ (18,685)</u>	<u>\$ 255,734</u>	<u>\$ 658,195</u>

Changes in Net Position - The District's total revenues are \$23,296,008 for the fiscal period ended June 30, 2015, (see Exhibit A-2). The revenue breakout for all funds is as follows: property taxes 55.7%, state formula aid 36.1%, state and federal aid for specific programs 3.3%, and the remainder, 4.9% from miscellaneous resources.

The District's predominant expenses are related to instruction and student support services which is approximately 50.2%. Employee benefits are 25.8%; plant operations and maintenance accounts for 7.5%; transportation expenses accounts for 3.9%; school administration, general administration, central services, and administrative information technology account for 6.2%; interest on debt is .7%; business-type activities account for 2.8%; unallocated depreciation is 3.6% of the District's expenses.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Business-Type Activities

Revenues of the District's business-type activities (food and nutrition services and after school child care) were comprised of charges for services, federal and state reimbursements, and investment earnings.

- Business-type activities revenues exceeded expenditures by \$33,927 (see Exhibit B-5).

Governmental Activities

Revenues for governmental activities (see Exhibit B-2) were \$22,482,647, while total expenses amounted to \$22,821,024. This resulted in a decrease in net position in governmental activities of (\$342,977) for fiscal year 2015.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below 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	Net Cost of Services	Total Cost of Services	Net Cost of Services
	FY 2015		FY 2014	
Instruction:	\$ 9,614,338	\$ 9,067,559	\$ 8,974,830	\$ 8,423,225
Support services:				
Student support services	1,959,900	1,777,893	1,980,664	1,799,171
School administration	714,276	714,276	734,176	734,176
General administrative services	378,003	378,003	393,533	393,533
Central services	204,758	204,758	153,580	153,580
Administration information technology	123,971	123,971	170,226	170,226
Plant operations & maintenance	1,736,359	1,736,359	1,575,484	1,575,484
Pupil transportation	888,883	888,883	945,874	945,874
Employee benefits	5,906,225	5,868,426	5,632,643	5,610,291
Interest on debt	168,557	168,557	207,756	207,756
Capital outlay			44,364	44,364
Food service	352,372	19,378	356,853	39,827
Other proprietary funds	312,397	(48,705)	291,810	(21,142)
Depreciation	680,235	680,235	665,946	665,946
Total expenses	\$ 23,040,274	\$ 21,579,593	\$ 22,127,739	\$ 20,742,311

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.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Governmental Activities (Continued)

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 and capital outlay.

The School District's Funds

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 \$22,482,647 and expenditures were \$22,917,309 (see Exhibit B-2). The Schedules included in the financial section of this Report demonstrate that the District continues to meet its responsibility for sound financial management.

The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Local sources	\$ 13,418,685	59.68%	\$ 115,559	0.87%
State sources	8,453,175	37.60%	305,257	1.42%
Federal sources	610,787	2.72%	25,459	19.74%
	<u>\$ 22,482,647</u>	<u>100.00%</u>	<u>\$ 446,275</u>	2.03%

The increase in local revenue was due to a decrease in tuition revenue for \$40,277 and a tax increase of \$185,300.

The following schedules present a summary of General Fund, Special Revenue Fund, and Debt Service Fund expenditures for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 9,594,954	42.04%	\$ 649,251	7.26%
Undistributed	11,926,232	52.26%	378,110	3.27%
Capital outlay	98,688	0.43%	(391,414)	-79.86%
Debt service:				
Principal	980,000	4.29%		
Interest	221,150	0.97%	(39,200)	-15.06%
	<u>\$ 22,821,024</u>	<u>100.00%</u>	<u>\$ 596,747</u>	2.69%

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

The School District's Funds (Continued)

The largest portion of General Fund expenditures is for salaries and benefits. The District is a service entity and as such is labor intensive. This is typical for a service industry in both the public sector and private industry.

Instructional expenditures are up \$649,251 over the prior year which is attributable to instructional salaries are up \$553,135 over the prior year; employee benefits are up \$293,407. Salaries reflect contractual increases over the prior year based on the union contract.

Financial Analysis of the District's Funds

The strong financial performance of the District as a whole is primarily reflected in its Governmental Funds. As the District completed the year, its Governmental Funds reported *combined* fund balances of \$606,116 (see Exhibit B-1).

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following category:

- Transfers between budgetary line accounts to prevent overruns.
- Appropriation of revenue due to tuition costs.

This fiscal year was completed utilizing a zero based budgeting as implemented by the Board of Education and Administration. This process allowed us to more accurately account for our expenditures by school. Principals became more aware of their appropriation limitations and managed their individual school budgets effectively.

Capital Asset and Debt Administration

Capital Assets

The Mantua Township School investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$20,046,664 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and furniture (see table below). More detailed information about capital assets can be found in Note 6 to the financial statements.

Mantua Township School District's Capital Assets

	FY 2015		FY 2014		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2015	FY 2014
Land	\$ 110,027		\$ 110,027		\$ 110,027	\$ 110,027
Land improvements	263,167		249,886		263,167	249,886
Buildings	18,966,983		19,527,286		18,966,983	19,527,286
Machinery & equipment	704,773	\$ 1,714	551,814	\$ 3,134	706,487	554,948
	<u>\$ 20,044,950</u>	<u>\$ 1,714</u>	<u>\$ 20,439,013</u>	<u>\$ 3,134</u>	<u>\$ 20,046,664</u>	<u>\$ 20,442,147</u>

Debt Administration

At June 30, 2015, the School District had \$5,634,456 of outstanding debt. Of this amount, \$851,583 is for compensated absences, \$242,873 unamortized premium, and \$4,540,000 of serial bonds; for school construction.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Debt Administration (Continued)

Outstanding Debt at June 30

	FY 2015	FY 2014	Percentage Change
Compensated absences	\$ 851,583	\$ 823,470	3.41%
Unamortized premium	242,873	300,019	-19.05%
Refunding bonds of 2011	4,540,000	5,520,000	-17.75%
Total	<u>\$ 5,634,456</u>	<u>\$ 6,643,489</u>	-15.19%

Factors Bearing on the District's Future

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

- State Formula Aid for the fiscal year 2014-2015 has a slight increase of \$21,066 over the prior year budgeted amount.
- District enrollment decreased in 2014-2015 by 35 students.
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

Contacting the District's Financial Management

This Financial Report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Board Secretary, Michelle H. Daminger, Mantua Township Board of Education, 684 Main Street, Sewell, New Jersey 08080.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	FY 2015
ASSETS			
Cash and cash equivalents	\$ 589,940	\$ 254,432	\$ 844,372
Interfund receivable	10,058		10,058
Receivables	184,596	21,504	206,100
Deferred - debt issuance costs (net)	47,113		47,113
Inventory		11,849	11,849
Restricted assets:			
Restricted cash and cash equivalents	164,690		164,690
Capital reserve account - cash	183,816		183,816
Capital assets:			
Non-depreciable	110,027		110,027
Assets net of depreciation	19,934,923	1,714	19,936,637
Total assets	<u>21,225,163</u>	<u>289,499</u>	<u>21,514,662</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	<u>737,677</u>		<u>737,677</u>
LIABILITIES			
Accounts payable	340,630	19,907	360,537
Payable to state government	30,895		30,895
Deferred revenue - local	19,536		19,536
Accrued interest	30,325		30,325
Noncurrent liabilities:			
Due within one year	965,000		965,000
Due beyond one year	4,669,456	39,218	4,708,674
Net pension liability	6,034,577		6,034,577
Total liabilities	<u>12,090,419</u>	<u>59,125</u>	<u>12,149,544</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	<u>359,628</u>		<u>359,628</u>
NET POSITION			
Invested in capital assets, net of related debt	15,278,865	1,714	15,280,579
Restricted for:			
Capital projects	183,816		183,816
Other purposes	566,998		566,998
Unrestricted	(6,516,886)	228,660	(6,288,226)
Total net position	<u>\$ 9,512,793</u>	<u>\$ 230,374</u>	<u>\$ 9,743,167</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 5,634,951			\$ (5,634,951)		\$ (5,634,951)
Special education	3,040,232		\$ 546,779	(2,493,453)		(2,493,453)
Other special education	899,205			(899,205)		(899,205)
Other instruction	39,950			(39,950)		(39,950)
Support services:						
Student & instructional related services	1,959,900	\$ 119,265	62,742	(1,777,893)		(1,777,893)
General administrative services	378,003			(378,003)		(378,003)
School administrative services	714,276			(714,276)		(714,276)
Central services	204,758			(204,758)		(204,758)
Administrative information technology	123,971			(123,971)		(123,971)
Plant operations & maintenance	1,736,359			(1,736,359)		(1,736,359)
Pupil transportation	888,883			(888,883)		(888,883)
Employee benefits	5,906,225		37,799	(5,868,426)		(5,868,426)
Interest on long-term debt	168,557			(168,557)		(168,557)
Unallocated depreciation	680,235			(680,235)		(680,235)
Total governmental activities	22,375,505	119,265	647,320	(21,608,920)		(21,608,920)
Business-type activities:						
Food service	352,372	193,868	139,126		\$ (19,378)	(19,378)
Other activities	312,397	361,102			48,705	48,705
Total business-type activities	664,769	554,970	139,126		29,327	29,327
Total primary government	\$ 23,040,274	\$ 674,235	\$ 786,446	\$ (21,608,920)	\$ 29,327	\$ (21,579,593)
General revenues:						
Property taxes, levied for general purpose, net				\$ 12,193,848		\$ 12,193,848
Taxes levied for debt service				789,510		789,510
Federal and state aid not restricted				8,416,642		8,416,642
Tuition charges				394,134		394,134
Investment earnings				4,403		4,403
Miscellaneous income				36,790		36,790
Transfers				(4,600)	\$ 4,600	
Total general revenues, special items, extraordinary items, and transfers				21,830,727	4,600	21,835,327
Change in net position				221,807	33,927	255,734
Net position - beginning				14,887,254	196,447	15,083,701
Prior period adjustment of pension liability				(5,596,268)		(5,596,268)
Restated net position at the beginning of the period				9,290,986	196,447	9,487,433
Net position - end				\$ 9,512,793	\$ 230,374	\$ 9,743,167

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

MANTUA TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2015
ASSETS				
Cash and cash equivalents	\$ 587,239			\$ 587,239
Interfund receivable	10,058			10,058
Receivables from other governments	62,384	\$ 99,965	\$ 1	162,350
Restricted cash and cash equivalents	348,506			348,506
Total assets	<u>\$ 1,008,187</u>	<u>\$ 99,965</u>	<u>\$ 1</u>	<u>1,108,153</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft		\$ 14,690	\$ 1	14,691
Accounts payable	\$ 295,363	45,267		340,630
Payable to state government		30,895		30,895
Deferred revenue - local	10,423	9,113		19,536
Total liabilities	<u>305,786</u>	<u>99,965</u>	<u>1</u>	<u>405,752</u>
Fund balances:				
Restricted for:				
Excess surplus - current year	313,289			313,289
Excess surplus - prior year designated for subsequent year's expenditures	89,019			89,019
Maintenance reserve	164,690			164,690
Capital reserve account	183,816			183,816
Assigned to:				
Other purposes	177,002			177,002
Unassigned:				
General fund	(225,415)			(225,415)
Total fund balances	<u>702,401</u>			<u>702,401</u>
Total liabilities and fund balances	<u>\$ 1,008,187</u>	<u>\$ 99,965</u>	<u>\$ 1</u>	

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$34,182,823 and the accumulated depreciation is \$14,137,873 (see Note 7).	\$ 20,044,950
Deferred bond issuance costs are expenses in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Position.	47,113
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(30,325)
The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 68 is reported as a prior period adjustment of net pension liability adjustment (See Note 2).	(5,596,268)
Net pension liability adjustment	(60,260)
Premiums are recorded in Governmental Funds in the year the bonds are issued but are capitalized in the Statement of Net Position. The premium for the 2011 series is \$471,457, the amortization is \$57,146, and the accumulated amortization is \$228,584.	(242,873)
Internal Service Funds are used by management to charge the costs of certain activities, such as related services to other Districts. Assets and liabilities of the Internal Service Fund of \$39,638 are included in the governmental activities in the Statement of Net Position.	39,638
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8).	(5,391,583)
Net position of governmental activities	<u>\$ 9,512,793</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2015
REVENUES:				
Local tax levy	\$ 12,193,848		\$ 789,510	\$ 12,983,358
Tuition charges	394,134			394,134
Interest earned on investments	4,202			4,202
Interest earned on capital reserve funds	201			201
Miscellaneous	36,790			36,790
	<u>12,629,175</u>		<u>789,510</u>	<u>13,418,685</u>
State sources	7,975,109	\$ 66,426	411,640	8,453,175
Federal sources	29,893	580,894		610,787
Total revenues	<u>20,634,177</u>	<u>647,320</u>	<u>1,201,150</u>	<u>22,482,647</u>
EXPENDITURES:				
Current:				
Regular instruction	5,613,728			5,613,728
Special education instruction	2,491,489	546,779		3,038,268
Other special instruction	903,008			903,008
Other instruction	39,950			39,950
Support services & undistributed costs:				
Student & instruction related services	1,824,864	62,742		1,887,606
General administrative services	386,893			386,893
School administrative services	711,256			711,256
Central services	203,633			203,633
Administrative information technology	133,520			133,520
Plant operations and maintenance	1,888,532			1,888,532
Pupil transportation	885,027			885,027
Employee benefits	5,791,966	37,799		5,829,765
Debt service:				
Principal			980,000	980,000
Interest and other charges			221,150	221,150
Capital outlay	98,688			98,688
Total expenditures	<u>20,972,554</u>	<u>647,320</u>	<u>1,201,150</u>	<u>22,821,024</u>
Excess (deficiency) of revenues over expenditures	<u>(338,377)</u>			<u>(338,377)</u>
Other financing sources (uses):				
Transfer to food service	(4,600)			(4,600)
Total other financing sources (uses)	<u>(4,600)</u>			<u>(4,600)</u>
Net change in fund balances	<u>(342,977)</u>			<u>(342,977)</u>
Fund balance - July 1	1,045,378			1,045,378
Fund balance - June 30	<u>\$ 702,401</u>			<u>\$ 702,401</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2015

Total net change in fund balances - Governmental Funds (from B-2)		\$ (342,977)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital outlay	\$ 322,107	
Depreciation expense	(716,170)	(394,063)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Bond principal payments		980,000
Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of bond issuance costs		(11,086)
Amortization of premiums on bonds		57,146
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		6,533
Internal Service Funds are used by management to charge costs of certain activities such as related services. The operating income of \$14,627 are included in the governmental activities and statement of net position.		
		14,627
Pension contributions are reported in governmental funds as expenditures. However in the statement of activities, the contributions are adjusted for actuarial valuation adjustments.		
		(60,260)
In the Statement of activities, certain operating expenses, e.g., compensated absences 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 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.		
		(28,113)
Change in net position of governmental activities		\$ 221,807

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Food Service	Latchkey Program	Totals FY 2015	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2	\$ 254,430	\$ 254,432	\$ 17,392
Accounts receivable	21,304	200	21,504	22,246
Inventories	11,849		11,849	
Total current assets	<u>33,155</u>	<u>254,630</u>	<u>287,785</u>	<u>39,638</u>
Noncurrent assets:				
Furniture, machinery & equipment	393,270		393,270	
Less: accumulated depreciation	<u>(391,556)</u>		<u>(391,556)</u>	
Total noncurrent assets	<u>1,714</u>		<u>1,714</u>	
Total assets	<u>34,869</u>	<u>254,630</u>	<u>289,499</u>	<u>39,638</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,520	18,387	19,907	
Compensated absences	39,218		39,218	
Total current liabilities	<u>40,738</u>	<u>18,387</u>	<u>59,125</u>	
NET POSITION				
Invested in capital assets, net of related debt	1,714		1,714	
Unrestricted	<u>(7,583)</u>	236,243	<u>228,660</u>	39,638
Total net position	<u>\$ (5,869)</u>	<u>\$ 236,243</u>	<u>\$ 230,374</u>	<u>\$ 39,638</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Business-type Activities Enterprise Funds			Governmental Activities
	Food Service Fund	Latchkey Program	Totals FY 2015	Internal Service Fund
OPERATING REVENUES:				
Local sources:				
Daily sales - reimbursable programs:	\$ 169,368		\$ 169,368	
Daily sales special milk	7,226		7,226	
Daily sales - non-reimbursable programs	17,274		17,274	
Other		\$ 361,102	361,102	\$ 119,265
Total operating revenue	193,868	361,102	554,970	119,265
OPERATING EXPENSES:				
Salaries	164,040	232,351	396,391	104,638
Employee benefits	11,693	17,459	29,152	
Supplies and materials	12,250	60,297	72,547	
Depreciation	1,420		1,420	
Cost of sales	162,126		162,126	
Miscellaneous other expenses	843	2,290	3,133	
Total operating expenses	352,372	312,397	664,769	104,638
Operating income (loss)	(158,504)	48,705	(109,799)	14,627
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	3,697		3,697	
Federal sources:				
National school lunch program	103,913		103,913	
Special milk program	5,603		5,603	
Food distribution program	25,913		25,913	
Total non-operating revenues (expenses)	139,126		139,126	
Net income (loss) before contributions	(19,378)	48,705	29,327	14,627
Transfer from General Fund	4,600		4,600	
Net income loss	(14,778)	48,705	33,927	14,627
Total net position - beginning	8,909	187,538	196,447	25,011
Total net position - ending	\$ (5,869)	\$ 236,243	\$ 230,374	\$ 39,638

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities Enterprise Funds			Governmental Activities
	Food Service Fund	Latchkey Program	Totals FY 2015	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers	\$ 193,868	\$ 361,102	\$ 554,970	\$ 97,019
Payments to suppliers	(149,209)	(57,991)	(207,200)	
Payments to employees	(163,387)	(232,351)	(395,738)	(104,638)
Payments for employee benefits	(11,693)	(17,459)	(29,152)	
Net cash provided (used) by operating activities	(130,421)	53,301	(77,120)	(7,619)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	114,685		114,685	
Net cash provided by non-capital financing activities	114,685		114,685	
Cash flows from investing activities:				
Payments from General Fund	4,600		4,600	
Net cash provided by investing activities	4,600		4,600	
Net increase in cash and cash equivalents	(11,136)	53,301	42,165	(7,619)
Cash and cash equivalents - July 1	11,138	201,129	212,267	25,011
Cash and cash equivalents - June 30	\$ 2	\$ 254,430	\$ 254,432	\$ 17,392
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (158,504)	\$ 48,705	\$ (109,799)	\$ 14,627
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	1,420		1,420	
Food distribution program	25,913		25,913	
Change in assets and liabilities:				
(Increase) decrease in inventory	(187)		(187)	
(Increase) decrease in accounts receivable				(22,246)
Increase (decrease) in accounts payable	284	4,596	4,880	
Increase in compensated absences	653		653	
	\$ (130,421)	\$ 53,301	\$ (77,120)	\$ (7,619)

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Scholarship Trust Fund</u>	<u>Agency Funds</u>	<u>Totals FY 2015</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,216	\$ 53,013	\$ 54,229
Total assets	<u>\$ 1,216</u>	<u>\$ 53,013</u>	<u>54,229</u>
LIABILITIES			
Current liabilities:			
Payroll deductions and withholdings		\$ 6,637	6,637
Due to student groups		36,318	36,318
Interfund payable - general fund		10,058	10,058
Total current liabilities		<u>\$ 53,013</u>	<u>53,013</u>
NET POSITION			
Held in trust for scholarships	<u>\$ 1,216</u>		<u>\$ 1,216</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2015

	Scholarship Trust Fund
ADDITIONS	
Contributions:	
Other	\$ 250
Investment earnings:	
Interest	2
Total additions	252
DEDUCTIONS	
Scholarship payments	200
Change in net position	52
Net position - beginning of year	1,164
Net position - end of year	\$ 1,216

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Mantua Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are 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 financial statements of the Board of Education of Mantua Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB).

The more significant accounting policies established in (GAAP) and used by the District are discussed below.

A. Reporting Entity

The Mantua Township School District is a Type II District located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions, independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades PreK-8.

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

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

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

B. Government-wide Statements

The School District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects and debt service are classified as governmental activities. The District's food service and latchkey programs are classified as business-type activities.

In the Government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts:

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating, and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student, and instruction related services, etc.) or business-type activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

The focus of the Governmental Funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District:

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

As required by the New Jersey State Department of Education, the District included 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.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

GOVERNMENTAL FUNDS (CONTINUED)

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUNDS

The focus of the Proprietary Funds measurement is upon the determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following are descriptions of the Proprietary Funds of the District:

Enterprise Funds - The Enterprise Funds account for all revenues and expenses pertaining to the Board's 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 on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, and the Latchkey Program Fund.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore not available to support District programs. The reporting focus is on net position. Changes in net position and are reported using accounting principles similar to Proprietary Funds.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Fund Financial Statements (Continued)
FIDUCIARY FUNDS (CONTINUED)**

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's Fiduciary Funds are presented in the Fiduciary Fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The fiduciary funds include Student Activity Fund, Payroll, and Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also related to the timing of the measurement made, regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

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

E. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury agency obligations and

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For purposes of determining cash equivalents, the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. (NJSA 18A:20-37) provides a list of permissible investments that may be purchased by New Jersey School Districts.

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

NJSA 17:9-41 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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks), and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% 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.

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2015, consisted of the following:

Food - commodities	\$	6,424
Supplies		2,359
Food		<u>3,066</u>
	\$	<u><u>11,849</u></u>

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

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	15-20
Building & improvements	20-50
Machinery & equipment	5-20

GASB No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The District has included infrastructure assets in the current fiscal year.

H. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and 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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

I. Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs reported in the period when inventory items are used, rather than in the period purchased.

J. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted in the period in which such services are rendered or in which such events take place. In Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide Financial Statements as a Governmental Activity.

In Proprietary and similar Trust Funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables/Payables

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between governmental and business-type activities or Governmental and Agency Funds, which are presented as internal balances.

L. Accrued Salaries and Wages

None of the School District's employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

M. 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 for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. 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 NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments 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 with the exception of the legally mandated revenue recognition of the June 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.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grants 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.

N. 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 Special Revenue Fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

O. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that once incurred; are paid in a timely manner and in full from current financial resources; are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds, are reported as liabilities on the fund financial statements, only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Q. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

S. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

T. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt 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 are available.

U. Fund Balance Reserves

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Non-spendable - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Fund Balance Reserves (Continued)

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

V. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement, which is effective for fiscal periods beginning after June 15, 2016, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosures." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

During the year beginning July 1, 2015, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions," and Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date," whose primary objectives are to improve accounting and financial reporting for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for pension. The effect of this change was to decrease fiscal year ended June 30, 2015, net position \$5,825,953 which is the prior period adjustment of net pension liability offset by a deferred outflows – District's contributions made during fiscal year 2014 of \$229,685. Financial statements for the fiscal year ended June 30, 2014, have not been restated, and the cumulative effect of the changes totaling \$5,596,268, is shown as a one-time debit to net position in the fiscal year ended June 30, 2015, statement of activities.

NOTE 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2015 and 2014, was \$1,247,107 and \$1,192,467. As of June 30, 2015 and 2014, \$0 of the District's bank balance of \$1,855,290 and \$1,605,873, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

As of June 30, 2015 and 2014, the District did not have any investments.

Interest Rate Risk - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk - NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; Government Money Market Mutual Funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5: RECEIVABLES

Receivables at June 30, 2015, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 44,554	\$ 787
Other	10,905	200
Federal aid	106,891	20,517
	<u>\$ 162,350</u>	<u>\$ 21,504</u>

NOTE 6: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$1,000 on October 9, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A: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 June 30, 2015, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2014	\$ 133,616
Interest earnings	200
Board resolution	50,000
Ending balance, June 30, 2015	<u>\$ 183,816</u>

NOTE 7: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2015.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2014	Additions	Disposals/ Adjustments	Balance June 30, 2015
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	\$ 110,027			\$ 110,027
Total capital assets not being depreciated	110,027			110,027
Land improvements	684,366	\$ 30,199		714,565
Building & building improvements	31,583,043	53,791		31,636,834
Machinery & equipment	1,483,280	238,117		1,721,397
Totals at historical cost	33,750,689	322,107		34,072,796
Less: accumulated depreciation				
Land improvements	(434,480)	(16,918)		(451,398)
Building & building improvements	(12,055,758)	(614,094)		(12,669,852)
Machinery & equipment	(931,465)	(85,158)		(1,016,623)
Total accumulated depreciation	(13,421,703)	(716,170)		(14,137,873)
Governmental activities capital assets, net	\$ 20,439,013	\$ (394,063)	None	\$ 20,044,950
Business-type activities:				
Machinery & equipment	\$ 393,270			\$ 393,270
Less: accumulated depreciation	(390,136)	\$ (1,420)		(391,556)
Business-type capital assets, net	\$ 3,134	\$ (1,420)	None	\$ 1,714

Depreciation was charged to the following governmental programs:

Instruction	\$ 28,071
Support administration	2,445
Transportation	3,856
Operation and maintenance	1,563
Unallocated	680,235
Total	<u>\$ 716,170</u>

NOTE 8: GENERAL LONG-TERM DEBT

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

Permanently funded debt as of June 30, 2015, consisted of the following:

\$7,580,000 Refunding Bonds of 2011 dated December 8, 2011, payable in annual installments through March 1, 2020. Interest is paid semi-annually at an interest rate from 2% to 5%. The remaining balance as of June 30, 2015, was \$4,540,000.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
Business-type:					
Compensated absences	\$ 38,565	\$ 653		\$ 39,218	
Governmental:					
Compensated absences	823,470	70,150	\$ 42,037	851,583	\$ 47,400
Unamortized premium	300,019		57,146	242,873	
Serial bonds payable	5,520,000		980,000	4,540,000	965,000
	<u>\$ 6,643,489</u>	<u>\$ 70,150</u>	<u>\$ 1,079,183</u>	<u>\$ 5,634,456</u>	<u>\$ 1,012,400</u>

Bonds Payable

Principal and interest due on serial bonds outstanding is as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 965,000	\$ 181,950	\$ 1,146,950
2017	950,000	143,350	1,093,350
2018	915,000	119,600	1,034,600
2019	895,000	83,000	978,000
2020	815,000	60,750	875,750
	<u>\$ 4,540,000</u>	<u>\$ 588,650</u>	<u>\$ 5,128,650</u>

Bonds Authorized but Not Issued

As of June 30, 2015, the Board has \$0 of bonds authorized but not issued.

Defeased Debt

On December 8, 2011, the District issued refunding school bonds in the amount of \$7,580,000, with interest rates varying from 2% to 5% to advance refund bonds in the amount of \$7,960,000, with interest rates varying from 3.75% to 5%. After paying issuance costs, the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called. The bonds were called for redemption on March 1, 2012. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the District's financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$872,422.

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2015, it is not necessary for the Board to establish a liability for arbitrage rebate.

NOTE 9: PENSION FUNDS

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System 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. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 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 non-contributing 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 titles.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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 6.92% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2015, 2014, and 2013, were \$265,710, \$238,954, and \$226,545, respectively, equal to the required contributions and retro adjustments for each year. The School District's contributions for TPAF for the years ending June 30, 2015, 2014, and 2013, were \$1,160,541, \$936,593, and \$1,151,314, respectively, were paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2015, 2014, and 2013; \$651,112, \$636,251, and \$617,191, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the year ended June 30, 2015, 2014, and 2013, were \$12,609,275, \$12,305,045, and \$11,953,270, covered payroll was \$8,800,828, \$8,545,772, and \$8,258,102 for TPAF and \$2,069,920, \$2,267,881, and \$2,218,676 for PERS.

For the year ended June 30, 2015, the District recognized pension expense of \$325,970. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 189,759	
Net difference between projected and actual earnings on pension plan investments		\$ 359,628
Changes in proportion and differences between District contributions and proportionate share of contributions	282,208	
District contributions subsequent to the measurement date	265,710	
	\$ 737,677	\$ 359,628

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

\$265,710, reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2016	\$ (3,148)
2017	(3,148)
2018	(3,148)
2019	(3,148)
2020	86,759
Thereafter	38,172
	<u>\$ 112,339</u>

Additional information – Collective balances at June 30, 2013 and 2014, are as follows:

	June 30, 2013	June 30, 2014
Collective deferred outflows of resources		\$ 952,194,675
Collective deferred inflows of resources		1,479,224,662
Collective net pension liability	<u>\$ 19,111,986,911</u>	<u>18,722,735,003</u>
District's proportion	0.0304832417%	0.0322312771%

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The District's contributions to DCRP for the years ending June 30, 2015, 2014, and 2013, were \$15,396, \$9,981, and \$19,076.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10: 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 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 employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 11: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.

MetLife

NOTE 12: COMPENSATED ABSENCES

The District accounts for compensated absences using the termination method (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 that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Eligible administrators may bank unused vacation up to the total number of vacation days earned per year. Any unused vacation days which result in an employee exceeding the allowable number of banked days on June 30 of any given year will be forfeited.

Teachers are entitled to eleven sick days per school year and are permitted to accumulate these days from year to year with no maximum limit. In order to be reimbursed for unused sick time, the teacher must have a minimum of fifty days accumulated at the end of the academic

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12: COMPENSATED ABSENCES (CONTINUED)

year in which their retirement is executed. Under the current contract, a teacher will only be reimbursed up to a maximum of (\$7,200) 120 days at a rate of \$60 per day. The District uses the vesting method to record the liability.

For the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the governmental fund at June 30, 2015, is \$851,583. The liability for compensated absences in the food service fund at June 30, 2015, is \$39,218.

NOTE 13: LABOR CONTRACTS

As of June 30, 2015, there are the following collective bargaining units in the Mantua Township Board of Education. Contracts are continually being negotiated and the following table shows their current status.

	<u>Category</u>	<u>Expiration</u>	<u>Covers</u>
Education Association	Teachers	6/30/2015	All teachers, teaching assistants, nurses, social workers, etc., excluding administrators
Administrator's Association	Administrators	6/30/2015	Principals, Vice-Principals, supervisor of curriculum, and supervisor of special education

NOTE 14: EMPLOYEE BENEFITS

The district established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. The District entered into a pre-tax benefits plan with AmeriFlex. The medical care reimbursement plan maximum amount for staff was \$2,500.

NOTE 15: RISK MANAGEMENT

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

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2015, the District did not incur claims in excess of their coverage.

The District is a member of the New Jersey School Boards Association Insurance Group - ERIC - South. The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15: RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance (Continued):

Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability
- General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

NOTE 16: OPERATING LEASES

The District has commitments to lease copiers under non-cancelable operating leases spanning 48 months. Monthly payments range from \$365 - \$715 per month. Total lease payments made during the year ended June 30, 2015, amounted to \$63,888. Future minimum lease payments are as follows:

Year Ended	Amount
June 30,	
2016	\$ 61,141
2017	56,706
2018	10,638
2019	7,564
2020	526
	<u>\$ 136,575</u>

NOTE 17: FUND BALANCE APPROPRIATED

Restrictions of fund balances of governmental funds are established 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 not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used/spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 17: FUND BALANCE APPROPRIATED (CONTINUED)

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance - The District had no non-spendable fund balance at June 30, 2015.

Restricted Fund Balance:

Capital Reserve Account - Of the \$183,816 balance in the capital reserve account at June 30, 2015, \$0 has been designated for utilization in the 2015-2016 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

Maintenance Reserve Account - Of the \$164,690 balance in the maintenance reserve account at June 30, 2015, \$0 has been designated for utilization in the 2015-2016 budget. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Excess Surplus - At June 30, 2015, excess surplus created in FY 2014 of \$89,019, will be utilized for expenditures in the 2015-2016 budget, while excess surplus created in FY 2015 of \$313,289 is restricted and will be utilized for budget expenditures in 2016-2017.

Debt Service Fund - At June 30, 2015, there was \$0 fund balance.

Committed Fund Balance - The District had no committed fund balance at June 30, 2015.

Assigned Fund Balance - As of June 30, 2015, the District had \$177,002 of assigned fund balance. The balance consisted of \$174,971 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year; \$2,031 of ARRA/SEMI funds designated for subsequent year's expenditures that the District has appropriated and included as anticipated revenue for the year ending June 30, 2016.

Unassigned Fund Balance - At June 30, 2015, the District has (\$225,415) of unassigned fund balance in the general fund.

NOTE 18: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015, is \$402,308.

NOTE 19: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$225,415 (Exhibit B-1) in the General Fund as of June 30, 2015, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event June state school aid payments are not made until the following

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 19: DEFICIT FUND BALANCES (CONTINUED)

school budget year, districts must record the June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, and liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

NOTE 20: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 37.6% of the District's 2014-2015 Governmental Fund revenue, while local tax levy accounted for approximately 57.7%.

NOTE 21: INTERFUND RECEIVABLES AND PAYABLES

The interfund balances remaining on the balance sheet at June 30, 2015.

	From	To
General fund	\$ 10,058	
Agency fund		\$ 10,058
	\$ 10,058	\$ 10,058

NOTE 22: CONTINGENT LIABILITIES

The School District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the opinion of the administration and legal counsels, that there exists no litigation or contingent liability that may be pending against the Mantua Township School District that would have a material or adverse effect on the Board or the financial position of the District.

NOTE 23: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2015 and November 24, 2015, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

MANTUA TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 12,193,848		\$ 12,193,848	\$ 12,193,848	
Tuition from individuals	229,960		229,960	295,508	\$ 65,548
Tuition from other LEA's within state	66,000		66,000	98,626	32,626
Interest on investments	5,000		5,000	4,202	(798)
Interest on capital reserve funds	100		100	201	101
Miscellaneous	475,000		475,000	36,790	(438,210)
Total - local sources	12,969,908		12,969,908	12,629,175	(340,733)
State sources:					
Equalization aid	5,286,989		5,286,989	5,286,989	
Special education aid	731,840		731,840	731,840	
Security aid	24,998		24,998	24,998	
Transportation aid	94,099		94,099	94,099	
PARCC readiness aid	11,490		11,490	11,490	
Per pupil growth aid	11,490		11,490	11,490	
Nonpublic transportation aid				3,648	3,648
Teachers' pension and annuity fund (on-behalf non-budgeted)				448,518	448,518
TPAF post-retirement (on-behalf non-budgeted)				712,023	712,023
Reimbursed TPAF social security contributions (non-budgeted)				651,112	651,112
Total - state sources	6,160,906		6,160,906	7,976,207	1,815,301
Federal sources:					
Medicaid reimbursement	19,865		19,865	27,862	7,997
Medicaid reimbursement - ARRA				2,031	2,031
Total - federal sources	19,865		19,865	29,893	10,028
Total revenues	19,150,679		19,150,679	20,635,275	1,484,596

MANTUA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	416,214	\$ (8,765)	407,449	403,707	3,742
Grades 1-5	3,820,979	52,042	3,873,021	3,843,586	29,435
Grades 6-8	493,355	(86,700)	406,655	401,931	4,724
Regular programs - home instruction:					
Salaries of teachers	3,000	5,182	8,182	8,181	1
Purchased professional - educational services		180	180	180	
Regular programs - undistributed instruction:					
Other salaries for instruction	18,594	2,008	20,602	20,600	2
Other purchased services (400-500 series)	600		600	174	426
General supplies	671,034	144,670	815,704	699,645	116,059
Textbooks	205,115	36,478	241,593	232,749	8,844
Miscellaneous expenditures	1,500	1,475	2,975	2,975	
Total regular programs	5,630,391	146,570	5,776,961	5,613,728	163,233
Learning and/or language disabilities:					
Salaries of teachers	288,269	(17,127)	271,142	270,847	295
Other salaries for instruction	231,485	(12,162)	219,323	205,053	14,270
General supplies	10,400	(1,522)	8,878	7,466	1,412
Total learning and/or language disabilities	530,154	(30,811)	499,343	483,366	15,977
Multiple disabilities:					
Salaries of teachers	125,395	(75,099)	50,296	36,062	14,234
Other salaries for instruction	95,979	(11,075)	84,904	79,635	5,269
General supplies	5,815	(3,857)	1,958	1,513	445
Total multiple disabilities	227,189	(90,031)	137,158	117,210	19,948
Resource room:					
Salaries of teachers	1,303,814	50,760	1,354,574	1,354,560	14
Other salaries for instruction	219,628	36,970	256,598	256,548	50
General supplies	6,202	1,800	8,002	6,397	1,605
Textbooks	12,500		12,500	3,869	8,631
Total resource room	1,542,144	89,530	1,631,674	1,621,374	10,300
Preschool disabilities - part-time:					
Salaries of teachers	156,054	24,156	180,210	178,095	2,115
Other salaries for instruction	92,730	(1,474)	91,256	85,227	6,029
General supplies	4,500	1,449	5,949	5,377	572
Total preschool disabilities - part-time	253,284	24,131	277,415	268,699	8,716

MANTUA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home instruction:					
Purchased professional - educational services	5,000		5,000	840	4,160
Total home instruction	5,000		5,000	840	4,160
Total special education	2,557,771	(7,181)	2,550,590	2,491,489	59,101
Basic skills/remedial:					
Salaries of teachers	851,281	(6,460)	844,821	844,296	525
Other salaries for instruction	131,685	(33,621)	98,064	53,869	44,195
General supplies	5,827	252	6,079	4,843	1,236
Total basic skills/remedial	988,793	(39,829)	948,964	903,008	45,956
Bilingual:					
Salaries of teachers	1,000	575	1,575	595	980
General supplies	500		500	117	383
Total bilingual	1,500	575	2,075	712	1,363
School sponsored co-curricular activities:					
Salaries	36,000	3,239	39,239	39,238	1
Total school sponsored co-curricular activities	36,000	3,239	39,239	39,238	1
School sponsored athletics - instruction:					
Salaries	1,000	(354)	646		646
Total school sponsored athletics - instruction	1,000	(354)	646		646
Total other instructional programs	1,027,293	(36,369)	990,924	942,958	47,966
Total - instruction	9,215,455	103,020	9,318,475	9,048,175	270,300
Undistributed expenditures:					
Instruction					
Tuition to other LEA's within state-regular		26,381	26,381	26,381	
Total tuition		26,381	26,381	26,381	
Health services:					
Salaries	273,678		273,678	269,513	4,165
Purchased professional/technical services	8,800	164	8,964	8,364	600
Other purchased services (400-500 series)	1,902	465	2,367	2,367	
Supplies and materials	20,450	(77)	20,373	16,607	3,766
Total health services	304,830	552	305,382	296,851	8,531

MANTUA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Related services:					
Salaries of teachers	408,652	5,579	414,231	395,978	18,253
Purchased professional - educational services		7,200	7,200	7,200	
General supplies	7,250	(1,356)	5,894	2,493	3,401
Total related services	415,902	11,423	427,325	405,671	21,654
Guidance services:					
Salaries of other professional staff	140,546		140,546	139,369	1,177
Purchased professional - education services	3,500	1,900	5,400	5,400	
Purchased professional - technical services	17,500	(1,900)	15,600	14,451	1,149
Other purchased services (400-500 series)	325	(160)	165		165
Supplies and materials	4,920	477	5,397	4,485	912
Total guidance services	166,791	317	167,108	163,705	3,403
Child study team:					
Salaries of other professional staff	380,812	(8,250)	372,562	371,115	1,447
Salaries of secretarial and clerical assistants	74,945	8,010	82,955	82,646	309
Purchased professional - educational services	12,000	(11,270)	730		730
Purchased professional - technical services	46,521	2,000	48,521	46,626	1,895
Other purchased services (400-500 series)	10,000	(4,700)	5,300	5,281	19
Supplies and materials	35,000	6,439	41,439	40,265	1,174
Other objects	1,080	331	1,411	1,220	191
Total child study team services	560,358	(7,440)	552,918	547,153	5,765
Improvement of instructional services/ other support services - instructional staff:					
Salaries of supervisors of instruction	48,490	240	48,730	48,620	110
Salaries of secretarial and clerical assistants	24,847		24,847	24,847	
Purchased professional - educational services	6,400	1,265	7,665	7,665	
Other purchased services (400-500 series)	2,500	566	3,066	3,065	1
Supplies and materials	11,200	(1,431)	9,769	8,967	802
Other objects	1,320	(400)	920	79	841
Total improvement of instructional services/ other support services - instructional staff	94,757	240	94,997	93,243	1,754
Educational media services/school library:					
Salaries	162,517	(240)	162,277	160,866	1,411
Other purchased services (400-500 series)	3,868		3,868	3,570	298
Supplies and materials	35,434	97	35,531	31,323	4,208
Total educational media services/school library	201,819	(143)	201,676	195,759	5,917

MANTUA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional staff training:					
Salaries of supervisors of instruction	48,490	239	48,729	48,620	109
Salaries of secretarial and clerical assistants	24,847	1	24,848	24,847	1
Purchased professional-educational services	2,700		2,700	600	2,100
Purchased professional-technical services	2,500		2,500	2,500	
Other purchased services (400-500 series)	22,500		22,500	16,599	5,901
Supplies and materials	4,000		4,000	2,935	1,065
Total instructional staff training	105,037	240	105,277	96,101	9,176
Support services general administration:					
Salaries	206,535	(5,012)	201,523	185,791	15,732
Legal services	15,000		15,000	11,545	3,455
Audit fees	15,500	(1,575)	13,925	13,925	
Other professional services	16,800	(7,635)	9,165	4,660	4,505
Communications/telephone	59,500	(5,505)	53,995	53,891	104
Other purchased services (400-500 series)	79,000	(3,886)	75,114	70,071	5,043
Supplies and materials	19,620	16,510	36,130	31,073	5,057
Miscellaneous expenditures	4,600	2,204	6,804	6,782	22
BOE member dues/fees	9,500	(277)	9,223	9,155	68
Total support services general administration	426,055	(5,176)	420,879	386,893	33,986
Support services school administration:					
Salaries of principals/assistant principals	397,885	(300)	397,585	397,580	5
Salaries of secretarial and clerical assistants	218,877	14,424	233,301	233,300	1
Purchased professional-educational services	31,711	(718)	30,993	30,971	22
Other purchased services (400-500 series)	2,900	1,012	3,912	3,891	21
Supplies and materials	51,350	2,683	54,033	43,716	10,317
Other objects	3,475	(1,676)	1,799	1,798	1
Total support services school administration	706,198	15,425	721,623	711,256	10,367
Central services:					
Salaries	152,604	18,451	171,055	171,054	1
Purchased technical services	16,500	2,240	18,740	18,740	
Other purchased services (400-500 series)	1,500	(460)	1,040	1,027	13
Supplies and materials	19,980	(8,744)	11,236	9,701	1,535
Other objects	1,000	3,388	4,388	3,111	1,277
Total central services	191,584	14,875	206,459	203,633	2,826

MANTUA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administration information technology:					
Salaries	78,868	7,832	86,700	86,700	
Purchased technical services	2,500		2,500	1,000	1,500
Other purchased services (400-500 series)	13,500		13,500	7,377	6,123
Supplies and materials	63,500		63,500	38,443	25,057
Other objects	1,000	(465)	535		535
Total administration information technology	159,368	7,367	166,735	133,520	33,215
Required maintenance:					
Cleaning, repair, and maintenance services	158,527	100,080	258,607	241,709	16,898
General supplies	123,845	22,407	146,252	143,329	2,923
Total required maintenance	282,372	122,487	404,859	385,038	19,821
Custodial services:					
Salaries non-instructional aides	211,108	13,935	225,043	209,198	15,845
Other salaries	593,227	(7,428)	585,799	585,024	775
Purchased professional - technical services	6,500	(6,437)	63		63
Cleaning, repair, and maintenance services	43,000	(38,154)	4,846	3,233	1,613
Rental of land, building & other lease purchases	4,000	358	4,358	4,358	
Other purchased property services	26,000	9,908	35,908	34,140	1,768
Insurance	95,000	(3,959)	91,041	91,041	
Miscellaneous purchased services	750	(750)			
General supplies	51,520		51,520	48,885	2,635
Natural gas	70,000	37,515	107,515	107,512	3
Electricity	470,000	(48,486)	421,514	420,103	1,411
Total custodial services	1,571,105	(43,498)	1,527,607	1,503,494	24,113
Total operation & maintenance of plant services	1,853,477	78,989	1,932,466	1,888,532	43,934
Student transportation services:					
Contracted services (other than between home and school) - vendors	150,000		150,000	70,706	79,294
Contracted services (between home and school) - joint agreements	780,000	(16,122)	763,878	748,821	15,057
Contracted services (special education students) - vendors	150,500	(91,565)	58,935	57,805	1,130
Aid in lieu - nonpublic	15,000		15,000	7,695	7,305
Total student transportation services	1,095,500	(107,687)	987,813	885,027	102,786

MANTUA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits:					
Social security contributions	270,000	(4,541)	265,459	244,204	21,255
Other retirement contributions - PERS	305,000	(16,071)	288,929	286,395	2,534
Unemployment compensation	50,000	4,241	54,241	54,241	
Workers' compensation	145,000	20,511	165,511	165,511	
Health benefits	3,610,200	(213,803)	3,396,397	3,073,019	323,378
Tuition reimbursement	43,000		43,000	35,264	7,736
Other employee benefits	55,000	66,680	121,680	121,679	1
Total unallocated benefits	4,478,200	(142,983)	4,335,217	3,980,313	354,904
Teachers' pension and annuity fund (on-behalf non-budgeted)				448,518	(448,518)
TPAF post-retirement (on-behalf non-budgeted)				712,023	(712,023)
Reimbursed TPAF social security contributions (non-budgeted)				651,112	(651,112)
Total non-budgeted				1,811,653	(1,811,653)
	10,759,876	(107,620)	10,652,256	11,825,691	(1,173,435)
Total expenditures - current expense	19,975,331	(4,600)	19,970,731	20,873,866	(903,135)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	15,000		15,000		15,000
General administration	37,021		37,021	37,021	
School administration	10,521		10,521	10,521	
Required maintenance	26,000		26,000	26,000	
Total equipment	88,542		88,542	73,542	15,000
Facilities acquisition and construction services:					
Construction services	25,148		25,148	25,146	2
Total capital outlay	113,690		113,690	98,688	15,002
Total expenditures	20,089,021	(4,600)	20,084,421	20,972,554	(888,133)
Excess (deficiency) of revenues over (under) expenditures	(938,342)	4,600	942,942	(337,279)	596,463
Other financing sources (uses):					
Transfer to food service		(4,600)	(4,600)	(4,600)	
Total other financing sources (uses)		(4,600)	(4,600)	(4,600)	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(938,342)		938,342	(341,879)	596,463
Fund balances - July 1	1,656,561		1,656,561	1,656,561	
Fund balances - June 30	\$ 718,218		\$2,594,903	\$ 1,314,682	\$ 596,463

MANTUA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 183,816	
Maintenance reserve				164,690	
Excess surplus - designated for subsequent year's expenditures				89,019	
Excess surplus - current year				313,289	
Assigned fund balance:					
Year-end encumbrances				174,971	
ARRA-semi designated for subsequent year's expenditures				2,031	
Unassigned fund balance					
				386,866	
				<u>1,314,682</u>	
Reconciliation to Governmental Fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(612,281)	
				<u>\$ 702,401</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 702,401</u>	

MANTUA TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 26,549	\$ 730,154	\$ 756,703	\$ 554,345	\$ 202,358
State sources	29,270	102,750	132,020	66,426	65,594
Local sources		6,968	6,968		6,968
Total revenues	<u>\$ 55,819</u>	<u>\$ 839,872</u>	<u>\$ 895,691</u>	<u>\$ 620,771</u>	<u>\$ 274,920</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers		\$ 171,898	\$ 171,898	\$ 171,898	
Other salaries for instruction		215,598	215,598	209,148	\$ 6,450
Purchased professional - educational services	\$ 14,892		14,892	14,892	
General supplies	31,573	(3,412)	28,161	4,297	23,864
Tuition		254,653	254,653	112,871	141,782
Textbooks	9,354		9,354	7,124	2,230
Total Instruction	<u>55,819</u>	<u>638,737</u>	<u>694,556</u>	<u>520,230</u>	<u>174,326</u>
Support services:					
Salaries		79,238	79,238	50,238	29,000
Personal services - employee benefits		63,455	63,455	37,799	25,656
Purchased professional technical services		58,442	58,442	12,504	45,938
Total support services		<u>201,135</u>	<u>201,135</u>	<u>100,541</u>	<u>100,594</u>
Total expenditures	<u>\$ 55,819</u>	<u>\$ 839,872</u>	<u>\$ 895,691</u>	<u>\$ 620,771</u>	<u>\$ 274,920</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

MANTUA TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2015

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

	General Fund		Special Revenue Fund
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 20,635,275	[C-2]	\$ 620,771
Difference - budget to GAAP			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			26,549
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(612,281)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	611,183		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.	[B-2] \$ 20,634,177	[B-2]	\$ 647,320
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 20,972,554	[C-2]	\$ 620,771
Difference - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			26,549
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 20,972,554	[B-2]	\$ 647,320

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

MANTUA TOWNSHIP SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
District's proportion of the net pension liability (asset)	0.0322312771%	0.0304832417%
District's proportionate share of the net pension liability (asset)	\$ 6,034,577	\$ 5,825,953
District's covered-employee payroll	2,505,319	2,508,414
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	240.87%	232.26%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

MANTUA TOWNSHIP SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 265,710	\$ 229,685
Contributions in relation to the contractually required contribution	<u>265,710</u>	<u>229,685</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 2,505,319	\$ 2,508,414
Contributions as a percentage of covered-employee payroll	10.61%	9.16%

MANTUA TOWNSHIP SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Two Fiscal Years

	Fiscal Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
District's proportion of the net pension liability (asset)	0.0838737081%	0.0836229160%
District's proportionate share of the net pension liability (asset)	\$ 44,827,767	\$ 42,262,364
District's covered- employee payroll	8,909,304	8,470,859
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	503.16%	498.91%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation – 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a Legal Obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

MANTUA TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward Ex. E-1a	Nonpublic Handicapped Services			Totals	
		Supplemental Instruction	Exam & Classification	Corrective Speech	FY 2015	FY 2014
REVENUES:						
Federal sources	\$ 554,345				\$ 554,345	\$ 603,538
State sources	45,519	\$ 1,805	\$ 5,761	\$ 13,341	66,426	58,876
Total revenues	\$ 599,864	\$ 1,805	\$ 5,761	\$ 13,341	\$ 620,771	\$ 662,414
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 171,898				\$ 171,898	\$ 151,283
Other salaries for instruction	209,148				209,148	192,677
Purchased educational services	14,892				14,892	11,503
General supplies	4,297				4,297	100,123
Tuition	91,964	\$ 1,805	\$ 5,761	\$ 13,341	112,871	118,083
Textbooks	7,124				7,124	4,485
Total instruction	499,323	1,805	5,761	13,341	520,230	578,154
Support services:						
Salaries	50,238				50,238	58,908
Personal services - employee benefits	37,799				37,799	22,352
Purchased professional - technical services	12,504				12,504	3,000
Total support services	100,541				100,541	84,260
Total expenditures	\$ 599,864	\$ 1,805	\$ 5,761	\$ 13,341	\$ 620,771	\$ 662,414

MANTUA TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward Ex. E-1b	Nonpublic Textbooks	Title I Part A	Title II, Part A Teacher & Principal Training & Recruiting	Race to the Top	Total Carried Forward
REVENUES:						
Federal sources	\$ 386,856		\$ 130,754	\$ 36,283	\$ 452	\$ 554,345
State sources	38,395	\$ 7,124				45,519
Total revenues	<u>\$ 425,251</u>	<u>\$ 7,124</u>	<u>\$ 130,754</u>	<u>\$ 36,283</u>	<u>\$ 452</u>	<u>\$ 599,864</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 142,060			\$ 29,838		\$ 171,898
Other salaries for instruction	78,394		\$ 130,754			209,148
Purchased educational services	14,892					14,892
General supplies	4,297					4,297
Tuition	91,964					91,964
Textbooks		\$ 7,124				7,124
Total instruction	<u>331,607</u>	<u>7,124</u>	<u>130,754</u>	<u>29,838</u>		<u>499,323</u>
Support services:						
Salaries	50,238					50,238
Personal services - employee benefits	31,354			6,445		37,799
Purchased professional/technical services	12,052				\$ 452	12,504
Total support services	<u>93,644</u>			<u>6,445</u>	<u>452</u>	<u>100,541</u>
Total expenditures	<u>\$ 425,251</u>	<u>\$ 7,124</u>	<u>\$ 130,754</u>	<u>\$ 36,283</u>	<u>\$ 452</u>	<u>\$ 599,864</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Nonpublic Auxiliary Services		Nonpublic Technology	Nonpublic Nursing Services	IDEA-Part B - Basic	IDEA Preschool	Total Carried Forward
	Compensatory Education	Transportation					
REVENUES:							
Federal sources					\$ 350,670	\$ 36,186	\$ 386,856
State sources	\$ 16,124	\$ 3,082	\$ 4,297	\$ 14,892			38,395
Total revenues	\$ 16,124	\$ 3,082	\$ 4,297	\$ 14,892	\$ 350,670	\$ 36,186	\$ 425,251
EXPENDITURES:							
Instruction:							
Salaries of teachers					\$ 112,302	\$ 29,758	\$ 142,060
Other salaries for instruction					78,394		78,394
Purchased educational services				\$ 14,892			14,892
General supplies			\$ 4,297				4,297
Tuition	\$ 16,124	\$ 3,082			72,758		91,964
Total instruction	16,124	3,082	4,297	14,892	263,454	29,758	331,607
Support services:							
Salaries					50,238		50,238
Personal services - employee benefits					24,926	6,428	31,354
Purchased professional/technical services					12,052		12,052
Total support services					87,216	6,428	93,644
Total expenditures	\$ 16,124	\$ 3,082	\$ 4,297	\$ 14,892	\$ 350,670	\$ 36,186	\$ 425,251

PROPRIETARY FUNDS

MANTUA TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2015

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2015	FY 2014
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2	\$ 254,430	\$ 254,432	\$ 212,267
Accounts receivable:				
State	787		787	948
Federal	20,517		20,517	21,828
Other		200	200	200
Inventory	11,849		11,849	11,662
Total current assets	<u>33,155</u>	<u>254,630</u>	<u>287,785</u>	<u>246,905</u>
Non-current assets				
Machinery and equipment	393,270		393,270	393,270
Less: accumulated depreciation	(391,556)		(391,556)	(390,136)
Total non-current assets	<u>1,714</u>		<u>1,714</u>	<u>3,134</u>
Total assets	<u>34,869</u>	<u>254,630</u>	<u>289,499</u>	<u>250,039</u>
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	1,520	18,387	19,907	15,027
Compensated absences	39,218		39,218	38,565
Total current liabilities	<u>40,738</u>	<u>18,387</u>	<u>59,125</u>	<u>53,592</u>
Net Position:				
Invested in capital assets, net of related debt	1,714		1,714	3,134
Unrestricted	(7,583)	236,243	228,660	193,313
Total net position	<u>\$ (5,869)</u>	<u>\$ 236,243</u>	<u>\$ 230,374</u>	<u>\$ 196,447</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2015	FY 2014
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:	\$ 169,368		\$ 169,368	\$ 155,837
Daily sales special milk	7,226		7,226	6,847
Daily sales non-reimbursable programs	17,274		17,274	19,630
Tuition		\$ 361,102	361,102	312,952
Total operating revenue	193,868	361,102	554,970	495,266
OPERATING EXPENSES:				
Salaries	164,040	232,351	396,391	366,881
Employee benefits	11,693	17,459	29,152	27,238
Supplies and materials	12,250	60,297	72,547	74,413
Other purchased services (300-500 series)				9,068
Depreciation	1,420		1,420	4,091
Cost of sales	162,126		162,126	161,432
Miscellaneous other expenses	843	2,290	3,133	5,540
Total operating expenses	352,372	312,397	664,769	648,663
Operating income (loss)	(158,504)	48,705	(109,799)	(153,397)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	3,697		3,697	3,777
Federal sources:				
National school lunch program	103,913		103,913	100,783
Special milk program	5,603		5,603	4,922
Food distribution program	25,913		25,913	25,230
Total non-operating revenues (expenses)	139,126		139,126	134,712
Net income (loss) before contributions	(19,378)	48,705	29,327	(18,685)
Transfers from general fund	4,600		4,600	
Net income (loss)	(14,778)	48,705	33,927	
Total net position - July 1	8,909	187,538	196,447	215,132
Total net position - June 30	\$ (5,869)	\$ 236,243	\$ 230,374	\$ 196,447

MANTUA TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2015	FY 2014
Cash flows from operating activities:				
Receipts from customers	\$ 193,868	\$ 361,102	\$ 554,970	\$ 495,266
Payments to suppliers	(149,209)	(57,991)	(207,200)	(238,341)
Payments to employees	(163,387)	(232,351)	(395,738)	(366,926)
Payments for employee benefits	(11,693)	(17,459)	(29,152)	(27,238)
Net cash provided (used) by operating activities	(130,421)	53,301	(77,120)	(137,239)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	114,685		114,685	105,162
Net cash provided by non-capital financing activities	114,685		114,685	105,162
Cash flows from investing activities:				
Payments from general fund	4,600		4,600	
Net cash provided by investing activities	4,600		4,600	
Net increase in cash and cash equivalents	(11,136)	53,301	42,165	(32,077)
Cash and cash equivalents - July 1	11,138	201,129	212,267	244,344
Cash and cash equivalents - June 30	\$ 2	\$ 254,430	\$ 254,432	\$ 212,267
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (158,504)	\$ 48,705	\$ (109,799)	\$ (153,397)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	1,420		1,420	4,091
Food distribution program	25,913		25,913	25,230
Change in assets and liabilities:				
(Increase) decrease in inventory	(187)		(187)	2,686
Increase (decrease) in accounts payable	284	4,596	4,880	(15,804)
Increase (decrease) in compensated absences	653		653	(45)
	\$ (130,421)	\$ 53,301	\$ (77,120)	\$ (137,239)

MANTUA TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2015

	FY 2015 Related Services	Totals FY 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,392	\$ 25,011
Intergovernmental accounts receivable	22,246	
	\$ 39,638	\$ 25,011
Total current assets	\$ 39,638	\$ 25,011
 LIABILITIES AND NET POSITION		
Net position:		
Unrestricted	\$ 39,638	\$ 25,011
Total net position	\$ 39,638	\$ 25,011

MANTUA TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	FY 2015 Related Services	Totals FY 2014
OPERATING REVENUES:		
Local sources:		
Other charges and fees	\$ 119,265	\$ 119,585
Total operating revenue	119,265	119,585
OPERATING EXPENSES:		
Salaries	104,638	102,209
Total operating expenses	104,638	102,209
Operating income (loss)	14,627	17,376
Net income (loss)	14,627	17,376
Total net position - July 1	25,011	7,635
Total net position - June 30	\$ 39,638	\$ 25,011

MANTUA TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	FY 2015 Related Services	Totals FY 2014
Cash flows from operating activities:		
Receipts from customers	\$ 97,019	\$ 119,585
Payments to employees	(104,638)	(102,209)
Net cash provided (used) by operating activities	(7,619)	17,376
Net increase in cash and cash equivalents	(7,619)	17,376
Cash and cash equivalents - July 1	25,011	7,635
Cash and cash equivalents - June 30	\$ 17,392	\$ 25,011
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 14,627	\$ 17,376
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(22,246)	
	\$ (7,619)	\$ 17,376

FIDUCIARY FUNDS

MANTUA TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	Scholarship Trust Fund	Agency Funds	Totals	
			FY 2015	FY 2014
ASSETS				
Cash and cash equivalents	\$ 1,216	\$ 53,013	\$ 54,229	\$ 54,811
Total assets	<u>\$ 1,216</u>	<u>\$ 53,013</u>	<u>54,229</u>	<u>54,811</u>
LIABILITIES				
Payroll deductions and withholdings		\$ 6,637	6,637	7,081
Due to student groups		36,318	36,318	36,529
Interfund payables:				
General fund		10,058	10,058	10,037
Total liabilities		<u>\$ 53,013</u>	<u>53,013</u>	<u>53,647</u>
NET POSITION				
Unreserved	\$ 1,216		1,216	1,164
Total net position	<u>\$ 1,216</u>		<u>\$ 1,216</u>	<u>\$ 1,164</u>

EXHIBIT H-2

MANTUA TOWNSHIP SCHOOL DISTRICT
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	Scholarship Trust Fund	Totals	
		FY 2015	FY 2014
ADDITIONS:			
Contributions:			
Other	\$ 250	\$ 250	
	250	250	
Investment earnings:			
Interest	2	2	\$ 2
Total additions	252	252	2
DEDUCTIONS:			
Scholarship payments	200	200	200
Change in net position	52	52	(198)
Net position - beginning of year	1,164	1,164	1,362
Net position - end of year	\$ 1,216	\$ 1,216	\$ 1,164

EXHIBIT H-3

MANTUA TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
ACTIVITIES:				
J. Mason Tomlin	\$ 14,153	\$ 48,800	\$ 47,847	\$ 15,106
Centre City	13,919	22,709	23,282	13,346
Sewell	8,457	9,865	10,456	7,866
	\$ 36,529	\$ 81,374	\$ 81,585	\$ 36,318

MANTUA TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 17,118	\$ 7,333,073	\$ 7,333,496	\$ 16,695
Total assets	<u>\$ 17,118</u>	<u>\$ 7,333,073</u>	<u>\$ 7,333,496</u>	<u>\$ 16,695</u>
LIABILITIES				
Employees' net pay		\$ 1,485,287	\$ 1,485,287	
Payroll deductions and withholdings	\$ 7,081	5,847,571	5,848,015	\$ 6,637
Interfund payable	10,037	215	194	10,058
Total liabilities	<u>\$ 17,118</u>	<u>\$ 7,333,073</u>	<u>\$ 7,333,496</u>	<u>\$ 16,695</u>

LONG-TERM DEBT

MANTUA TOWNSHIP SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Refunded/ Issued	Retired	Balance June 30, 2015
			Date	Amount					
Refunding Bonds of 2011	12/08/11	\$ 7,580,000	03/01/16	\$ 965,000	4.000%				
			03/01/17	950,000	2.500%				
			03/01/18	915,000	4.000%				
			03/01/19	895,000	4.721%				
			03/01/20	815,000	5.000%	\$ 5,520,000	None	\$ 980,000	\$ 4,540,000

MANTUA TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 789,510		\$ 789,510	\$ 789,510	
State sources:					
Debt service aid type II	411,640		411,640	411,640	
Total revenues	<u>1,201,150</u>		<u>1,201,150</u>	<u>1,201,150</u>	
EXPENDITURES:					
Regular debt service:					
Interest	110,575	\$ 110,575	221,150	221,150	
Redemption of principal	1,090,575	(110,575)	980,000	980,000	
Total regular debt service	<u>1,201,150</u>		<u>1,201,150</u>	<u>1,201,150</u>	
Total expenditures	<u>1,201,150</u>		<u>1,201,150</u>	<u>1,201,150</u>	

**STATISTICAL SECTION
(UNAUDITED)**

**MANTUA TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	102-108
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	109-112
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	113-116
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	117-118
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	119-123

MANTUA TOWNSHIP SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,734,609	\$ 9,394,081	\$ 10,151,786	\$ 11,049,759	\$ 11,828,652	\$ 12,614,208	\$ 13,136,960	\$ 13,771,147	\$ 14,640,335	\$ 15,278,865
Restricted	328,878	352,523	282,490	309,681	336,546	431,307	887,236	1,149,870	644,023	750,814
Unrestricted	(414,668)	(280,601)	(554,538)	(519,697)	(777,544)	(423,882)	(673,857)	(710,644)	(397,104)	(6,516,886)
Total governmental activities net position	<u>\$ 8,648,819</u>	<u>\$ 9,466,003</u>	<u>\$ 9,879,738</u>	<u>\$ 10,839,743</u>	<u>\$ 11,387,654</u>	<u>\$ 12,621,633</u>	<u>\$ 13,350,339</u>	<u>\$ 14,210,373</u>	<u>\$ 14,887,254</u>	<u>\$ 9,512,793</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 59,903	\$ 51,150	\$ 42,397	\$ 33,643	\$ 25,650	\$ 24,892	\$ 21,064	\$ 7,225	\$ 3,134	\$ 1,714
Unrestricted	208,277	169,631	131,984	134,429	130,923	210,259	239,489	207,907	193,313	228,660
Total business-type activities net position	<u>\$ 268,180</u>	<u>\$ 220,781</u>	<u>\$ 174,381</u>	<u>\$ 168,072</u>	<u>\$ 156,573</u>	<u>\$ 235,151</u>	<u>\$ 260,553</u>	<u>\$ 215,132</u>	<u>\$ 196,447</u>	<u>\$ 230,374</u>
District-wide										
Invested in capital assets, net of related debt	\$ 8,794,512	\$ 9,445,231	\$ 10,194,183	\$ 11,083,402	\$ 11,854,302	\$ 12,639,100	\$ 13,158,024	\$ 13,778,372	\$ 14,643,469	\$ 15,280,579
Restricted	328,878	352,523	282,490	309,681	336,546	431,307	887,236	1,149,870	644,023	750,814
Unrestricted	(206,391)	(110,970)	(422,554)	(385,268)	(646,621)	(213,623)	(434,368)	(502,737)	(203,791)	(6,288,226)
	<u>\$ 8,916,999</u>	<u>\$ 9,686,784</u>	<u>\$ 10,054,119</u>	<u>\$ 11,007,815</u>	<u>\$ 11,544,227</u>	<u>\$ 12,856,784</u>	<u>\$ 13,610,892</u>	<u>\$ 14,425,505</u>	<u>\$ 15,083,701</u>	<u>\$ 9,743,167</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
 Changes In Net Assets/Net Position
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2015
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 5,311,627	\$ 4,741,128	\$ 5,045,818	\$ 5,288,988	\$ 5,587,824	\$ 4,842,731	\$ 4,953,349	\$ 4,889,701	\$ 5,066,941	\$ 5,634,951
Special education	1,722,950	2,425,371	2,557,743	2,728,714	2,858,615	2,678,462	2,884,883	2,934,866	2,977,078	3,040,232
Other special education	364,368	416,836	528,869	539,714	631,131	639,737	979,109	865,581	892,729	899,205
Other instruction	21,340	23,652	27,359	24,207	25,728	23,010	25,680	27,558	38,082	39,950
Support services:										
Tuition	129,271	91,264	9,027		135,305	277,556	70,221			
Student and instruction and related services	1,693,740	1,781,974	1,843,055	1,899,205	1,899,942	1,729,085	1,765,268	1,888,699	1,980,664	1,959,900
General administration	403,803	318,021	377,268	393,405	343,445	326,272	369,843	398,969	393,533	378,003
School administrative services	707,543	710,661	742,758	757,711	826,899	738,464	736,617	710,083	734,176	714,276
Central services	175,337	171,538	192,937	194,727	134,749	178,605	194,168	186,202	153,580	204,758
Administrative information technology	138,432	127,078	147,008	133,053	170,371	193,570	176,294	156,603	170,226	123,971
Plant operations and maintenance	1,348,468	1,512,249	1,636,728	1,601,315	1,557,647	1,572,575	1,553,622	1,581,753	1,575,484	1,736,359
Pupil transportation	833,712	879,913	861,911	701,528	1,039,964	836,541	1,106,707	970,675	945,874	888,883
Employee benefits	3,431,593	4,237,429	4,417,275	4,210,128	4,605,251	4,709,802	5,081,005	5,401,156	5,632,643	5,906,225
Interest on long-term debt	821,735	763,872	702,198	639,688	573,537	505,788	299,776	238,165	207,756	168,557
Capital outlay		8,908		790			52,015	12,008	44,364	
Transfer to charter school							14,144			
Unallocated depreciation	635,988	636,097	640,153	640,943	623,822	618,514	620,792	648,864	665,946	680,235
Total governmental activities expenses	<u>17,739,907</u>	<u>18,845,991</u>	<u>19,730,107</u>	<u>19,754,116</u>	<u>21,014,230</u>	<u>19,870,712</u>	<u>20,883,493</u>	<u>20,910,883</u>	<u>21,479,076</u>	<u>22,375,505</u>
Business-type activities:										
Food service	399,852	379,537	400,802	407,876	378,126	348,008	361,034	381,728	356,853	352,372
Childcare	265,657	378,458	355,587	316,402	354,111	298,792	308,492	284,346	291,810	312,397
Total business-type activities expense	<u>665,509</u>	<u>757,995</u>	<u>756,389</u>	<u>724,278</u>	<u>732,237</u>	<u>646,800</u>	<u>669,526</u>	<u>666,074</u>	<u>648,663</u>	<u>664,769</u>
Total district expenses	<u>\$ 18,405,416</u>	<u>\$ 19,603,986</u>	<u>\$ 20,486,496</u>	<u>\$ 20,478,394</u>	<u>\$ 21,746,467</u>	<u>\$ 20,517,512</u>	<u>\$ 21,553,019</u>	<u>\$ 21,576,957</u>	<u>\$ 22,127,739</u>	<u>\$ 23,040,274</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services								\$ 28,175	\$ 119,585	\$ 119,265
Operating grants and contributions:										
Instruction (special education)	\$ 531,996	\$ 613,346	\$ 557,811	\$ 600,489	\$ 634,793	\$ 596,514	\$ 523,779	488,241	551,605	546,779
Student & instructional related services	37,366	49,035	15,072	1,979	58,358	62,919	35,428	71,967	61,908	62,742
Employee benefits	13,494	20,260	18,769	21,354	39,545	57,328	22,856	22,753	22,352	37,799
Capital outlay								11,817		
Total governmental activities program revenues	<u>582,856</u>	<u>682,641</u>	<u>591,652</u>	<u>623,822</u>	<u>732,696</u>	<u>716,761</u>	<u>582,063</u>	<u>622,953</u>	<u>755,450</u>	<u>766,585</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
Changes In Net Assets/Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	276,207	262,275	258,410	273,794	267,662	238,916	229,876	192,253	182,314	193,868
Childcare	334,664	337,673	334,551	315,636	311,725	348,765	322,445	295,488	312,952	361,102
Operating grants and contributions	104,887	98,302	108,499	126,008	140,492	134,627	142,607	134,353	134,712	139,126
Total business-type activities program revenues	715,758	698,250	701,460	715,438	719,879	722,308	694,928	622,094	629,978	694,096
Total district program revenue	\$ 1,298,614	\$ 1,380,891	\$ 1,293,112	\$ 1,339,260	\$ 1,452,575	\$ 1,439,069	\$ 1,276,991	\$ 1,245,047	\$ 1,385,428	\$ 1,460,681
Net (expense) revenue										
Governmental activities	\$ (17,157,051)	\$ (18,163,350)	\$ (19,138,455)	\$ (19,130,294)	\$ (20,281,534)	\$ (19,153,951)	\$ (20,301,430)	\$ (20,287,930)	\$ (20,723,626)	\$ (21,608,920)
Business-type activities	50,249	(59,745)	(54,929)	(8,840)	(12,358)	75,508	25,402	(43,980)	(18,685)	29,327
Total district-wide net expense	\$ (17,106,802)	\$ (18,223,095)	\$ (19,193,384)	\$ (19,139,134)	\$ (20,293,892)	\$ (19,078,443)	\$ (20,276,028)	\$ (20,331,910)	\$ (20,742,311)	\$ (21,579,593)
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for government purposes	\$ 8,974,074	\$ 9,727,332	\$ 10,246,868	\$ 10,441,242	\$ 10,858,890	\$ 11,011,650	\$ 11,360,778	\$ 11,587,993	\$ 11,954,753	\$ 12,193,848
Taxes levied for debt service	1,177,486	1,173,270	1,160,873	1,147,034	1,150,986	1,249,379	874,885	778,605	843,305	789,510
Unrestricted grants and contributions	7,174,575	7,727,712	7,853,458	8,242,865	8,509,698	7,720,280	8,144,625	8,315,776	8,097,381	8,416,642
Tuition charges	152,192	228,147	171,130	204,781	247,308	326,089	477,270	298,258	434,411	394,134
Investment earnings	82,798	115,016	67,720	22,725	18,456	15,797	7,178	7,342	4,783	4,403
Miscellaneous income	72,297	9,057	52,141	31,652	44,107	64,735	165,400	159,990	65,874	36,790
Loss on disposal of assets	(4,800)									
Transfers										(4,600)
Total governmental activities	17,628,622	18,980,534	19,552,190	20,090,299	20,829,445	20,387,930	21,030,136	21,147,964	21,400,507	21,830,727
Business-type activities										
Investment earnings	9,519	12,346	8,529	2,531	859					
Other						3,070		(1,441)		
Transfers										4,600
Total business-type activities	9,519	12,346	8,529	2,531	859	3,070		(1,441)		4,600
Total district-wide	\$ 17,638,141	\$ 18,992,880	\$ 19,560,719	\$ 20,092,830	\$ 20,830,304	\$ 20,391,000	\$ 21,030,136	\$ 21,146,523	\$ 21,400,507	\$ 21,835,327
Change in net assets/position										
Governmental activities	\$ 471,571	\$ 817,184	\$ 413,735	\$ 960,005	\$ 547,911	\$ 1,233,979	\$ 728,706	\$ 860,034	\$ 676,881	\$ 221,807
Business-type activities	59,768	(47,399)	(46,400)	(6,309)	(11,499)	78,578	25,402	(45,421)	(18,685)	33,927
Total district	\$ 531,339	\$ 769,785	\$ 367,335	\$ 953,696	\$ 536,412	\$ 1,312,557	\$ 754,108	\$ 814,613	\$ 658,196	\$ 255,734

MANTUA TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 606,764	\$ 619,278	\$ 335,671	\$ 713,707	\$ 590,901					
Unreserved	86,109	101,150	78,021	(253,851)	(265,300)					
Restricted						\$ 431,306	\$ 622,616	\$ 1,115,278	\$ 644,023	\$ 750,814
Assigned						448,570	468,656	337,107	631,472	177,002
Unrestricted						(134,262)	(176,993)	(232,470)	(230,117)	(225,415)
Total general fund	<u>\$ 692,873</u>	<u>\$ 720,428</u>	<u>\$ 413,692</u>	<u>\$ 459,856</u>	<u>\$ 325,601</u>	<u>\$ 745,614</u>	<u>\$ 914,279</u>	<u>\$ 1,219,915</u>	<u>\$ 1,045,378</u>	<u>\$ 702,401</u>
All other governmental funds:										
Restricted										
Unrestricted, reported in:										
Special revenue fund	\$ (1,298)	\$ (1,298)	\$ (1,298)							
Debt service fund	2	1	1		\$ 1	\$ 1	\$ 13,370	\$ 13,368		
Total all other governmental funds	<u>\$ (1,296)</u>	<u>\$ (1,297)</u>	<u>\$ (1,297)</u>		<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 13,370</u>	<u>\$ 13,368</u>		

MANTUA TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Tax levy	\$ 10,151,560	\$ 10,900,602	\$ 11,407,741	\$ 11,588,276	\$ 12,009,876	\$ 12,261,029	\$ 12,235,663	\$ 12,366,598	\$ 12,798,058	\$ 12,983,358
Tuition charges	152,192	228,147	171,130	204,781	247,308	326,089	477,270	298,258	434,411	394,134
Interest earnings	82,798	115,016	67,720	22,725	18,456	15,797	7,178	7,342	4,783	4,403
Miscellaneous	72,297	9,057	10,855	31,652	44,107	64,735	165,400	163,815	65,874	36,790
State sources	7,352,802	7,881,242	7,979,997	8,370,103	7,674,516	7,783,972	8,000,665	8,386,048	8,147,918	8,453,175
Federal sources	404,629	529,111	488,475	496,584	1,567,878	653,069	726,023	520,681	585,328	610,787
Total revenue	18,216,278	19,663,175	20,125,918	20,714,121	21,562,141	21,104,691	21,612,199	21,742,742	22,036,372	22,482,647
EXPENDITURES:										
Instruction:										
Regular	4,712,192	4,856,017	5,056,871	5,278,018	5,501,889	4,856,422	4,985,839	4,871,991	5,060,593	5,613,728
Special	2,249,394	2,409,092	2,538,759	2,720,059	2,898,351	2,664,262	2,875,313	2,903,643	2,956,847	3,038,268
Other	361,217	424,815	503,646	560,144	612,373	649,577	951,309	854,998	890,181	903,008
School sponsored/other instructional	21,340	23,652	27,359	24,207	25,728	23,010	25,680	27,558	38,082	39,950
Undistributed:										
Tuition	129,271	91,264	9,027		135,305	277,556	70,221		16,569	26,381
Health services	199,502	215,106	243,591	254,984	262,515	261,440	270,138	272,495	289,990	296,851
Related services	248,872	342,256	358,426	370,491	345,627	350,689	366,750	405,965	389,117	405,671
Extraordinary services	33,967	43,541								
Guidance services	158,867	166,855	180,503	197,340	198,997	166,785	152,001	157,651	162,022	163,705
Child study team	634,870	610,367	599,677	653,791	648,542	641,592	660,966	611,925	604,843	609,895
Improvement of Instruction	85,421	94,959	103,917	87,148	87,946	86,136	99,516	91,499	85,617	93,243
Educational media services	231,469	211,205	222,895	239,581	229,698	131,739	124,639	194,490	191,566	195,759
Instructional staff training	94,315	100,876	119,677	98,345	97,350	92,859	99,953	104,068	114,783	96,101
General administration	401,879	311,786	373,084	389,610	339,805	326,192	369,643	395,504	393,659	386,893
School administration	708,628	715,380	741,505	756,696	818,466	743,744	742,647	707,281	730,529	711,256
Central administration	171,865	178,952	192,324	194,457	135,801	177,805	192,908	184,375	152,275	203,633
Administration information technology	136,336	129,381	146,113	132,306	167,226	193,090	176,094	155,531	177,463	133,520
Allowable maintenance for school facilities	250,402	254,775	311,726	415,332	346,895	303,936	370,514	192,390	249,377	385,038
Operations & maintenance of plant services	1,097,292	1,254,622	1,326,991	1,334,891	1,232,585	1,283,505	1,180,664	1,388,342	1,416,466	1,503,494
Student transportation	828,761	872,516	856,174	698,267	1,036,703	833,280	1,103,446	963,558	941,203	885,027
Employee benefits	3,431,593	4,237,429	4,417,275	4,215,528	4,614,851	4,709,802	5,081,005	5,401,156	5,632,643	5,829,765
Special schools										

MANTUA TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Capital outlay	55,235	71,903	105,916	70,777	31,205	10,469	199,106	308,688	490,102	98,688
Debt service expenditures:										
Principal	1,205,000	1,255,000	1,295,000	1,335,000	1,355,000	1,395,000	1,020,000	955,000	980,000	980,000
Interest	821,735	763,872	702,198	639,688	573,537	505,788	297,669	289,000	260,350	221,150
Transfer of funds to charter school							14,144			
Total expenditures	18,269,423	19,635,621	20,432,654	20,666,660	21,696,395	20,684,678	21,430,165	21,437,108	22,224,277	22,821,024
Excess (deficiency of revenues over (under) expenditures	(53,145)	27,554	(306,736)	47,461	(134,254)	420,013	182,034	305,634	(187,905)	(338,377)
Other financing sources (uses)										
Refunding bond proceeds							7,580,000			
Bond principal paid from refunding bonds							(7,960,000)			
Costs of issuance							(91,457)			
Premium on refunding bonds							471,457			
Transfers out - food Service										(4,600)
Total other financing sources (uses)										(4,600)
Net change in fund balance	\$ (53,145)	\$ 27,554	\$ (306,736)	\$ 47,461	\$ (134,254)	\$ 420,013	\$ 182,034	\$ 305,634	\$ (187,905)	\$ (342,977)
Debt service as a percentage of noncapital expenditures	11.13%	10.32%	9.83%	9.59%	8.90%	9.19%	6.21%	5.89%	5.71%	5.29%

Source: District records

MANTUA TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Refunding Bonds	Insurance Dividends	Facility Rentals	Restricted Miscellaneous	Miscellaneous	Prior Year Refunds	Kindergarten / Summer	Other Local	Annual Totals
2006	\$ 60,050				\$ 635	\$ 5,612	\$ 6,000		\$ 72,297
2007			\$ 500		2,589	4,768	1,200		9,057
2008			600		621	9,634			10,855
2009		\$ 16,999			2,343	12,310			31,652
2010		7,385	12,775	\$ 520	9,289	14,138			44,107
2011			15,640	1,012	5,974	42,109			64,735
2012			12,700	845	370	76,188		\$ 75,297	165,400
2013			15,600		3,192	62,028		79,170	159,990
2014			17,895		431	47,548			65,874
2015			19,960		1,724	15,106			36,790
	<u>\$ 60,050</u>	<u>\$ 24,384</u>	<u>\$ 95,670</u>	<u>\$ 2,377</u>	<u>\$ 27,168</u>	<u>\$ 289,441</u>	<u>\$ 7,200</u>	<u>\$ 154,467</u>	<u>\$ 660,757</u>

Source: District records

MANTUA TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2006	\$ 17,752,100	\$ 600,727,300	\$ 14,159,800	\$ 1,362,200	\$ 71,000,200	\$ 7,790,800	\$ 1,914,100	\$ 714,706,500	\$ 2,657,281	\$ 717,363,781	\$ 1,172,544,290	1.5200
2007	16,885,400	617,292,200	14,091,000	1,325,000	74,808,500	7,217,800	1,914,100	733,534,000	2,405,109	735,939,109	1,336,157,452	1.5500
2008	17,614,100	636,102,700	14,432,000	1,236,400	74,828,500	7,217,800	1,672,000	753,103,500	2,307,158	755,410,658	1,486,736,190	1.5340
2009	16,329,000	644,079,700	14,380,700	1,225,800	78,278,400	7,187,200	1,672,000	763,152,800	2,246,773	765,399,573	1,556,819,257	1.5690
2010	13,462,900	646,079,800	14,473,400	1,230,900	83,909,100	5,845,300	1,672,000	766,673,400	2,261,469	768,934,869	1,564,958,971	1.5950
2011	12,371,200	650,155,200	14,066,000	1,209,800	84,685,900	5,612,300	1,672,000	769,772,400	2,126,051	771,898,451	1,519,056,575	1.4710
2012	20,729,200	1,097,392,800	26,728,600	1,677,400	185,562,100	13,942,400	2,980,000	1,349,012,500	3,863,440	1,352,875,940	1,462,268,545	0.9780
2013	22,472,300	1,094,921,600	26,702,400	2,182,700	171,412,300	11,356,300	2,935,200	1,331,982,800	3,112,020	1,335,094,820	1,380,967,667	0.9590
2014	24,093,800	1,098,246,900	25,239,000	1,606,900	169,010,200	11,086,200	2,935,200	1,332,218,200	2,453,312	1,334,671,512	1,366,097,416	0.9730
2015	22,212,800	1,103,487,500	22,332,500	1,600,100	164,595,800	10,801,900	2,935,200	1,327,965,800	2,514,259	1,330,480,059	1,366,097,416	0.9920

Source: Gloucester County Board of Taxation - Abstract of Ratables.

MANTUA TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Per \$100 of Assessed Valuation
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates					Total Direct & Overlapping Tax Rate
				Township of Mantua	Fire District	Local Open Space	Regional School	Gloucester County	
2006	1.284	0.155	1.439	0.546		0.010	0.932	0.784	3.711
2007	1.356	0.164	1.520	0.665		0.010	0.993	0.858	4.046
2008	1.392	0.158	1.550	0.665		0.020	1.023	0.980	4.238
2009	1.382	0.152	1.534	0.717		0.020	1.124	1.038	4.433
2010	1.414	0.155	1.569	0.781	0.099	0.020	1.110	1.078	4.657
2011	1.432	0.163	1.595	0.864	0.097	0.020	1.101	1.165	4.842
2012	1.366	0.105	1.471	0.919	0.100	0.020	1.094	1.206	4.810
2013	0.916	0.062	0.978	0.920	0.101	0.020	1.166	1.206	4.391
2014	0.896	0.063	0.959	0.920	0.097	0.020	1.160	1.146	4.302
2015	0.914	0.059	0.973	0.616	0.067	0.020	0.753	0.681	3.110

Source: Gloucester County Board of Taxation - Abstract of Ratables.

MANTUA TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Target Corporation	\$ 14,676,900	1.10%		
Lowe's Home Center Inc.	14,623,700	1.10%		
Home Depot	10,197,000	0.77%	\$ 6,535,000	0.91%
Kohl's	9,200,000	0.69%	6,096,000	0.85%
Route 553 Retail LLC	6,713,900	0.50%		
Wilkins Industrial Park	6,646,900	0.50%	4,264,800	0.59%
Timberline Plaza	6,388,200	0.48%	3,313,400	0.46%
Bellina Dev. & Brooklawn Out of Lot LLC	6,260,300	0.46%	5,535,000	0.77%
Spirit Master Funding	6,033,600	0.45%		
Freeza LLC	4,922,500	0.37%		
Taxpayer #1			4,782,100	0.67%
Electric Mobility			4,637,200	0.65%
K-Tron Corp			3,327,500	0.46%
Verizon			3,263,981	0.45%
Paparone Housing Co.			2,579,400	0.36%
	<u>\$ 85,663,000</u>	<u>6.43%</u>	<u>\$ 44,334,381</u>	<u>6.18%</u>

Source: Municipal Tax Assessor

MANTUA TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2006	\$ 10,900,602	\$ 10,900,602	100.00%	
2007	10,900,602	10,900,602	100.00%	
2008	11,407,741	11,407,741	100.00%	
2009	11,588,276	11,588,276	100.00%	
2010	11,588,276	11,588,276	100.00%	
2011	12,261,029	12,261,029	100.00%	
2012	12,235,663	11,360,778	92.85%	874,885
2013	12,366,599	12,366,599	100.00%	
2014	12,798,057	12,798,057	100.00%	
2015	12,983,358	12,983,358	100.00%	

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

MANTUA TOWNSHIP SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities Capital Leases	Total District	Percentage of Personal Income
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes			
2006	\$ 15,490,000				\$ 15,490,000	2.92%
2007	14,235,000				14,235,000	2.51%
2008	12,940,000				12,940,000	2.19%
2009	11,605,000		\$ 170,727		11,775,727	1.91%
2010	10,250,000				10,250,000	1.65%
2011	8,855,000				8,855,000	1.41%
2012	7,455,000				7,455,000	1.13%
2013	6,500,000				6,500,000	0.96%
2014	5,520,000				5,520,000	0.81%
2015	4,540,000				4,540,000	N/A

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

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

MANTUA TOWNSHIP SCHOOL DISTRICT
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2006	\$ 15,490,000		\$ 15,490,000	2.17%	\$ 1,038
2007	14,235,000		14,235,000	1.94%	940
2008	12,940,000		12,940,000	1.72%	851
2009	11,605,000		11,605,000	1.52%	764
2010	10,250,000		10,250,000	1.34%	674
2011	8,855,000		8,855,000	1.15%	582
2012	7,455,000		7,455,000	0.55%	491
2013	6,500,000		6,500,000	0.49%	430
2014	5,520,000		5,520,000	0.41%	366
2015	4,540,000		4,540,000	0.34%	N/A

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

N/A information not available at the completion of the CAFR.

See J-6 for property tax data.

Population data can be found in J-14.

MANTUA TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2015
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Mantua	\$ 10,566,933	100.00%	\$ 10,566,933
Clearview Regional High School	18,968,000	49.90%	9,464,252
Gloucester County general obligation debt	247,990,608	5.42%	13,429,472
Subtotal, overlapping debt			33,460,657
Township of Mantua School District			4,540,000
Total direct and overlapping debt			<u><u>\$ 38,000,657</u></u>

Sources:

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

MANTUA TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Year	Equalized Valuation Basis
2014	\$ 1,375,832,077
2013	1,365,856,030
2012	1,393,176,185
	<u>\$ 4,134,864,292</u>

Average equalized valuation of taxable property	\$ 1,378,288,097
Debt limit (2.5% of average equalized value)	34,457,202
Total net debt applicable to limit	<u>4,540,000</u>
Legal debt margin	<u>\$ 29,917,202</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 24,569,912	\$ 28,366,050	\$ 32,352,026	\$ 35,644,522	\$ 37,814,765	\$ 38,353,336	\$ 37,654,019	\$ 36,282,382	\$ 35,095,275	\$ 34,457,202
Total net debt applicable to limit	<u>15,490,000</u>	<u>14,235,000</u>	<u>12,940,000</u>	<u>11,605,000</u>	<u>10,250,000</u>	<u>8,855,000</u>	<u>7,455,000</u>	<u>6,500,000</u>	<u>5,520,000</u>	<u>4,540,000</u>
Legal debt margin	<u>\$ 9,079,912</u>	<u>\$ 14,131,050</u>	<u>\$ 19,412,026</u>	<u>\$ 24,039,522</u>	<u>\$ 27,564,765</u>	<u>\$ 29,498,336</u>	<u>\$ 30,199,019</u>	<u>\$ 29,782,382</u>	<u>\$ 29,575,275</u>	<u>\$ 29,917,202</u>
Total net debt applicable to the limit as a percentage of debt limit	63.04%	50.18%	40.00%	32.56%	27.11%	23.09%	19.80%	17.92%	15.73%	13.18%

MANTUA TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	14,920	\$ 530,376,160	\$ 35,548	5.10%
2007	15,142	566,977,048	37,444	4.70%
2008	15,204	590,781,828	38,857	6.00%
2009	15,187	617,959,030	40,690	8.90%
2010	15,216	621,588,816	40,851	9.40%
2011	15,216	630,109,776	41,411	9.20%
2012	15,183	660,278,304	43,488	9.40%
2013	15,132	678,412,956	44,833	6.80%
2014	15,090	681,600,210	45,169	6.50%
2015	15,150	N/A	N/A	N/A

N/A information not available at the completion of the CAFR.

Source: Data regarding School District population was provided by the Department of Education.

MANTUA TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current and Nine Years Ago
Unaudited

Employer	2015		2006	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Inspira Health	1,825	1.32%		
Kennedy Memorial Hospital	1,675	1.21%		
Washington Township School District	1,631	1.18%		
Rowan University	1,483	1.07%		
County of Gloucester	1,398	1.01%		
Missa Bay, LLC	950	0.69%		
Monroe Township School District	807	0.58%		
US Foodservices	725	0.52%		
Exxon Mobil Research & Engineering	540	0.39%		
LaBrea Bakery	525	0.38%		
	<u>11,559</u>	<u>8.36%</u>	<u>N/A</u>	<u>0.00%</u>

Source: Gloucester County Economic Development Office and Employer Directly.

Note: The information provided is for the County of Gloucester, information at the municipal level is not readily available.

MANTUA TOWNSHIP SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	88	88	84	84	90	87	82	90	93	101
Special	24	24	27	27	29	31	86	34	35	32
Support services:										
Student & instruction related services	21	21	21	21	25	31	26	17	17	17
General administration	2	2	2	2	2	2	2	4	4	4
School administration	10	10	10	10	11	11	11	11	11	12
Business administrative services	5	5	5	5	5	5	5	5	5	5
Plants operations and maintenance	18	18	18	18	18	16	40	18	18	18
Other support								57	52	52
Food service	10	10	16	15	14	15	13	13	12	12
Childcare	3	3	3	3	9	3	3	3	3	3
Total	<u>181</u>	<u>181</u>	<u>186</u>	<u>185</u>	<u>203</u>	<u>201</u>	<u>268</u>	<u>252</u>	<u>250</u>	<u>256</u>

Source: Employee salary list

N/A Not available

MANTUA TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2006	1,560	\$ 16,187,453	\$ 10,377	48.30%	104	1:14.6	1,568.6	1,506.0	3.33%	96.01%
2007	1,538	17,544,846	11,408	9.94%	109	1:14.3	1,539.9	1,480.9	-1.83%	96.17%
2008	1,540	18,329,540	11,902	4.34%	105	1:14.6	1,543.2	1,485.3	0.21%	96.25%
2009	1,563	18,621,195	11,914	0.10%	110	1:14.0	1,562.5	1,504.2	1.25%	96.27%
2010	1,502	19,736,653	13,140	10.29%	111	1:14.09	1,484.7	1,374.9	-4.98%	92.60%
2011	1,450	18,773,421	12,947	-1.47%	119	1:12.62	1,430.1	1,376.5	-3.68%	96.25%
2012	1,409	19,913,390	14,133	9.16%	119	1:12.29	1,392.7	1,346.0	-2.62%	96.65%
2013	1,353	19,884,420	14,697	3.99%	115	1:11.76	1,332.2	1,274.3	-4.34%	95.65%
2014	1,339	20,493,825	15,305	8.29%	128	1:10.46	1,312.1	1,262.0	-1.51%	96.18%
2015	1,304	21,521,186	16,504	12.30%	133	1:09.80	1,269.6	1,218.7	-3.24%	95.99%

Source: District records

Note: Enrollment based on June district count.
Teaching staff information from District Staff List.

MANTUA TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Centre City										
Square feet	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305
Capacity (students)	444	444	444	444	444	444	444	444	444	444
Enrollment	592	620	571	578	576	535	543	502	501	480
J. Mason Tomlin										
Square feet	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment	632	603	650	688	633	637	596	588	588	575
Sewell										
Square feet	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	353	334	330	308	294	278	270	263	250	249

Source: District records per Long Range Facilities Plan. Enrollment records at June 30.

Number of Schools at June 30, 2015

Elementary = 3

MANTUA TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance Expenditures by School Facility
For the Fiscal Year Ended June 30, 2015

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

* School Facilities	Gross Square Footage	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Centre City	74,305	\$ 94,946	\$ 80,173	\$ 95,056	\$ 97,600	\$ 85,497	\$ 97,034	\$ 112,312	\$ 55,131	\$ 88,466	\$ 114,301	\$ 825,570
J. Mason Tomlin	78,500	56,627	67,563	92,680	182,657	148,551	74,821	119,804	81,117	83,555	110,212	960,960
Sewell	41,500	55,653	62,210	65,030	83,120	68,884	80,147	78,601	44,346	58,563	133,638	674,539
Administration		43,176	44,829	58,960	51,955	43,963	51,934	59,797	11,796	18,793	26,887	368,914
		<u>\$ 250,402</u>	<u>\$ 254,775</u>	<u>\$ 311,726</u>	<u>\$ 415,332</u>	<u>\$ 346,895</u>	<u>\$ 303,936</u>	<u>\$ 370,514</u>	<u>\$ 192,390</u>	<u>\$ 249,377</u>	<u>\$ 385,038</u>	<u>\$ 2,829,983</u>

* School facilities as defined under EFCA.
(NJAC 6A:26-1.2 and NJAC 6:24-1.3)

MANTUA TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2015
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School package policy - Utica National Insurance Company		
Property - blanket buildings & contents	\$ 58,516,381	
Commercial general liability		
General aggregate limit	3,000,000	
Products - complete operations aggregate limit	3,000,000	
Personal and advertising - injury limit	1,000,000	
Each occurrence limit	1,000,000	
Employee benefit program liability - each loss	1,000,000	\$ 1,000
Employee benefit program liability - aggregate limit	3,000,000	
Damage to premises	1,000,000	
Medical expense - any one person	10,000	
Legal liability - each loss	1,000,000	
Legal liability - aggregate limit	3,000,000	
Crime - head of the class Uniflex		
Employee blanket bond/per employee	100,000	500
Employee blanket bond/forgery per occurrence	100,000	500
Inside and outside premise	25,000	500
Commercial inland marine		
Valuable papers & records	100,000	500
Signs	30,000	500
Data processing coverage		
Data processing equipment	300,000	100
Data and media	20,000	
Blanket extra expense	10,000	
Commercial automobile liability		
Bodily injury and property damage	1,000,000	1,000
Commercial umbrella liability	10,000,000	10,000
Workers' compensation - Educational Risk Insurance Consortium South		
Bodily injury - by accident - each accident	2,000,000	None
Bodily injury - by disease - each employee	2,000,000	None
Bodily injury - by disease - aggregate limit	2,000,000	None
Student accident - Markel Insurance Company		
Accidental death & dismemberment	10,000	
Volunteer workers	25,000	
Public employees' faithful performance bonds - The Ohio Casualty Insurance Company		
Employee bond - Dr. Robert Fisicaro, Business Administrator	10,000	
Employee bond - Michelle H. Daminger, Board Secretary	225,000	None

Source: District records

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

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

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Mantua Township School District
684 Main Street
Sewell, New Jersey 08080

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mantua Township School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Mantua Township School District's basic financial statements, and have issued our report thereon dated November 24, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as item 2015-001.

Compliance and Other Matters

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 24, 2015

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULARS 04-04 AND/OR 15-08

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Mantua Township School District
684 Main Street
Sewell, New Jersey 08080

Report on Compliance for Each Major Federal and State Program

We have audited the Mantua Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Mantua Township School District's major Federal and State programs for the year ended June 30, 2015. The Mantua Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Mantua Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, and the *New Jersey State Aid/Grant Compliance Supplement, Audits of States, Local Governments, and Non-Profit Organizations*; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, *Single Audit Policy for recipients of Federal Grants, State Grants and State Aid*. Those standards

OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Mantua Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Mantua Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal and State programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Mantua Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mantua Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and New Jersey OMB Circulars 04-04 and/or 15-08, 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 Mantua Township 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 federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-002 that we consider to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133 and Expenditures of State Financial Assistance Required by NJ OMB 04-04 and/or 15-08

We have audited the financial statements Mantua Township School District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 24, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ OMB Circulars 04-04 and/or 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 24, 2015

MANTUA TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015			MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
General Fund:															
ARRA-Medical Assistance Program	93.778	n/a	\$ 2,031	10/1/08	12/31/10			\$ 2,031	(2,031)						\$ 2,031
Medical Assistance Program	93.778	n/a	27,862	07/1/14	06/30/15			19,281	\$ (27,862)			\$ (8,581)			27,862
Total General Fund								21,312	(29,893)			(8,581)			29,893
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010	NCLB299015	138,373	07/1/14	06/30/15			85,371	(130,754)			(45,383)			130,754
Title I - Part A	84.010	NCLB299014	121,186	07/1/13	06/30/14	\$ (1,184)		1,184							107,522
Title II A, Teacher & Principal Training	84.367	NCLB299015	37,596	07/1/14	06/30/15			18,836	(36,283)			(17,447)			36,283
Title II A, Teacher & Principal Training	84.367	NCLB299014	34,615	07/1/13	06/30/14	(4,589)		4,589							28,664
IDEA Part B, Basic Regular	84.027A	IDEA299015	542,787	07/1/14	06/30/15			330,975	(350,670)			(19,695)			350,670
IDEA Part B, Basic Regular	84.027A	IDEA299014	624,960	07/1/13	06/30/14	(345,021)		333,473		\$ 11,548					421,136
IDEA Part B, Preschool	84.173	IDEA299015	37,495	07/1/14	06/30/15			20,401	(36,186)			(15,785)			36,186
IDEA Part B, Preschool	84.173	IDEA299014	47,051	07/1/13	06/30/14	(42,850)		42,850							43,216
Race to the Top	84.395	N/A	7,631	09/1/11	11/30/15	(3,000)		3,452	(452)						7,631
Total Special Revenue Fund						(396,644)		841,131	(554,345)	11,548		(98,310)			1,162,062
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	25,913	07/1/14	06/30/15			25,913	(19,489)			\$ 6,424			19,489
Food Distribution Program	10.550	N/A	25,230	07/1/13	06/30/14	6,934			(6,934)						25,230
National School Lunch Program	10.555	N/A	103,913	07/1/14	06/30/15			84,371	(103,913)			(19,542)			103,913
National School Lunch Program	10.555	N/A	100,783	07/1/13	06/30/14	(20,896)		20,896							100,783
Special Milk Program	10.556	N/A	5,603	07/1/14	06/30/15			4,628	(5,603)			(975)			5,603
Special Milk Program	10.556	N/A	4,922	07/1/13	06/30/14	(932)		932							4,922
Total Enterprise Fund						(14,894)		136,740	(135,939)			(20,517)	6,424		259,940
Total Federal Financial Awards						\$ (411,538)		\$ 999,183	\$ (720,177)	\$ 11,548		\$ (127,408)	\$ 6,424		\$ 1,451,895

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

MANTUA TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2015			MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
State Aid Public:																
Equalization Aid	15-495-034-5120-078	\$ 5,286,989	07/1/14	06/30/15				\$ 5,286,989	\$ (5,286,989)					\$ 525,430	\$ 5,286,989	
Special Education Categorical Aid	15-495-034-5120-089	731,840	07/1/14	06/30/15				731,840	(731,840)					72,731	731,840	
Security Aid	15-495-034-5120-084	24,998	07/1/14	06/30/15				24,998	(24,998)					2,484	24,998	
PARCC Readiness Aid	15-495-034-5120-098	11,490	07/1/14	06/30/15				11,490	(11,490)					1,142	11,490	
Per Pupil Growth Aid	15-495-034-5120-097	11,490	07/1/14	06/30/15				11,490	(11,490)					1,142	11,490	
Transportation Aid	15-495-034-5120-014	94,099	07/1/14	06/30/15				94,099	(94,099)					9,352	94,099	
Reimbursement for Nonpublic Transportation	n/a	3,648	07/1/14	06/30/15					(3,648)			\$ (3,648)			3,648	
Reimbursement for Nonpublic Transportation	n/a	5,562	07/1/13	06/30/14	\$ (5,562)			5,562							5,562	
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	651,112	07/1/14	06/30/15				619,048	(651,112)			(32,064)			651,112	
On-Behalf TPAF Pension	15-495-034-5094-006	448,518	07/1/14	06/30/15				448,518	(448,518)						448,518	
On-Behalf TPAF Postretirement Contribution	15-495-034-5094-001	712,023	07/1/14	06/30/15				712,023	(712,023)						712,023	
Total General Fund					(5,562)			7,946,057	(7,976,207)			(35,712)		612,281	7,981,769	
Special Revenue Fund:																
New Jersey Nonpublic Aid:																
Textbook Aid	15-100-034-5120-064	9,354	07/1/14	06/30/15				9,354	(7,124)			\$ 2,230			7,124	
Textbook Aid	14-100-034-5120-064	8,173	07/1/13	06/30/14		\$ 3,688				\$ (3,688)					4,485	
Technology	15-100-034-5120-373	5,024	07/1/14	06/30/15				5,024	(4,297)				727		4,297	
Technology	14-100-034-5120-373	2,980	07/1/13	06/30/14			505			(505)					2,475	
Nursing Services	15-100-034-5120-070	14,892	07/1/14	06/30/15				14,892	(14,892)						14,892	
Auxiliary Services:																
Compensatory Education	15-100-034-5120-067	25,978	07/1/14	06/30/15				25,978	(16,124)				9,854		16,124	
Compensatory Education	14-100-034-5120-067	20,544	07/1/13	06/30/14		5,052				(5,052)					15,492	
Transportation	15-100-034-5120-067	5,307	07/1/14	06/30/15				5,307	(3,082)				2,225		3,082	
Transportation	14-100-034-5120-067	7,645	07/1/13	06/30/14		1,125				(1,125)					6,520	
Handicapped Services:																
Corrective Speech	15-100-034-5120-066	24,738	07/1/14	06/30/15				24,738	(13,341)				11,397		13,341	
Corrective Speech	14-100-034-5120-066	14,765	07/1/13	06/30/14		938				(938)					13,827	
Examination and Classification	15-100-034-5120-066	8,104	07/1/14	06/30/15				8,104	(5,761)				2,343		5,761	
Examination and Classification	14-100-034-5120-066	5,414	07/1/13	06/30/14		2,228				(2,228)					3,186	
Supplementary Instruction	15-100-034-5120-066	3,924	07/1/14	06/30/15				3,924	(1,805)				2,119		1,805	
Supplementary Instruction	14-100-034-5120-066	2,082	07/1/13	06/30/14		694				(694)					1,388	
Total Special Revenue Fund						14,230		97,321	(66,426)	(14,230)			30,895		113,799	
Debt Service Fund:																
Debt Service Aid Type II																
Debt Service Aid Type II	15-495-034-5120-075	411,640	07/1/14	06/30/15				411,640	(411,640)							411,640
State Department of Agriculture																
Enterprise Fund:																
National School Lunch Program (State Share)	15-100-010-3350-023	3,697	07/1/14	06/30/15				2,910	(3,697)			(787)			3,697	
National School Lunch Program (State Share)	14-100-010-3350-023	3,777	07/1/13	06/30/14		(948)		948							3,777	
Total Enterprise Fund						(948)		3,858	(3,697)			(787)			7,474	
Total State Financial Assistance						(6,510)	\$ 14,230	\$ 8,458,876	\$ (8,457,970)	\$ (14,230)	\$ (36,499)		\$ 30,895	\$ 612,281	\$ 8,514,682	

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Mantua 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 Schedules 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations, New Jersey State Aid/Grant Compliance Supplement* and New Jersey OMB's Circulars 04-04 and/or 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the 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 June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.

MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,098) for the General Fund and \$26,549 for the Special Revenue Fund. See Note 1 (the Notes to 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 (See Exhibit B-2 and B-5):

	Federal	State	Total
General Fund	\$ 29,893	\$ 7,975,109	\$ 8,005,002
Special Revenue Fund	580,894	66,426	647,320
Debt Service Fund		411,640	411,640
Food Service Fund	135,429	3,697	139,126
Total Financial Assistance	<u>\$ 746,216</u>	<u>\$ 8,456,872</u>	<u>\$ 9,203,088</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: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2015, Mantua Township School District has food commodities totaling \$6,424 in inventory.

NOTE 6: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

NOTE 7: ADJUSTMENTS

The amounts reported as adjustments on Schedule B of \$11,548 are the result of reclassification of prior year encumbrances.

MANTUA TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to basic financial statements noted? Yes No

Federal awards

Internal control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.027	Special Education Cluster:
84.173	IDEA Part B
	IDEA Preschool

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

MANTUA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

State awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

Internal control over major programs:

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

2. Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB

Circulars 04-04 and/or 15-08? X Yes No

Identification of major programs:

GMIS Numbers	Name of State Program
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5094-003	TPAF Social Security Contributions

Section II – Financial Statement Findings

Finding 2015-001

Criteria NJAC 6A:23A-16.2(c)(3) requires the use the modified accrual or accrual basis of accounting as appropriate in measuring financial position and operating results in accordance with Generally Accepted Accounting Principles (GAAP). GAAP requires encumbrance accounting.

Condition - Two exceptions were noted based on our review of outstanding purchase orders as of June 30, as to the proper classification of reserve for encumbrances and accounts payable.

Questioned Cost - \$113,770.

Effect - Noncompliance with the prescribed accounting system.

MANTUA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cause - The Business Office recorded the purchase orders as accounts payable based on the status when the accounting records for the fiscal year were closed as opposed to June 30.

Recommendation - Purchase orders should be reviewed for proper classification at June 30 as accounts payable or reserve for encumbrances based upon whether the goods have been received or the services rendered.

View of responsible Officials - The Business Office agrees with this finding and will work to ensure all staff are aware of the proper distinction between accounts payable and reserve for encumbrances.

Section III – Federal and State Financial Assistance

Findings and Questioned Costs

FEDERAL AWARDS

No matters reported.

STATE AWARDS

Finding 2015-002

State Aid Public, Award 7/1/2014 – 6/30/2015

Criteria - Purchases made under National Cooperative Contracts application, P.L. 2011, c.139 require compliance with procurement laws and regulations when the aggregate value of the goods or services (see NJAC 5:34-8.2) exceeds the contracting unit's bid threshold.

Condition - The district purchased tables and benches from a vendor approved as a national cooperative contract, at a cost of \$68,217. However, no board approval was obtained, no documentation of the cost savings determination was made, nor did the contracting unit provide public notice to current contract holders and prospective bidders of their decision to utilize a national cooperative purchasing agreement that would otherwise require public bidding as required by P.L. 2011, c.139.

Questioned Cost - \$68,217.

Effect - Noncompliance with Public School Contracts Law.

Cause - The Business Office was not aware of the compliance requirements for purchases made under a National Cooperative Contracts.

MANTUA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Recommendation - The school district adopt internal control procedures over procurement and purchasing through a national cooperative contract to ensure documentation of compliance with P.L. 2011, c.139.

View of responsible Officials - The Business Office agrees with this finding and will develop procedures to ensure compliance with P.L. 2011, c.139.

MANTUA TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

No matters were reported.