

***MANSFIELD TOWNSHIP BOARD OF EDUCATION***

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2016***

***MANSFIELD TOWNSHIP BOARD OF EDUCATION***

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

***Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2016***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
MANSFIELD TOWNSHIP BOARD OF EDUCATION  
COLUMBUS, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**And  
Barre & Company, CPAs**

**STATE BOARD OF EDUCATION**

MARK W. BIEDRON ..... Hunterdon  
President

JOSEPH FISICARO ..... Burlington  
Vice President

ARCELIO APONTE ..... Middlesex

RONALD K BUTCHER ..... Gloucester

JACK FORNARO ..... Warren

EDITHE FULTON ..... Ocean

ERNEST P. LEPORE ..... Hudson

ANDREW J. MULVIHILL ..... Sussex

J. PETER SIMON ..... Morris

DOROTHY S. STRICKLAND ..... Essex

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

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

Page No.

|  |           |
|--|-----------|
| <b>INTRODUCTORY SECTION.....</b>   | <b>1</b>  |
| Letter of Transmittal .....  | 2         |
| Organizational Chart.....  | 8         |
| Roster of Officials .....  | 9         |
| Consultants and Advisors.....  | 10        |
| <b>FINANCIAL SECTION .....</b>   | <b>11</b> |
| Independent Auditor’s Report.....  | 12        |
| <b>REQUIRED SUPPLEMENTARY INFORMATION – PART I.....</b>  | <b>16</b> |
| Management’s Discussion and Analysis .....   | 17        |
| <b>BASIC FINANCIAL STATEMENTS .....</b>  | <b>30</b> |
| <b>SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS.....</b>   | <b>31</b> |
| A-1 Statement of Net Position.....   | 32        |
| A-2 Statement of Activities .....  | 33        |
| <b>SECTION B - FUND FINANCIAL STATEMENTS.....</b>  | <b>34</b> |
| <b>GOVERNMENTAL FUNDS.....</b>   | <b>35</b> |
| B-1 Balance Sheet .....  | 36        |
| B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance .....   | 37        |
| B-3 Reconciliation of the Statements of Revenues, Expenditures, and Changes<br>in Fund Balances of Governmental Funds to the Statement of Activities ..... | 38        |
| <b>PROPRIETARY FUNDS .....</b>   | <b>39</b> |
| B-4 Statement of Fund Net Position.....  | 40        |
| B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position.....   | 41        |
| B-6 Statement of Cash Flows.....   | 42        |
| <b>FIDUCIARY FUNDS.....</b>  | <b>43</b> |
| B-7 Statement of Fiduciary Net Position .....  | 44        |
| B-8 Statement of Changes in Fiduciary Net Position .....   | 45        |
| <b>NOTES TO THE FINANCIAL STATEMENTS.....</b>  | <b>46</b> |
| <b>REQUIRED SUPPLEMENTARY INFORMATION – PART II.....</b>   | <b>91</b> |

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

Page No.

**FINANCIAL SECTION (CONTINUED)**

|  |            |
|--|------------|
| <b>SECTION C - BUDGETARY COMPARISON SCHEDULES.....</b>   | <b>92</b>  |
| C-1 Budgetary Comparison Schedule – General Fund .....   | 93         |
| C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund<br>Balance - Budget and Actual .....          | N/A        |
| C-1b Community Development Block Grant - Budget and Actual .....   | N/A        |
| C-2 Budgetary Comparison Schedule – Special Revenue Fund.....  | 98         |
| <b>NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION.....</b>   | <b>99</b>  |
| C-3 Budget-To-GAAP Reconciliation .....  | 100        |
| <b>REQUIRED SUPPLEMENTARY INFORMATION – PART III.....</b>  | <b>101</b> |
| <b>SCHEDULE L – SCHEDULES RELATED TO ACCOUNTING AND REPORTING<br/>FOR PENSIONS (GASB 68).....</b>                    | <b>102</b> |
| L-1 Schedules of the School District’s Proportionate Share of the Net Pension<br>Liability - PERS.....               | 103        |
| L-2 Schedules of School District Contributions - PERS .....  | 104        |
| L-3 Schedules of the School District’s Proportionate Share of the Net Pension<br>Liability - TPAF .....              | 105        |
| <b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III .....</b>   | <b>106</b> |
| <b>OTHER SUPPLEMENTARY INFORMATION.....</b>  | <b>109</b> |
| <b>SECTION D - SCHOOL BASED BUDGET SCHEDULES.....</b>  | <b>N/A</b> |
| D-1 Combining Balance Sheet.....   | N/A        |
| D-2 Blended Resource Fund - Schedule of Expenditures Allocated by<br>Resource Type - Actual .....                    | N/A        |
| D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and<br>Actual.....                             | N/A        |
| <b>SECTION E - SPECIAL REVENUE FUND .....</b>  | <b>110</b> |
| E-1 Combining Schedule of Revenues and Expenditures – Budgetary Basis .....  | 111        |
| E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis .....                                      | N/A        |
| <b>SECTION F - CAPITAL PROJECTS FUND.....</b>  | <b>N/A</b> |
| F-1 Summary Schedule of Project Expenditures .....   | N/A        |
| F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund<br>Balance - Budgetary Basis .....               | N/A        |
| F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and<br>Project Status - Budgetary Basis ..... | N/A        |

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

Page No.

**FINANCIAL SECTION (CONTINUED)**

**SECTION G – PROPRIETARY FUNDS.....112**

**ENTERPRISE FUND.....N/A**

G-1 Combining Schedule of Net Position ..... N/A

G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net  
Position..... N/A

G-3 Combining Schedule of Cash Flows..... N/A

**INTERNAL SERVICE FUND.....N/A**

G-4 Combining Schedule of Net Position ..... N/A

G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net  
Position..... N/A

G-6 Combining Schedule of Cash Flows..... N/A

**SECTION H - FIDUCIARY FUNDS .....113**

H-1 Combining Statement of Fiduciary Net Position ..... 114

H-2 Combining Statement of Changes in Fiduciary Net Position ..... 115

H-3 Student Activity Fund – Schedule of Receipts and Disbursements ..... 116

H-4 Payroll Agency and Payroll Account Funds – Schedule of Receipts and  
Disbursements..... 117

**SECTION I – LONG-TERM DEBT SCHEDULES .....118**

I-1 Schedule of Serial Bonds ..... 119

I-2 Schedule of Obligations under Capital Leases..... N/A

I-3 Debt Service Fund Budgetary Comparison Schedulef ..... 120

**STATISTICAL SECTION (UNAUDITED) .....121**

**INTRODUCTION TO THE STATISTICAL SECTION .....122**

**FINANCIAL TRENDS.....123**

J-1 Net Assets/Position by Component ..... 124

J-2 Changes in Net Assets/Position ..... 125

J-3 Fund Balances – Governmental Funds ..... 127

J-4 Changes in Fund Balances – Governmental Funds ..... 128

J-5 General Fund Other Local Revenue by Source..... 129

**REVENUE CAPACITY .....130**

J-6 Assessed Value and Estimated Actual Value of Taxable Property ..... 131

J-7 Direct and Overlapping Property Tax Rates ..... 132

J-8 Principal Property Taxpayers\* ..... 133

J-9 Property Tax Levies and Collections ..... 134

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

Page No.

**STATISTICAL SECTION (CONTINUED)**

**DEBT CAPACITY.....135**

J-10 Ratios of Outstanding Debt by Type ..... 136  
 J-11 Ratios of General Bonded Debt Outstanding ..... 137  
 J-12 Direct and Overlapping Governmental Activities Debt..... 138  
 J-13 Legal Debt Margin Information ..... 139

**DEMOGRAPHIC AND ECONOMIC INFORMATION .....140**

J-14 Demographic and Economic Statistics ..... 141  
 J-15 Principal Employers ..... 142

**OPERATING INFORMATION .....143**

J-16 Full-Time Equivalent District Employees by Function/Program ..... 144  
 J-17 Operating Statistics..... 145  
 J-18 School Building Information ..... 146  
 J-19 Schedule of Required Maintenance Expenditures by School Facility ..... 147  
 J-20 Insurance Schedule ..... 148

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

**SINGLE AUDIT SECTION .....149**

K-1 Report on Internal Control over Financial Reporting and On Compliance  
and Other Matters Based On an Audit of Financial Statements Performed  
In Accordance With *Government Auditing Standards* ..... 150  
 K-2 Report on Compliance For Each Major State Program; Report On Internal  
Control over Compliance; and Report on the Schedule of Expenditures of  
State Financial Assistance as Required by New Jersey OMB Circular 15-08 ..... 153  
 K-3 Schedule of Expenditures of Federal Awards – Schedule A ..... 156  
 K-4 Schedule of Expenditures of State Financial Assistance – Schedule B ..... 157  
 K-5 Notes to the Schedules of Expenditures of Awards and Financial  
Assistance ..... 158  
 K-6 Schedule of Findings and Questioned Costs..... 161  
 K-7 Summary Schedule of Prior Audit Findings and Questioned costs as  
Prepared by Management ..... 164



***INTRODUCTORY SECTION***

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

December 2, 2016

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Mansfield Township Board of Education (the "District") for the fiscal year ended June 30, 2016 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 (the "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 basic financial statements and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain understanding of the District's financial activities have been included.

This report will provide the taxpayers of Mansfield Township with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;

- The Single Audit Section — The District is required to undergo an annual single audit in conformity with the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the New Jersey State Office of Management and Budget (OMB) Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 6, including services for special needs students. As of June 30, 2016 the District’s average daily enrollment was 651 students, which is eight less students than the previous year’s enrollment. The following details the changes in the student enrollment of the district over the last ten years.

| Fiscal<br>Year | Student<br>Enrollment | Percent<br>Change |
|----------------|-----------------------|-------------------|
| 2015-2016      | 660                   | -1.21%            |
| 2014-2015      | 741                   | 3.78%             |
| 2013-2014      | 714                   | -4.67%            |
| 2012-2013      | 749                   | 4.17%             |
| 2011-2012      | 719                   | 3.16%             |
| 2010-2011      | 697                   | 1.75%             |
| 2009-2010      | 685                   | -0.29%            |
| 2008-2009      | 687                   | 1.78%             |
| 2007-2008      | 675                   | 2.74%             |
| 2006-2007      | 657                   | 3.46%             |

## **2. ECONOMIC CONDITION AND OUTLOOK**

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

## **3. MAJOR INITIATIVES**

The Mansfield Township School District undertook several important activities during the 2015-2016 school year. These included the following:

- Maintained Staff Levels
- Schellenger Educational Consultants (Professional Development)  
New Computers – Upgraded Software
- Purchased New Computers and Increased Broadband
- Teacher to Teacher Professional Development
- 1:1 Chrome Books for All 6<sup>th</sup> Grade Students
- Enhanced Professional Development/Staff Training

## **4. INTERNAL ACCOUNTING CONTROLS**

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

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

## **INTERNAL ACCOUNTING CONTROLS (CONTINUED)**

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

### **5. BUDGETARY CONTROLS**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

### **6. ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of fund and account groups. These funds and account groups are explained in Notes to the Basic Financial Statement. The 2015-2016 CAFR presents financial reports utilizing the overall format of GASB 34.

### **7. FINANCIAL INFORMATION AT YEAR-END**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital project fund, and debt service fund revenues for the fiscal year ended June 30, 2016.

**FINANCIAL INFORMATION AT YEAR-END (CONTINUED)**

| <u>Revenues</u> | <u>Amount</u>        | <u>Percent of Total</u> | <u>Increase/ (Decrease) From 2015</u> | <u>Percent of Increase/ (Decrease)</u> |
|-----------------|----------------------|-------------------------|---------------------------------------|--|
| Local Sources   | \$ 10,877,372        | 84.91%                  | \$ 155,340                            | 1.43%                                  |
| State Sources   | 1,765,703            | 13.78%                  | 177,261                               | 10.04%                                 |
| Federal Sources | 167,036              | 1.30%                   | (9,027)                               | -5.40%                                 |
| Total           | <u>\$ 12,810,111</u> | <u>99.99%</u>           | <u>\$ 323,574</u>                     |  |

The following schedule presents a summary of general fund, special revenue, and debt service fund expenditures for the fiscal year ended June 30, 2016.

| <u>Expenditures</u> | <u>Amount</u>        | <u>Percent of Total</u> | <u>Increase/ (Decrease) From 2015</u> | <u>Percent of Increase/ (Decrease)</u> |
|---------------------|----------------------|-------------------------|---------------------------------------|--|
| Current Expense:    |                      |                         |                                       |  |
| Instruction         | \$ 4,240,184         | 34.33%                  | \$ 68,078                             | 1.61%                                  |
| Undistributed       | 6,974,007            | 56.47%                  | 29,115                                | 0.42%                                  |
| Capital Outlay      | 47,289               | 0.38%                   | (62,038)                              | -131.19%                               |
| Debt Service        | 1,089,238            | 8.82%                   | 19,381                                | 1.78%                                  |
| Total               | <u>\$ 12,350,718</u> | <u>100.00%</u>          | <u>\$ 54,536</u>                      |  |

**8. DEBT ADMINISTRATION**

At June 30, 2016, the district's outstanding debt issues include \$7,865,000 of general obligation bonds, \$67,693 in compensated absences payable, and \$3,096,179 in net pension liability.

**9. CASH MANAGEMENT**

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

## **10. RISK MANAGEMENT**

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

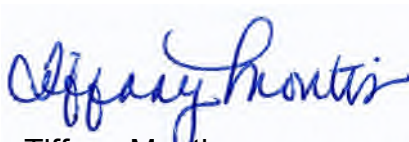
## **11. OTHER INFORMATION**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the New Jersey State Office of Management and Budget (OMB) Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports, related specifically to the single audit, are included in the single audit section of this report.

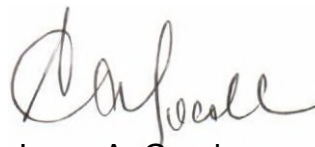
## **12. ACKNOWLEDGEMENTS**

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

Respectfully submitted,



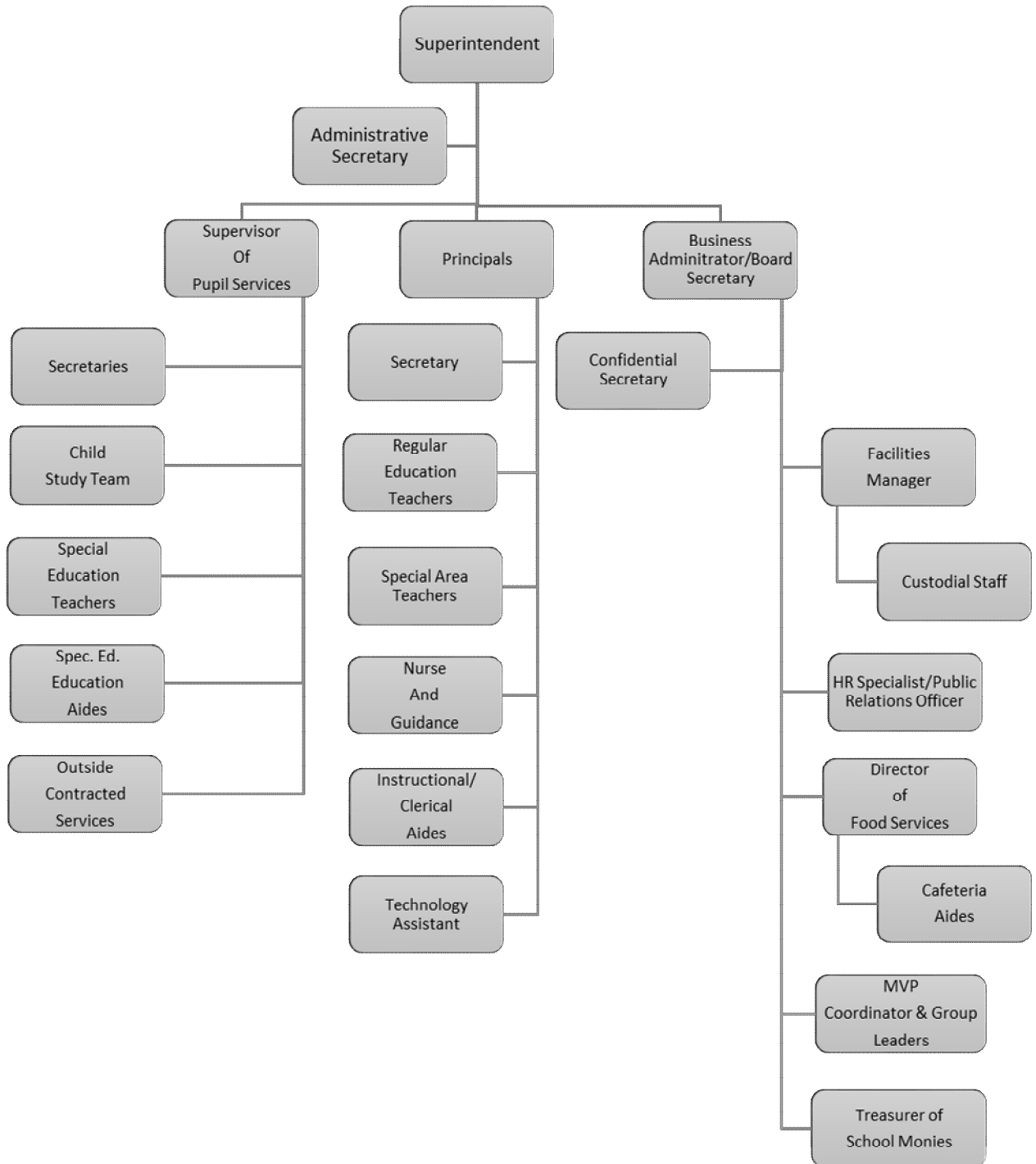
Tiffany Moutis  
Superintendent



Joyce A. Goode  
Business Administrator/Board Secretary

# MANSFIELD TOWNSHIP BOARD OF EDUCATION

## ORGANIZATIONAL CHART





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

**ROSTER OF OFFICIALS  
JUNE 30, 2016**

| <b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b> | <b><u>TERM<br/>EXPIRES</u></b> |
|---|--------------------------------|
| Alison Perrone, President                       | 2018                           |
| Jared Fantasia, Vice President                  | 2016                           |
| Joseph Broski                                   | 2017                           |
| Ramy Reddy                                      | 2017                           |
| Alison Perrone                                  | 2019                           |
| Stacey Nicosia                                  | 2017                           |
| Scott Shumway                                   | 2018                           |
| Deborah Regi                                    | 2016                           |
| Prathibha Potharlanka, MD                       | 2016                           |
| Lou Klein                                       | 2018                           |

**OTHER OFFICIALS**

Tiffany Moutis, Superintendent

Joyce Goode, Business Administrator/Board Secretary

Maria Parry, CPA, Treasurer of School Monies

Parker McCay, Solicitor

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

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

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

***Audit Firm***

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

***Attorney and Board Counsel***

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

***Official Depositories***

1<sup>st</sup> Constitution Bank  
3659 Nottingham Way  
Hamilton, New Jersey 08690

***FINANCIAL SECTION***

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

*2204 Morris Avenue, Suite 206*

*Union, New Jersey 07083*

*(908) 686-3484*

*FAX – (908) 686-6055*

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, and District's Proportionate Share of the Net Pension Liability for TPAF and PERS and District's PERS Contributions and the related notes starting on pages 17, 92, and **Error! Bookmark not defined.**, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

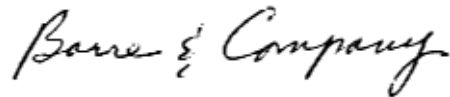
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively; and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey**

In accordance with *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey, we have also issued our report dated December 2, 2016 on our consideration of the Mansfield Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey in considering the School District's internal control over financial reporting and compliance.



BARRE & COMPANY  
Certified Public Accountants  
Public School Accountants



Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
December 2, 2016

***REQUIRED SUPPLEMENTARY INFORMATION – PART I***



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

The Management's Discussion and Analysis (MD&A) of Mansfield Township Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

- ❖ Net position for all Governmental Activities increased by \$752,308.
- ❖ General revenues for all funds accounted for \$12,248,440 in revenue or 92% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,032,543 or 8% of total revenues of \$13,280,983.
- ❖ The School District had for all funds \$12,599,413 in expenses; only \$1,032,543 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$12,248,440 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$11,553,674 in revenues and \$11,094,444 in expenditures. The General Fund's fund balance increased \$459,230 over 2015. This increase was anticipated by the Board of Education.
- ❖ For Governmental Activities, total assets decreased by \$237,470 and total liabilities decreased by \$1,264,838.
- ❖ Net position decreased in the Business-Type Activities by \$70,738.
- ❖ For Business-Type Activities, total assets decreased by \$124,642 and total liabilities decreased by \$53,904.
- ❖ Amount of repayment in bond principal was \$750,000.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Overview of the Financial Statements**

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

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

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

***District-wide Statements***

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Overview of the Financial Statements (Continued)**

***District-wide Statements (Continued)***

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

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

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

***Fund Financial Statements***

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Overview of the Financial Statements (Continued)**

***Fund Financial Statements (Continued)***

The District has three kinds of funds:

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Financial Analysis of the School District as a Whole**

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2016 with comparative amounts for 2015.

|                                  | 2016                | 2015               |
|----------------------------------|---------------------|--------------------|
| <b>Assets</b>                    |                     |                    |
| Current and Other Assets         | \$ 2,627,916        | \$ 2,391,503       |
| Capital Assets                   | <u>10,522,458</u>   | <u>10,897,423</u>  |
| Total Assets                     | <u>13,150,374</u>   | <u>13,288,926</u>  |
|                                  |                     |                    |
| Deferred Outflows of Resources   | <u>605,333</u>      | <u>353,953</u>     |
|                                  |                     |                    |
| <b>Liabilities</b>               |                     |                    |
| Account and Other Payables       | 199,100             | 336,805            |
| Other Current Liabilities        | 110,161             | 118,758            |
| Long-Term Liabilities            | <u>11,028,872</u>   | <u>12,350,380</u>  |
| Total Liabilities                | <u>11,338,133</u>   | <u>12,805,943</u>  |
|                                  |                     |                    |
| Deferred Inflows of Resources    | <u>323,604</u>      | <u>174,536</u>     |
|                                  |                     |                    |
| <b>Net Position</b>              |                     |                    |
| Net Investment in Capital Assets | 5,383,159           | 1,532,423          |
| Restricted                       | 1,779,920           | 1,306,192          |
| Unrestricted                     | <u>(5,069,109)</u>  | <u>(2,176,215)</u> |
| <b>Total Net Position</b>        | <u>\$ 2,093,970</u> | <u>\$ 662,400</u>  |

The District's combined net position were \$2,093,970 on June 30, 2016, and \$662,400 for 2015.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

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

Table 2 shows changes in net position for fiscal year 2016 with comparative amounts for 2015.

**Changes in Net Position**

|                                     | 2016              | 2015              |
|-------------------------------------|-------------------|-------------------|
| <b>Revenues</b>                     |                   |                   |
| Program Revenues:                   |                   |                   |
| Charges for Services                | \$ 510,620        | \$ 715,990        |
| Operating Grants and Contributions  | 521,923           | 524,514           |
| General Revenues:                   |                   |                   |
| Property Taxes                      | 9,604,841         | 9,416,511         |
| Debt Service                        | 1,057,895         | 1,037,971         |
| Grants and Entitlements             | 1,455,686         | 1,282,223         |
| Other                               | <u>130,018</u>    | <u>62,984</u>     |
| <b>Total Revenues</b>               | <u>13,280,983</u> | <u>13,040,193</u> |
| <b>Program Expenses</b>             |                   |                   |
| Instruction                         | 5,940,069         | 5,886,037         |
| Support Services:                   |                   |                   |
| Tuition                             | 433,877           | 538,932           |
| Student and Instruction Related     | 1,788,295         | 1,816,154         |
| General and Business Administrative | 832,716           | 660,316           |
| School Administrative               | 547,962           | 651,012           |
| Plant Operations and Maintenance    | 1,168,069         | 1,164,624         |
| Pupil Transportation                | 644,612           | 614,763           |
| Capital Outlay                      | 47,289            | 67,009            |
| Interest on Long-Term Debt          | 330,641           | 356,007           |
| Unallocated Depreciation            | 324,273           | 333,301           |
| Food Service/KC/MVP                 | <u>541,610</u>    | <u>513,723</u>    |
| <b>Total Program Expenses</b>       | <u>12,599,413</u> | <u>12,601,878</u> |
| <b>Changes in Net Position</b>      | <u>\$ 681,570</u> | <u>\$ 438,315</u> |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

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

***Governmental Activities***

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 83% for 2016 and 84% for 2015 of revenues for governmental activities for the Mansfield Township School District. The District's total revenues were \$12,810,111 for the year ended June 30, 2016, and \$12,486,537 for 2015. Federal, state, and local grants and state aid accounted for another 15% for 2016 and 14% for 2015 of revenues which includes \$1,067,315 for 2016 and \$874,316 for 2015 of state reimbursed TPAF pension, social security and post-retirement medical contributions.

The total net cost of all programs and services was \$11,495,369 for 2016 and \$11,400,568 for 2015. Instruction comprises 52% for 2016 and 52% for 2015 of District's expenses.

***Business-Type Activities***

Business-type activities are made up of the nutritional services fund, full day kindergarten program, and before and after school program. Revenues for the District's business-type activities (food service, KC, and MVP) were comprised of charges for services and federal and state reimbursements.

**FOOD SERVICE**

Expenses exceeded revenues by \$8,219 for 2016 and by \$8,558 for 2015. Charges for services represent \$161,130 for 2016 and \$149,147 for 2015 of revenue. This represents amounts paid by patrons for daily food service. Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, were \$44,870 for 2016 and \$42,232 for 2015.

**KINDERGARTEN CONNECTION (KC)**

Expenses exceeded revenues by \$1,051 for 2016 and revenues exceeded expenses by \$46,286 for 2015. Charges for services represent \$175 for 2016 and \$107,769 for 2015 of revenue. This represents tuition paid by parents for full day kindergarten program.

**MANSFIELD VILLAGE PROGRAM (MVP)**

Expenses exceeded revenues by \$61,468 for 2016 and revenues exceeded expenses by \$2,205 for 2015. Charges for services represent \$263,934 for 2016 and \$253,769 for 2015 of revenue. This represents tuition paid by parents for before and after school program.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Governmental Activities**

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

|                                     | <b>Total Cost of Services</b> |                      |
|-------------------------------------|-------------------------------|----------------------|
|                                     | <b>2016</b>                   | <b>2015</b>          |
| Instruction                         | \$ 5,940,069                  | \$ 5,886,037         |
| Support Services:                   |                               |                      |
| Tuition                             | 433,877                       | 538,932              |
| Student and Instruction Related     | 1,788,295                     | 1,816,154            |
| General and Business Administrative | 832,716                       | 660,316              |
| School Administrative               | 547,962                       | 651,012              |
| Plant Operations and Maintenance    | 1,168,069                     | 1,164,624            |
| Pupil Transportation                | 644,612                       | 614,763              |
| Capital Outlay                      | 47,289                        | 67,009               |
| Interest on Long-Term Debt          | 330,641                       | 356,007              |
| Unallocated Depreciation            | 324,273                       | 333,301              |
| <b>Total Expenses</b>               | <b>\$ 12,057,803</b>          | <b>\$ 12,088,155</b> |

|                                     | <b>Net Cost of Services</b> |                      |
|-------------------------------------|-----------------------------|----------------------|
|                                     | <b>2016</b>                 | <b>2015</b>          |
| Instruction                         | \$ 5,473,148                | \$ 5,295,009         |
| Support Services:                   |                             |                      |
| Tuition                             | 433,877                     | 538,932              |
| Student and Instruction Related     | 1,788,295                   | 1,816,154            |
| General and Business Administrative | 832,716                     | 660,316              |
| School Administrative               | 547,962                     | 651,012              |
| Plant Operations and Maintenance    | 1,168,069                   | 1,164,624            |
| Pupil Transportation                | 549,099                     | 518,204              |
| Capital Outlay                      | 47,289                      | 67,009               |
| Interest on Long-Term Debt          | 330,641                     | 356,007              |
| Unallocated Depreciation            | 324,273                     | 333,301              |
| <b>Total Expenses</b>               | <b>\$ 11,495,369</b>        | <b>\$ 11,400,568</b> |



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

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

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

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

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

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

“Other” includes special schools and unallocated depreciation.

**Financial Analysis of the School District's Funds**

Information about the District's major funds starts on page 34. All governmental funds (i.e., general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$12,810,111 for 2016 and \$12,486,537 for 2015 and expenditures were \$12,350,718 for 2016 and \$12,291,182 for 2015. The net change in fund balance for the year was an increase of \$459,393 for 2016 and \$190,355 for 2015. The positive change is most significant in the General Fund, an increase of \$459,230 for 2016 and \$190,095 for 2015.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

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

| <u>Revenues</u> | <u>Amount</u>               | <u>Percent of<br/>Total</u> | <u>Increase/<br/>(Decrease)<br/>From 2015</u> | <u>Percent of<br/>Increase/<br/>(Decrease)</u> |
|-----------------|-----------------------------|-----------------------------|---|--|
| Local Sources   | \$ 10,877,372               | 84.91%                      | \$ 155,340                                    | 1.43%  |
| State Sources   | 1,765,703                   | 13.78%                      | 177,261                                       | 10.04%   |
| Federal Sources | 167,036                     | 1.30%                       | (9,027)                                       | -5.40%   |
| <b>Total</b>    | <b><u>\$ 12,810,111</u></b> | <b><u>99.99%</u></b>        | <b><u>\$ 323,574</u></b>                      |  |

Local Sources increased by \$155,340. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

State Sources increased due to additional State aid.

Federal Sources decreased due to less Federal grants funding.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

| <u>Expenditures</u> | <u>Amount</u>               | <u>Percent of<br/>Total</u> | <u>Increase/<br/>(Decrease)<br/>From 2015</u> | <u>Percent of<br/>Increase/<br/>(Decrease)</u> |
|---------------------|-----------------------------|-----------------------------|---|--|
| Current Expense:    |                             |                             |   |  |
| Instruction         | \$ 4,240,184                | 34.33%                      | \$ 68,078                                     | 1.61%  |
| Undistributed       | 6,974,007                   | 56.47%                      | 29,115  | 0.42%  |
| Capital Outlay      | 47,289                      | 0.38%                       | (62,038)                                      | -131.19%                                       |
| Debt Service        | 1,089,238                   | 8.82%                       | 19,381  | 1.78%  |
| <b>Total</b>        | <b><u>\$ 12,350,718</u></b> | <b><u>100.00%</u></b>       | <b><u>\$ 54,536</u></b>                       |  |

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

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

***General Fund Budgeting Highlights***

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Capital Assets**

At the end of the fiscal year 2016, the School District had \$10,490,662 invested in land, buildings, equipment, and transportation vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2016 and 2015.

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

|                                      | 2016                 | 2015                 |
|--------------------------------------|----------------------|----------------------|
| Land                                 | \$ 561,110           | \$ 561,110           |
| Land Improvements                    | 3,817                | 12,885               |
| Buildings and Buildings Improvements | 9,621,757            | 9,918,611            |
| Machinery and Equipment              | 300,930              | 363,333              |
| Infrastructure                       | 3,048                | 3,368                |
| <b>Total</b>                         | <b>\$ 10,490,662</b> | <b>\$ 10,859,307</b> |

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

**Debt Administration**

At June 30, 2016, the School District had \$3,096,179 of outstanding debt. Of this amount, \$7,865,000 is for serial bonds, \$67,693 is for compensated absences, and \$3,096,179 is for net pension liability. Table 5 shows the balances of serial bonds for fiscal years 2016 and 2015.

**Table 5  
Outstanding Debt at June 30,**

|                   | 2016                | 2015                |
|-------------------|---------------------|---------------------|
| 2006 Serial Bonds | \$ 7,255,000        | \$ 7,895,000        |
| 2010 Serial Bonds | 610,000             | 720,000             |
| <b>Total</b>      | <b>\$ 7,865,000</b> | <b>\$ 8,615,000</b> |

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Factors bearing on the District's Future**

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

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

**Economic Factors and Next Year's Budget**

The District anticipates that the approved 2015-2016 budget will be adequate to satisfy all 2016-2017 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

**Contracting the District's Financial Management**

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

***BASIC FINANCIAL STATEMENTS***

**SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS**

***The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2016

|   | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|---|----------------------------|-----------------------------|---------------------|
| <b>ASSETS:</b>                              |                            |                             |                     |
| Cash and Cash Equivalents                   | \$ 1,716,143               | \$ 344,479                  | \$ 2,060,622        |
| Restricted Cash                             | 93,306                     |                             | 93,306              |
| Interfund Receivables                       | 192,202                    | 6,985                       | 199,187             |
| Receivables                                 | 135,961                    | 1,563                       | 137,524             |
| Inventories                                 |                            | 1,648                       | 1,648               |
| Deferred Bond Issuance Costs, Net           | 135,629                    |                             | 135,629             |
| Capital Assets, Net                         | 10,490,662                 | 31,796                      | 10,522,458          |
| <b>Total Assets</b>                         | <b>12,763,903</b>          | <b>386,471</b>              | <b>13,150,374</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>      |                            |                             |                     |
| Pensions                                    | 605,333                    |                             | 605,333             |
| <b>Total Deferred Outflows of Resources</b> | <b>605,333</b>             | <b>-</b>                    | <b>605,333</b>      |
| <b>LIABILITIES:</b>                         |                            |                             |                     |
| Interfund Payable                           | 81,648                     | 113,274                     | 194,922             |
| Accounts Payable                            | 2,952                      | 1,226                       | 4,178               |
| Accrued Interest                            | 110,161                    |                             | 110,161             |
| Noncurrent Liabilities:                     |                            |                             |                     |
| Due Within One Year                         | 855,000                    |                             | 855,000             |
| Due Beyond One Year:                        |                            |                             |                     |
| Other Long-Term Liabilities                 | 7,077,693                  |                             | 7,077,693           |
| Net Pension Liability                       | 3,096,179                  |                             | 3,096,179           |
| <b>Total Liabilities</b>                    | <b>11,223,633</b>          | <b>114,500</b>              | <b>11,338,133</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>       |                            |                             |                     |
| Pensions                                    | 49,781                     |                             | 49,781              |
| <b>Total Deferred Inflows of Resources</b>  | <b>49,781</b>              | <b>-</b>                    | <b>49,781</b>       |
| <b>NET POSITION (DEFICIT):</b>              |                            |                             |                     |
| Net Investment in Capital Assets            | 5,351,363                  | 31,796                      | 5,383,159           |
| Restricted for:                             |                            |                             |                     |
| General Fund                                | 1,686,109                  |                             | 1,686,109           |
| Capital Projects Fund                       | 423                        |                             | 423                 |
| Debt Service Fund                           | 82                         |                             | 82                  |
| Other Purposes                              | 93,306                     |                             | 93,306              |
| Unrestricted (Deficit)                      | (5,309,284)                | 240,175                     | (5,069,109)         |
| <b>Total Net Position (Deficit)</b>         | <b>\$ 1,821,999</b>        | <b>\$ 271,971</b>           | <b>\$ 2,093,970</b> |

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



MANSFIELD TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| Functions/Programs                                | Expenses         | Indirect Expenses Allocation | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes In Net Position |                          |
|---|------------------|------------------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|
|   |                  |                              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities |
| <b>GOVERNMENTAL ACTIVITIES:</b>                   |                  |                              |                      |                                    |                                  |   |                          |
| Instruction:                                      |                  |                              |                      |                                    |                                  |   |                          |
| Regular   | \$ 2,922,223     | \$ 1,109,749                 | \$ 85,381            | \$ -                               | \$ -                             | \$ (3,946,591)                                    | \$ (3,946,591)           |
| Special Education                                 | 1,015,370        | 443,158                      |                      |                                    |                                  | (1,076,988)                                       | (1,076,988)              |
| Other Special Education                           | 293,731          | 128,171                      | 381,540              |                                    |                                  | (421,902)   | (421,902)                |
| Other Instruction                                 | 25,623           | 2,044                        |                      |                                    |                                  | (27,667)  | (27,667)                 |
| Support Services:                                 |                  |                              |                      |                                    |                                  |   |                          |
| Tuition   | 433,877          |                              |                      |                                    |                                  | (433,877)   | (433,877)                |
| Student and Instruction Related Services          | 1,450,505        | 337,790                      |                      |                                    |                                  | (1,788,295)                                       | (1,788,295)              |
| General and Business Administrative Services      | 735,117          | 186,348                      |                      |                                    |                                  | (921,465)   | (921,465)                |
| School Administrative Services                    | 322,163          | 137,050                      |                      |                                    |                                  | (459,213)   | (459,213)                |
| Plant Operations and Maintenance                  | 937,456          | 230,613                      |                      |                                    |                                  | (1,168,069)                                       | (1,168,069)              |
| Pupil Transportation                              | 642,465          | 2,147                        | 95,513               |                                    |                                  | (549,099)   | (549,099)                |
| Capital Outlay                                    | 47,289           |                              |                      |                                    |                                  | (47,289)  | (47,289)                 |
| Interest on Long-Term Debt                        | 330,641          |                              |                      |                                    |                                  | (330,641)   | (330,641)                |
| Unallocated Depreciation and Amortization         | 324,273          |                              |                      |                                    |                                  | (324,273)   | (324,273)                |
| <b>Total Governmental Activities</b>              | <b>9,480,733</b> | <b>2,577,070</b>             | <b>85,381</b>        | <b>477,053</b>                     | <b>-</b>                         | <b>(11,495,369)</b>                               | <b>(11,495,369)</b>      |
| <b>BUSINESS-TYPE ACTIVITIES:</b>                  |                  |                              |                      |                                    |                                  |   |                          |
| Food Service/KC/MVP                               | 541,610          |                              | 425,239              | 44,870                             |                                  | (71,501)  | (71,501)                 |
| Total Business-Type Activities                    | 541,610          |                              | 425,239              | 44,870                             |                                  | (71,501)  | (71,501)                 |
| Total Primary Government                          | \$ 10,022,343    |                              | \$ 510,620           | \$ 521,923                         | \$ -                             | \$ (11,495,369)                                   | \$ (11,566,870)          |
| <b>GENERAL REVENUES:</b>                          |                  |                              |                      |                                    |                                  |   |                          |
| Property Taxes Levied For:                        |                  |                              |                      |                                    |                                  |   |                          |
| General Purposes                                  |                  |                              | \$ 9,604,841         |                                    |                                  | \$ -  | \$ 9,604,841             |
| Debt Service                                      |                  |                              | 1,057,895            |                                    |                                  |   | 1,057,895                |
| Federal and State Aid Not Restricted              |                  |                              | 1,455,686            |                                    |                                  |   | 1,455,686                |
| Investment Earnings                               |                  |                              | 2,854                |                                    | 763                              |   | 3,617                    |
| Miscellaneous Income                              |                  |                              | 126,401              |                                    |                                  |   | 126,401                  |
| Total General Revenues                            |                  |                              | 12,247,677           |                                    | 763                              |   | 12,248,440               |
| Change in Net Position                            |                  |                              | 752,308              |                                    | (70,738)                         |   | 681,570                  |
| Net Position - Beginning, Prior to Restatement    |                  |                              | 319,691              |                                    |                                  | 342,709   | 662,400                  |
| Prior Period Adjustment:                          |                  |                              |                      |                                    |                                  |   |                          |
| Duplicated Current Year Portion of Long-Term Debt |                  |                              | 750,000              |                                    |                                  |   | 750,000                  |
| Net Position - Beginning as Restated              |                  |                              | 1,069,691            |                                    |                                  | 342,709   | 1,412,400                |
| Net Position - Ending                             |                  |                              | \$ 1,821,999         |                                    |                                  | \$ 271,971  | \$ 2,093,970             |

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

**SECTION B - FUND FINANCIAL STATEMENTS**

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

***GOVERNMENTAL FUNDS***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016

|   | General<br>Fund            | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total                      |
|---|----------------------------|----------------------------|-----------------------------|-------------------------|----------------------------|
| <b>ASSETS:</b>                                |                            |                            |                             |                         |                            |
| Cash and Cash Equivalents                     | \$ 1,695,230               | \$ -                       | \$ 82,071                   | \$ 82                   | \$ 1,777,383               |
| Capital and Maintenance Reserve               | 93,306                     |                            |                             |                         | 93,306                     |
| Interfund Receivables                         | 186,018                    | 6,184                      |                             |                         | 192,202                    |
| Receivables From Other Governments            | 80,905                     | 55,056                     |                             |                         | 135,961                    |
| <b>Total Assets</b>                           | <b><u>\$ 2,055,459</u></b> | <b><u>\$ 61,240</u></b>    | <b><u>\$ 82,071</u></b>     | <b><u>\$ 82</u></b>     | <b><u>\$ 2,198,852</u></b> |
| <b>LIABILITIES AND FUND BALANCES:</b>         |                            |                            |                             |                         |                            |
| <b>Liabilities:</b>                           |                            |                            |                             |                         |                            |
| Cash Deficit                                  | \$ -                       | \$ 61,240                  | \$ -                        | \$ -                    | \$ 61,240                  |
| Interfund Payables                            |                            |                            | 81,648                      |                         | 81,648                     |
| Accounts Payable                              | 2,952                      |                            |                             |                         | 2,952                      |
| <b>Total Liabilities</b>                      | <b><u>2,952</u></b>        | <b><u>61,240</u></b>       | <b><u>81,648</u></b>        | <b><u>-</u></b>         | <b><u>145,840</u></b>      |
| <b>Fund Balances:</b>                         |                            |                            |                             |                         |                            |
| <b>Reserved For:</b>                          |                            |                            |                             |                         |                            |
| Encumbrances                                  | 17,429                     |                            |                             |                         | 17,429                     |
| Capital Reserve Account                       | 77,164                     |                            |                             |                         | 77,164                     |
| Maintenance Reserve Account                   | 16,142                     |                            |                             |                         | 16,142                     |
| Excess Surplus                                | 922,939                    |                            |                             |                         | 922,939                    |
| Designated for Subsequent Year's Expenditures | 745,741                    |                            |                             |                         | 745,741                    |
| <b>Unreserved:</b>                            |                            |                            |                             |                         |                            |
| General Fund                                  | 273,092                    |                            |                             |                         | 273,092                    |
| Capital Projects Fund                         |                            |                            | 423                         |                         | 423                        |
| Debt Service Fund                             |                            |                            |                             | 82                      | 82                         |
| <b>Total Fund Balances</b>                    | <b><u>2,052,507</u></b>    | <b><u>-</u></b>            | <b><u>423</u></b>           | <b><u>82</u></b>        | <b><u>2,053,012</u></b>    |
| <b>Total Liabilities and Fund Balances</b>    | <b><u>\$ 2,055,459</u></b> | <b><u>\$ 61,240</u></b>    | <b><u>\$ 82,071</u></b>     | <b><u>\$ 82</u></b>     |                            |

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

|  |                            |
|--|----------------------------|
| The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance costs are \$313,776 and the accumulated amortization is \$178,147. | 135,629                    |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$17,010,130 and the accumulated depreciation is \$6,519,468.   | 10,490,662                 |
| Some liabilities are not due and payable in the current year and therefore are not reported as a liability in the funds. Those liabilities consist of accrued interest on bond.  | (110,161)                  |
| 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.  | (7,932,693)                |
| Net pension liability of \$3,096,179, deferred inflows of resources of \$323,604 less deferred outflows of resources of \$605,333 related to pensions are not reported in the governmental funds   | <u>(2,814,450)</u>         |
| <b>Net Position of Governmental Activities</b>   | <b><u>\$ 1,821,999</u></b> |

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|  | General<br>Fund | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total         |
|--|-----------------|----------------------------|-----------------------------|-------------------------|---------------|
| REVENUES:                                    |                 |                            |                             |                         |               |
| Local Sources:                               |                 |                            |                             |                         |               |
| Local Tax Levy                               | \$ 9,604,841    | \$ -                       | \$ -                        | \$ 1,057,895            | \$ 10,662,736 |
| Tuition                                      | 85,381          |                            |                             |                         | 85,381        |
| Interest on Investments                      | 4,728           |                            | 164                         |                         | 4,892         |
| Miscellaneous                                | 124,363         |                            |                             |                         | 124,363       |
| Total Local Sources                          | 9,819,313       | -                          | 164                         | 1,057,895               | 10,877,372    |
| State Sources                                | 1,734,361       |                            |                             | 31,342                  | 1,765,703     |
| Federal Sources                              |                 | 167,036                    |                             |                         | 167,036       |
| Total Revenues                               | 11,553,674      | 167,036                    | 164                         | 1,089,237               | 12,810,111    |
| EXPENDITURES:                                |                 |                            |                             |                         |               |
| Current:                                     |                 |                            |                             |                         |               |
| Instruction:                                 |                 |                            |                             |                         |               |
| Regular                                      | 2,762,207       | 143,253                    |                             |                         | 2,905,460     |
| Special Education                            | 1,015,370       |                            |                             |                         | 1,015,370     |
| Other Special Education                      | 293,731         |                            |                             |                         | 293,731       |
| Other  | 25,623          |                            |                             |                         | 25,623        |
| Support Services and Undistributed Costs:    |                 |                            |                             |                         |               |
| Tuition                                      | 433,877         |                            |                             |                         | 433,877       |
| Student and Instruction Related Services     | 1,410,659       | 23,783                     |                             |                         | 1,434,442     |
| General and Business Administrative Services | 638,057         |                            |                             |                         | 638,057       |
| School Administrative Services               | 322,163         |                            |                             |                         | 322,163       |
| Plant Operations and Maintenance             | 929,510         |                            |                             |                         | 929,510       |
| Pupil Transportation                         | 638,865         |                            |                             |                         | 638,865       |
| Employee Benefits                            | 2,577,093       |                            |                             |                         | 2,577,093     |
| Capital Outlay                               | 47,289          |                            |                             |                         | 47,289        |
| Debt Service:                                |                 |                            |                             |                         |               |
| Interest                                     |                 |                            |                             | 339,238                 | 339,238       |
| Principal                                    |                 |                            |                             | 750,000                 | 750,000       |
| Total Expenditures                           | 11,094,444      | 167,036                    | -                           | 1,089,238               | 12,350,718    |
| NET CHANGE IN FUND BALANCES                  | 459,230         | -                          | 164                         | (1)                     | 459,393       |
| FUND BALANCES, JULY 1                        | 1,593,277       | -                          | 259                         | 83                      | 1,593,619     |
| FUND BALANCES, JUNE 30                       | \$ 2,052,507    | \$ -                       | \$ 423                      | \$ 82                   | \$ 2,053,012  |

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|  |                   |
|--|-------------------|
| Total net change in fund balances - governmental funds (B-2)   | \$ 459,393        |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because:   |                   |
| <p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.</p>   |                   |
| Depreciation Expense   | (368,645)         |
| <p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>   |                   |
|  | 750,000           |
| <p>Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>   |                   |
|  | (20,857)          |
| <p>In the statement of activities, certain expenses, e.g., compensated absences (vacations &amp; sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p> |                   |
|  | 12,569            |
| <p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest net is an addition in the reconciliation.</p>   |                   |
|  | 8,597             |
| <p>Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.</p>   |                   |
|  | <u>(88,749)</u>   |
| Change in net position of governmental activities  | <u>\$ 752,308</u> |

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

***PROPRIETARY FUNDS***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016

|   | Business- Type Activities - Enterprise Funds |                            |                   |                   |
|---|--|----------------------------|-------------------|-------------------|
|   | Food<br>Service                              | Kindergarten<br>Connection | MVP<br>Program    | Totals            |
| <b>ASSETS:</b>                            |  |                            |                   |                   |
| <b>Current Assets:</b>                    |  |                            |                   |                   |
| Cash and Cash Equivalents                 | \$ 2,825                                     | \$ 196,714                 | \$ 144,940        | \$ 344,479        |
| Receivables:                              |  |                            |                   |                   |
| State                                     | 86   |                            |                   | 86                |
| Federal                                   | 1,477  |                            |                   | 1,477             |
| Inventories                               | 1,648  |                            |                   | 1,648             |
| <b>Total Current Assets</b>               | <b>6,036</b>                                 | <b>196,714</b>             | <b>144,940</b>    | <b>347,690</b>    |
| <b>Noncurrent Assets:</b>                 |  |                            |                   |                   |
| Furniture, Machinery and Equipment        | 192,240                                      |                            | 23,581            | 215,821           |
| Less: Accumulated Depreciation            | (176,754)                                    |                            | (7,271)           | (184,025)         |
| <b>Total Noncurrent Assets</b>            | <b>15,486</b>                                | <b>-</b>                   | <b>16,310</b>     | <b>31,796</b>     |
| <b>Total Assets</b>                       | <b>\$ 21,522</b>                             | <b>\$ 196,714</b>          | <b>\$ 161,250</b> | <b>\$ 379,486</b> |
| <b>LIABILITIES AND NET POSITION:</b>      |  |                            |                   |                   |
| <b>Liabilities:</b>                       |  |                            |                   |                   |
| Interfund Accounts Payable                | \$ 390                                       | \$ 35,392                  | \$ 77,492         | \$ 113,274        |
| Accounts Payable                          | 1,226  |                            |                   | 1,226             |
| <b>Total Liabilities</b>                  | <b>1,616</b>                                 | <b>35,392</b>              | <b>77,492</b>     | <b>114,500</b>    |
| <b>Net Position:</b>                      |  |                            |                   |                   |
| Unassigned                                | 26,891                                       | 161,322                    | 83,758            | 271,971           |
| <b>Total Net Position</b>                 | <b>26,891</b>                                | <b>161,322</b>             | <b>83,758</b>     | <b>271,971</b>    |
| <b>Total Liabilities and Net Position</b> | <b>\$ 28,507</b>                             | <b>\$ 196,714</b>          | <b>\$ 161,250</b> | <b>\$ 386,471</b> |

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



MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|                                     | Business-Type Activities - Enterprise Funds |                            |                  | Totals            |
|-------------------------------------|---|----------------------------|------------------|-------------------|
|                                     | Food<br>Service                             | Kindergarten<br>Connection | MVP<br>Program   |                   |
| <b>OPERATING REVENUES:</b>          |   |                            |                  |                   |
| Charges for Services:               |   |                            |                  |                   |
| Daily Sales Reimbursable Program    | \$ 161,130                                  | \$ -                       | \$ -             | \$ 161,130        |
| Miscellaneous                       |   | 175                        | 263,934          | 264,109           |
| <b>Total Operating Revenues</b>     | <b>161,130</b>                              | <b>175</b>                 | <b>263,934</b>   | <b>425,239</b>    |
| <b>OPERATING EXPENSES:</b>          |   |                            |                  |                   |
| Salaries                            | 100,857                                     |                            | 262,418          | 363,275           |
| Other Purchased Services            |   |                            | 727              | 727               |
| Supplies and Materials              | 73  | 1,624                      | 60,264           | 61,961            |
| Depreciation Expense                | 3,962                                       |                            | 2,358            | 6,320             |
| Cost of Sales                       | 109,327                                     |                            |                  | 109,327           |
| <b>Total Operating Expenses</b>     | <b>214,219</b>                              | <b>1,624</b>               | <b>325,767</b>   | <b>541,610</b>    |
| <b>OPERATING INCOME (LOSS)</b>      | <b>(53,089)</b>                             | <b>(1,449)</b>             | <b>(61,833)</b>  | <b>(116,371)</b>  |
| <b>NONOPERATING REVENUES:</b>       |   |                            |                  |                   |
| Interest Earned                     |   | 398                        | 365              | 763               |
| State Sources:                      |   |                            |                  |                   |
| State Lunch Program                 | 1,779                                       |                            |                  | 1,779             |
| Federal Sources:                    |   |                            |                  |                   |
| Federal Lunch Program               | 30,844                                      |                            |                  | 30,844            |
| Food Distribution Program           | 12,247                                      |                            |                  | 12,247            |
| <b>Total Nonoperating Revenues</b>  | <b>44,870</b>                               | <b>398</b>                 | <b>365</b>       | <b>45,633</b>     |
| <b>CHANGE IN NET POSITION</b>       | <b>(8,219)</b>                              | <b>(1,051)</b>             | <b>(61,468)</b>  | <b>(70,738)</b>   |
| <b>TOTAL NET POSITION - JULY 1</b>  | <b>35,110</b>                               | <b>162,373</b>             | <b>145,226</b>   | <b>342,709</b>    |
| <b>TOTAL NET POSITION - JUNE 30</b> | <b>\$ 26,891</b>                            | <b>\$ 161,322</b>          | <b>\$ 83,758</b> | <b>\$ 271,971</b> |

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|   | Business-Type Activities - Enterprise Funds |                            |                          | Totals                   |
|---|---|----------------------------|--------------------------|--------------------------|
|   | Food<br>Service                             | Kindergarten<br>Connection | MVP<br>Program           |                          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>            |   |                            |                          |                          |
| Cash Received from Customers                            | \$ 154,617                                  | \$ 175                     | \$ 263,934               | \$ 418,726               |
| Cash Payments to Suppliers and Employees                | (211,086)                                   | (14,670)                   | (363,666)                | (589,422)                |
| Net Cash Used In Operating Activities                   | <u>(56,469)</u>                             | <u>(14,495)</u>            | <u>(99,732)</u>          | <u>(170,696)</u>         |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b> |   |                            |                          |                          |
| Cash Received From State And Federal Reimbursements     | 32,623                                      |                            |                          | 32,623                   |
| Food Distribution Program                               | 12,247                                      |                            |                          | 12,247                   |
| Net Cash Provided By Noncapital Financing Activities    | <u>44,870</u>                               | <u>-</u>                   | <u>-</u>                 | <u>44,870</u>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>            |   |                            |                          |                          |
| Interest on Deposits and Investments                    |   | 398                        | 365                      | 763                      |
| Net Cash Provided By Investing Activities               | <u>-</u>                                    | <u>398</u>                 | <u>365</u>               | <u>763</u>               |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>        | <b>(11,599)</b>                             | <b>(14,097)</b>            | <b>(99,367)</b>          | <b>(125,063)</b>         |
| <b>CASH AND CASH EQUIVALENTS, JULY 1</b>                | <b>14,424</b>                               | <b>210,811</b>             | <b>244,307</b>           | <b>469,542</b>           |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30</b>               | <b><u>\$ 2,825</u></b>                      | <b><u>\$ 196,714</u></b>   | <b><u>\$ 144,940</u></b> | <b><u>\$ 344,479</u></b> |
| <b>Reconciliation of Operating Loss to</b>              |   |                            |                          |                          |
| <b>Net Cash Used In Operating Activities:</b>           |   |                            |                          |                          |
| Operating Income (Loss)                                 | \$ (53,089)                                 | \$ (1,449)                 | \$ (61,833)              | \$ (116,371)             |
| Depreciation & Net Amortization                         | 3,962                                       |                            | 2,358                    | 6,320                    |
| <b>Change In Assets And Liabilities:</b>                |   |                            |                          |                          |
| Increase In Due From Other Funds                        | (6,985)                                     |                            |                          | (6,985)                  |
| Decrease In Receivables From Other Governments          | 472   |                            |                          | 472                      |
| Decrease In Inventories                                 | (228)                                       |                            |                          | (228)                    |
| Decrease In Interfund Payable                           |   | (13,046)                   | (40,257)                 | (53,303)                 |
| Decrease In Accounts Payable                            | (601)                                       |                            |                          | (601)                    |
| Net Cash Used In Operating Activities                   | <u>\$ (56,469)</u>                          | <u>\$ (14,495)</u>         | <u>\$ (99,732)</u>       | <u>\$ (170,696)</u>      |

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

***FIDUCIARY FUNDS***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2016

|                                     | Unemployment<br>Compensation<br>Insurance | Agency<br>Fund |
|-------------------------------------|---|----------------|
| <b>ASSETS:</b>                      |   |                |
| Cash and Cash Equivalents           | \$ 1,258                                  | \$ 94,769      |
| Interfund Accounts Receivable       | 14,021                                    | 2,329          |
| Total Assets                        | 15,279                                    | \$ 97,098      |
| <b>LIABILITIES:</b>                 |   |                |
| Cash Overdraft                      |   | \$ 2,329       |
| Interfund Accounts Payable          |   | 14,020         |
| Payable to Student Groups           |   | 8,164          |
| Accrued Salaries and Benefits       |   | -              |
| Payroll Deductions and Withholdings |   | 72,585         |
| Total Liabilities                   | -   | 97,098         |
| Total Liabilities                   | -   | \$ 97,098      |
| <b>NET POSITION:</b>                |   |                |
| Reserved For Unemployment Claims    | 15,279                                    |                |
| Total Net Position                  | \$ 15,279                                 |                |

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY NET ASSETS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|                                  | <u>Unemployment<br/>Compensation<br/>Insurance</u> |
|----------------------------------|--|
| ADDITIONS:                       |  |
| Interest                         | \$ 12  |
| Contributions:                   |  |
| Employees                        | <u>11,566</u>                                      |
| Total Additions                  | <u>11,578</u>                                      |
| DEDUCTIONS:                      |  |
| Unemployment Claims              | <u>4,854</u>                                       |
| Total Deductions                 | <u>4,854</u>                                       |
| CHANGE IN NET POSITION           | 6,724  |
| NET POSITION - BEGINNING OF YEAR | <u>8,555</u>                                       |
| NET POSITION - END OF YEAR       | <u><u>\$ 15,279</u></u>                            |

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

***NOTES TO THE FINANCIAL STATEMENTS***

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

The School District implemented Governmental Accounting Standard Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and Statement No. 71, "Pension Transition for Contribution Made Subsequent to the Measurement Date."

GASB Statement No. 68's objective is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirement of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers," as well as the requirements of Statement No. 50, "Pension Disclosures," as they relate to pensions that are provided through pension plan administered as trusts or equivalent arrangements that meet certain criteria.

GASB Statement No. 71 should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by the a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**A. Reporting Entity**

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

The Mansfield Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As Type II district, the School District functions independent through a board of Education. The operations of the District include two elementary schools located in Mansfield Township. Mansfield Township Board of Education had an approximate enrollment at June 30, 2016 of 660 students.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

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

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

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

**B. Basis of Presentation, Basis of Accounting**

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

**Basis of Presentation**

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

These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

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

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

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

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

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

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

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

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

The District reports the following proprietary funds:

Enterprise Funds: The enterprise funds account for all revenues and expenses pertaining to the Board's operations. The funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

Additionally, the District reports the following fund type:

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

Basis of Accounting

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

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

Basis of Accounting (Continued)

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

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

**C. Budgets/Budgetary Control**

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

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

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

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

|  |                          |
|--|--------------------------|
| Total Revenues & Expenditures<br>(Budgetary Basis) | \$ 168,419               |
| Adjustments:                                       |                          |
| Less Encumbrances at June 30, 2016                 | (1,383)                  |
| Plus Encumbrances at June 30, 2015                 | <u>-</u>                 |
| Total Revenues and Expenditures<br>(GAAP Basis)    | <u><u>\$ 167,036</u></u> |

**D. Encumbrances**

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

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities and Net Position or Equity**

Cash and Cash Equivalents

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

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

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

*N.J.S.A17:9-41 et. Seq.* establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Receivables and Payables

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Receivables and Payables (Continued)

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

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

*Tuition Expenditures* – Tuition charges for the fiscal year 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the state.

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

Inventories and Prepaid Items

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

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

Short-Term Interfund Receivables/Payables

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Capital Assets

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

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

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

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

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

Compensated Absences

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



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Compensated Absences (Continued)

Accumulated sick leave, vacation benefits and salary related payments are accrued when incurred in the government-wide and proprietary fund financial statements.

Deferred Revenues

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

Long Term Obligations

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

Fund Equity

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Fund Equity (Continued)

- ❖ Unassigned- includes balance within the General fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

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

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

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

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

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

Insurance

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Subsequent Events

The Mansfield Township Board of Education has evaluated subsequent events occurring up to December 2, 2016, which is the date the financial statements were available to be issued.

Net Position

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

**F. PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net pension of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

**G. Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the School District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the School District is required to measure certain investments at fair value for financial reporting purposes. In addition, the School District is required to measure donated capital assets

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impact of Recently Issued Accounting Principles (Continued)**

Adopted Accounting Pronouncements (Continued)

at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the School District's financial statements.

The School District implemented GASB 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*. Implementation of this Statement did not impact the School District's financial statements.

The School District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the School District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agency*

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impact of Recently Issued Accounting Principles (Continued)**

Recently Issued and Adopted Accounting Pronouncements (Continued)

*Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impact of Recently Issued Accounting Principles (Continued)**

**Recently Issued and Adopted Accounting Pronouncements (Continued)**

measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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 will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (DEPOSIT)**

**A. Deposits and Investments**

Deposits

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

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

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

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

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

Investments

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

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

**Deposits and Investments (Continued)**

Investments (Continued)

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

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

|           | <u>General<br/>Fund</u> | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> | <u>Debt<br/>Service</u> | <u>Proprietary<br/>Fund</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>        |
|-----------|-------------------------|----------------------------|-----------------------------|-------------------------|-----------------------------|----------------------------|---------------------|
| Operating |                         |                            |                             |                         |                             |                            |                     |
| Account   | <u>\$ 1,788,536</u>     | <u>\$ (61,240)</u>         | <u>\$ 82,071</u>            | <u>\$ 82</u>            | <u>\$ 344,479</u>           | <u>\$ 93,698</u>           | <u>\$ 2,247,626</u> |

The investments recorded in the District-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the District-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2016 was \$2,247,626 and the bank balance was \$2,533,261. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

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



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**Deposits and Investments (Continued)**

Risk Category (Continued)

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

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

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

As of June 30, 2016, the Board had funds invested and on deposit in checking accounts and New Jersey ARM. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

New Jersey Cash Management Fund

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

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

The District has deposited cash in 2016 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

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

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

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

**NOTE 4: RESERVE ACCOUNTS**

**A. Capital Reserve Account**

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 4: RESERVE ACCOUNTS (CONTINUED)**

Capital Reserve Account (Continued)

The activity of the capital reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

|                                 |                  |
|---------------------------------|------------------|
| Beginning Balance, July 1, 2015 | \$ 76,972        |
| Interest Earnings               | 192              |
| Ending Balance, June 30, 2016   | <u>\$ 77,164</u> |

**B. Maintenance Reserve Account**

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

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

The activity of the maintenance reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

|                                 |                  |
|---------------------------------|------------------|
| Beginning Balance, July 1, 2015 | \$ 16,147        |
| Withdrawal                      | (37)             |
| Interest Earnings               | <u>32</u>        |
| Ending Balance, June 30, 2016   | <u>\$ 16,142</u> |

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 5: ACCOUNTS RECEIVABLE**

Accounts receivables at June 30, 2016, consisted of accounts, intergovernmental, grants, and miscellaneous.

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

|                                    | Governmental<br>Fund<br>Financial<br>Statements | Governmental<br>Wide<br>Financial<br>Statements |
|------------------------------------|---|---|
| State Aid                          | \$ 80,905                                       | \$ 80,991                                       |
| Federal Aid                        | 55,056  | 56,533  |
| Other                              | -   | -   |
| Gross Receivables                  | <u>135,961</u>                                  | <u>137,524</u>                                  |
| Less: Allowance for Uncollectibles | -   | -   |
| Total Receivables, Net             | <u>\$ 135,961</u>                               | <u>\$ 137,524</u>                               |

**NOTE 6: CAPITAL ASSETS**

Capital asset activity based on an independent appraisal for the year ended June 30, 2016 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Retirements</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|---------------------|--------------------|---------------------------|
| <b>Governmental Activities:</b>  |                              |                     |                    |                           |
| <i>Capital Assets Not Being Depreciated:</i>                               |                              |                     |                    |                           |
| Land   | \$ 561,110                   | \$ -                | \$ -               | \$ 561,110                |
| Total Capital Assets Not Being Depreciated                                 | <u>561,110</u>               | <u>-</u>            | <u>-</u>           | <u>561,110</u>            |
| <i>Capital Assets Being Depreciated:</i>                                   |                              |                     |                    |                           |
| Land Improvements  | 359,741                      | -                   | -                  | 359,741                   |
| Buildings  | 14,842,724                   | -                   | -                  | 14,842,724                |
| Machinery and Equipment  | 1,236,931                    | -                   | -                  | 1,236,931                 |
| Infrastructure   | 9,624                        | -                   | -                  | 9,624                     |
| Totals at Historical Cost  | <u>16,449,020</u>            | <u>-</u>            | <u>-</u>           | <u>16,449,020</u>         |
| Less Accumulated Depreciation For:   |                              |                     |                    |                           |
| Land Improvements  | 346,856                      | 9,068               | -                  | 355,924                   |
| Buildings  | 4,924,113                    | 296,854             | -                  | 5,220,967                 |
| Machinery and Equipment  | 873,598                      | 62,403              | -                  | 936,001                   |
| Infrastructure   | 6,256                        | 320                 | -                  | 6,576                     |
| Total Accumulated Depreciation   | <u>6,150,823</u>             | <u>368,645</u>      | <u>-</u>           | <u>6,519,468</u>          |
| Total Capital Assets Being Depreciated,<br>Net of Accumulated Depreciation | <u>10,298,197</u>            | <u>(368,645)</u>    | <u>-</u>           | <u>9,929,552</u>          |
| Government Activity Capital Assets, Net                                    | <u>\$ 10,859,307</u>         | <u>\$ (368,645)</u> | <u>\$ -</u>        | <u>\$ 10,490,662</u>      |
| <b>Business-Type Activities:</b>   |                              |                     |                    |                           |
| <i>Capital Assets Being Depreciated:</i>                                   |                              |                     |                    |                           |
| Machinery and Equipment  | \$ 215,821                   | \$ -                | \$ -               | \$ 215,821                |
| Less Accumulated Depreciation  | <u>(177,705)</u>             | <u>(6,320)</u>      | <u>-</u>           | <u>(184,025)</u>          |
| Enterprise Fund Capital Assets, Net  | <u>\$ 38,116</u>             | <u>\$ (6,320)</u>   | <u>\$ -</u>        | <u>\$ 31,796</u>          |

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 6: CAPITAL ASSETS (CONTINUED)**

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

Depreciation expense was charged to functions as follows:

|                              |                   |
|------------------------------|-------------------|
| <b>Depreciation Expense:</b> |                   |
| Instructional                | \$ 16,763         |
| Support/Administration       | 16,063            |
| Maintenance/Custodial        | 7,946             |
| Pupil Transportation         | 3,600             |
| Unallocated                  | 324,273           |
| Total                        | <u>\$ 368,645</u> |

**NOTE 7: INTERFUND TRANSFERS AND BALANCES**

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

The following interfund balances remained on the fund financial statements at June 30, 2016:

| Fund                  | Interfund<br>Receivable | Interfund<br>Payable |
|-----------------------|-------------------------|----------------------|
| General Fund          | \$ 186,018              | \$ -                 |
| Special Revenue Fund  | 6,184                   |                      |
| Capital Projects Fund |                         | 81,648               |
| Proprietary Fund      |                         | 112,884              |
| Fiduciary Fund        | 16,350                  | 14,020               |
| Total                 | <u>\$ 208,552</u>       | <u>\$ 208,552</u>    |

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: LONG-TERM OBLIGATIONS**

Long-Term Obligation Activity

Changes in long-term obligations for year ended June 30, 2016 are as follows:

|                              | Balance             |                 |                   | Balance             | Amounts           |
|------------------------------|---------------------|-----------------|-------------------|---------------------|-------------------|
|                              | July 1, 2015        | Increase        | Decrease          | June 30, 2016       | Due Within        |
|                              |                     |                 |                   |                     | One Year          |
| Bonds Payable                | \$ 8,615,000        | \$ -            | \$ 750,000        | \$ 7,865,000        | \$ 855,000        |
| Compensated Absences Payable | 80,262              | 8,119           | 20,688            | 67,693              | -                 |
| Total                        | <u>\$ 8,695,262</u> | <u>\$ 8,119</u> | <u>\$ 770,688</u> | <u>\$ 7,932,693</u> | <u>\$ 855,000</u> |

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: LONG-TERM OBLIGATIONS (CONTINUED)**

Bonds Payable (Continued)

On August 31, 2016, the School District issued \$6,080,000 Refunding Bonds to currently refund and redeem all of the School District's outstanding callable School Refunding Bonds, Series 2006, maturing on September 1 in the years 2017 through 2022, both dates inclusive; pay the premium of a municipal bond insurance policy issued by Municipal Assurance Corp., New York, New York; and pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

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

| Fiscal Year<br>Ending June 30, | Principal           | Interest          | Total               |
|--------------------------------|---------------------|-------------------|---------------------|
| 2017                           | \$ 790,000          | \$ 211,050        | \$ 1,001,050        |
| 2018                           | 845,000             | 190,475           | 1,035,475           |
| 2019                           | 960,000             | 158,600           | 1,118,600           |
| 2020-2023                      | <u>3,485,000</u>    | <u>215,900</u>    | <u>3,700,900</u>    |
|                                | <u>\$ 6,080,000</u> | <u>\$ 776,025</u> | <u>\$ 6,856,025</u> |

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

Bonds Authorized But Not Issued

As of June 30, 2016, the District had no authorized but not issued bonds.

**NOTE 9: RISK MANAGEMENT**

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



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 9: RISK MANAGEMENT (CONTINUED)**

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

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

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

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Interest Income</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|-------------------------------|------------------------|--------------------------|-----------------------|
| 2015-2016          | \$ -                          | \$ 11,566                     | \$ 12                  | \$ 4,854                 | \$ 15,279             |
| 2014-2015          | 34,238                        | 10,825                        | 9                      | 42,633                   | 8,555                 |
| 2013-2014          | 100                           | 9,490                         | 13                     | 22,048                   | 6,116                 |

**NOTE 10: CONTINGENT LIABILITIES**

Grant Programs

The school district participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the district has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the district, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 11: PENSION PLANS**

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

**A. Public Employees' Retirement System (PERS)**

**Plan Description**

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Benefits Provided**

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

| <b>Tier</b> | <b>Descriptions</b>   |
|-------------|---|
| 1           | Members who were enrolled prior to July 1, 2007   |
| 2           | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008  |
| 3           | Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010 |
| 4           | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011     |
| 5           | Members who were eligible to enroll on or after June 28, 2011                               |

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Benefits Provided (Continued)**

retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. School District contributions to PERS amounted to \$112,554 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

**Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the School District reported a liability of \$3,096,179 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2014 which was rolled forward to June 30, 2015. The School District's proportion of the net pension liability was based on a

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.01379267%, which was a decrease of 0.00172385% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2015, the School District recognized pension expense of \$127,918. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|--|--------------------------------------|----------------------------------|
| Changes in Assumptions   | \$ 332,505                           | \$ -                             |
| Difference Between Expected and Actual Experience  | 73,864                               | -                                |
| Net Difference Between Projected and Actual<br>Investment Earnings on Pension Plan Investments | -                                    | 49,781                           |
|  | <u>\$ 406,369</u>                    | <u>\$ 49,781</u>                 |

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending<br>June 30, | Total             |
|--------------------------------|-------------------|
| 2016                           | \$ 64,917         |
| 2017                           | 64,917            |
| 2018                           | 64,917            |
| 2019                           | 103,391           |
| 2020                           | 58,446            |
|                                | <u>\$ 356,588</u> |

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 01, 2014 which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuations as of July 01, 2014. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

|                           |                         |
|---------------------------|-------------------------|
| Inflation Rate            | 3.04%                   |
| 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 Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disability Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 01, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Long Term Expected Rate of Return (Continued)**

real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

| Asset Class                 | Target Allocation | Long Term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Cash                        | 5.00%             | 1.04%                                  |
| Core Bonds                  | 1.75%             | 1.64%                                  |
| Intermediate-Term Bonds     | 10.00%            | 1.79%                                  |
| Mortgage                    | 2.10%             | 1.62%                                  |
| High Yield Bonds            | 2.00%             | 4.03%                                  |
| Inflation-Indexed Bonds     | 1.50%             | 3.25%                                  |
| Broad U.S. Equities         | 27.25%            | 8.52%                                  |
| Developed Foreign Equities  | 12.00%            | 6.88%                                  |
| Emerging Market Equities    | 6.40%             | 10.00%                                 |
| Private Equity              | 9.25%             | 12.41%                                 |
| Hedge Funds/Absolute Return | 12.00%            | 4.72%                                  |
| Real Estate (Property)      | 2.00%             | 6.83%                                  |
| Commodities                 | 1.00%             | 5.32%                                  |
| Global Debt ex US           | 3.50%             | -0.40%                                 |
| REIT                        | 4.25%             | 5.12%                                  |

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Discount Rate (Continued)**

rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the School District's proportionate share of the collective net pension liability of the participating employers as of June 30, 2015, calculated using the discount rate as disclosed above as well as what the School District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| For the Fiscal Year Ended June 30, 2015                     |                           |                                     |                           |
|---|---------------------------|-------------------------------------|---------------------------|
|   | 1%<br>Decrease<br>(3.90%) | Current<br>Discount Rate<br>(4.90%) | 1%<br>Increase<br>(5.90%) |
| District's proportionate share of the Net Pension Liability | \$ 3,848,171              | \$ 3,096,179                        | \$ 2,465,714              |

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

**B. Teacher's Pension Annuity Fund (TPAF)**

**Pension Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

**Benefit Provided**

The vesting and benefit provision are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested of 2% of related interest earned on the contributions. In the case of death before retirement, members’ beneficiaries are entitled to full interest credited to the members’ accounts. The following represents the membership tiers for TPAF:

| <b>Tier</b> | <b>Descriptions</b>  |
|-------------|--|
| <b>1</b>    | Members who were enrolled prior to July 1, 2007  |
| <b>2</b>    | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| <b>3</b>    | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| <b>4</b>    | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011    |
| <b>5</b>    | Members who were eligible to enroll on or after June 28, 2011                              |

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit, and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions**

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Contributions (Continued)**

which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2015, the State's pension contribution was less than the actuarially determined amount.

The Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the School District. This note discloses the portion of the School District's total proportionate share of the net pension liability that is associated with the School District. During the fiscal year ended 2015, the State of New Jersey contributed \$38,458 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$219,102.

The employee contribution rate was 7.06% effective July 01, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the State's proportionate share of the net pension liability associated with the School District was \$25,767,616. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, District's proportion was 0.0407688%, which was a decrease of 0.0006221% from its proportion measured as of June 30, 2014.



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

experience will be amortized over a period of 8.5 years. The \$535,359,188 reported as a deferred inflow of resources resulting from the difference between projected and actual earnings on pension plan investments will be amortized over a period of 5 years.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense excluding that attributable to employer-paid member contributions as follows:

| Fiscal Year<br>Ending June 30, | Total                   |
|--------------------------------|-------------------------|
| 2016                           | \$ 818,433,596          |
| 2017                           | 818,433,596             |
| 2018                           | 818,433,598             |
| 2019                           | 1,253,742,742           |
| 2020                           | 1,061,100,680           |
| Thereafter                     | <u>2,196,835,040</u>    |
|                                | <u>\$ 6,966,979,252</u> |

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 01, 2014 which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 01, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

|                           |                            |
|---------------------------|----------------------------|
| Inflation Rate            | 2.50%                      |
| Salary Increases:         |                            |
| 2012-2021                 | Varies based on experience |
| Thereafter                | Varies based on experience |
| Investment Rate of Return | 7.90%                      |

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 200 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 01, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 is summarized in the following table:

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

**Long Term Expected Rate of Return (Continued)**

| <u>Asset Class</u>           | <u>Target Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of<br/>Return</u> |
|------------------------------|--------------------------|---|
| US Cash                      | 5.00%                    | 0.53%   |
| US Government Bonds          | 1.75%                    | 1.39%   |
| US Credit Bonds              | 13.50%                   | 2.72%   |
| US Mortgages                 | 2.10%                    | 2.54%   |
| US Inflation-Indexed Bonds   | 1.50%                    | 1.47%   |
| US High Yield Bonds          | 2.00%                    | 4.57%   |
| U.S. Equity Markets          | 27.25%                   | 5.63%   |
| Foreign Developed Equity     | 12.00%                   | 6.22%   |
| Emerging Market Equities     | 6.40%                    | 8.46%   |
| Private Real Estate Property | 4.25%                    | 3.97%   |
| Timber                       | 1.00%                    | 4.09%   |
| Farmland                     | 1.00%                    | 4.61%   |
| Private Equity               | 9.25%                    | 9.15%   |
| Commodities                  | 1.00%                    | 3.58%   |
| Hedge Funds- Multi Strategy  | 4.00%                    | 4.59%   |
| Hedge Funds- Equity Hedge    | 4.00%                    | 5.68%   |
| Hedge Funds- Distressed      | 4.00%                    | 4.30%   |

**Discount Rate – TPAF**

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers’ contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the State’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | For the Fiscal Year Ended June 30, 2015 |                                     |                           |
|---|---|-------------------------------------|---------------------------|
|   | 1%<br>Decrease<br>(3.13%)               | Current<br>Discount Rate<br>(4.13%) | 1%<br>Increase<br>(5.13%) |
| District's proportionate share of the Net Pension Liability | \$ 30,804,863                           | \$ 25,911,772                       | \$ 21,711,260             |

**Pension Plan Fiduciary Net Position – TPAF**

Detailed information about the TPAF’s fiduciary net position is available in the separately issued TPAF financial statements.

**C. Defined Contribution Retirement Program (DCRP)**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP) (Continued)**

to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

For DCRP, the School District recognized pension expense of \$21,972 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$11,984 for the fiscal year ended June 30, 2016.

**NOTE 13: POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015 there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 13: POST-RETIREMENT BENEFITS (CONTINUED)**

Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

**NOTE 14: FUND BALANCE APPROPRIATED**

General Fund

Of the \$2,052,507 General Fund fund balance at June 30, 2016, \$17,429 is reserved for encumbrances; \$77,164 is reserved for capital reserve account; \$16,142 is reserved for maintenance reserve account; \$922,939 is reserved for excess surplus; \$745,741 is designated for subsequent year's expenditures and \$273,092 is unassigned and undesignated.

Debt Service Fund

Of the \$82 Debt Service Fund fund balance at June 30, 2016, this amount is unassigned and designated.

**NOTE 15: ECONOMIC DEPENDENCY**

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

**NOTE 16: DEFERRED COMPENSATION**

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

|                    |                         |
|--------------------|-------------------------|
| The Legends Group  | Advanced Asset Planning |
| Lincoln Investment | Thomas Seeley           |
| Equivest           |                         |



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 17: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$80,262.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

**NOTE 18: JOINT INSURANCE FUND**

The district is a member of the School Alliance Insurance Fund. The fund provides the School District with the following coverage:

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 18: JOINT INSURANCE FUND (CONTINUED)**

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

**NOTE 19: CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, the Reserved Fund Balance – Excess Surplus is required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. At June 30, 2016, there is \$922,939 excess fund balance.

**NOTE 20: SUBSEQUENT EVENTS**

The District's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit.

***REQUIRED SUPPLEMENTARY INFORMATION – PART II***

***SECTION C - BUDGETARY COMPARISON SCHEDULES***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual<br>Favorable<br>(Unfavorable) |
|---|--------------------|---------------------|-------------------|-------------------|---|
| <b>REVENUES:</b>  |                    |                     |                   |                   |   |
| <b>Local Sources:</b>                                     |                    |                     |                   |                   |   |
| Local Tax Levy  | \$ 9,604,841       | \$ -                | \$ 9,604,841      | \$ 9,604,841      | \$ -  |
| Tuition from Other LEA's Within the State                 | 50,000             |                     | 50,000            | 85,381            | 35,381  |
| Earnings on Investments                                   |                    |                     |                   | 4,728             | 4,728   |
| Other Revenues from Local Sources                         | 131,000            |                     | 131,000           | 124,363           | (6,637)   |
| <b>Total Local Sources</b>                                | <b>9,785,841</b>   | <b>-</b>            | <b>9,785,841</b>  | <b>9,819,313</b>  | <b>33,472</b>   |
| <b>State Sources:</b>                                     |                    |                     |                   |                   |   |
| Transportation Aid  | 96,284             |                     | 96,284            | 96,284            | -   |
| Special Education Categorical Aid                         | 384,623            |                     | 384,623           | 384,623           | -   |
| Extraordinary Aid   |                    |                     |                   | 58,181            | 58,181  |
| Equalization Aid  | 61,810             |                     | 61,810            | 61,810            | -   |
| Security Aid  | 50,390             |                     | 50,390            | 50,390            | -   |
| Other State Aid   | 13,660             |                     | 13,660            | 20,620            | 6,960   |
| Additional Adjustment Aid                                 | 2                  |                     | 2                 | 2                 | -   |
| On-Behalf TPAF Pension Contributions                      |                    |                     |                   | 341,522           | 341,522   |
| On-Behalf TPAF Post Retirement Medical Contributions      |                    |                     |                   | 406,658           | 406,658   |
| Reimbursed TPAF Social Security Contributions             |                    |                     |                   | 319,135           | 319,135   |
| <b>Total State Sources</b>                                | <b>606,769</b>     | <b>-</b>            | <b>606,769</b>    | <b>1,739,225</b>  | <b>1,132,456</b>  |
| <b>Total Revenues</b>                                     | <b>10,392,610</b>  | <b>-</b>            | <b>10,392,610</b> | <b>11,558,538</b> | <b>1,165,928</b>  |
| <b>EXPENDITURES:</b>                                      |                    |                     |                   |                   |   |
| <b>Current Expenses:</b>                                  |                    |                     |                   |                   |   |
| <b>Instruction:</b>                                       |                    |                     |                   |                   |   |
| <b>Regular Programs - Instruction:</b>                    |                    |                     |                   |                   |   |
| <b>Salaries of Teachers:</b>                              |                    |                     |                   |                   |   |
| Kindergarten  | 211,779            | (8,426)             | 203,353           | 203,308           | 45  |
| Grades 1-5  | 2,028,381          | (164,370)           | 1,864,011         | 1,851,805         | 12,206  |
| Grades 6-8  | 273,624            | (976)               | 272,648           | 271,390           | 1,258   |
| Home Instruction  | 5,000              |                     | 5,000             |                   | 5,000   |
| <b>Total Regular Programs - Instruction</b>               | <b>2,518,784</b>   | <b>(173,772)</b>    | <b>2,345,012</b>  | <b>2,326,503</b>  | <b>18,509</b>   |
| <b>Regular Programs - Undistributed Instruction:</b>      |                    |                     |                   |                   |   |
| Other Salaries for Instruction                            | 99,582             | 79,265              | 178,847           | 178,829           | 18  |
| Purchased Prof/Ed Services                                | 18,000             | (5,529)             | 12,471            | 12,471            | -   |
| Other Purchased Services                                  | 700                |                     | 700               | 317               | 383   |
| General Supplies  | 309,274            | 16,143              | 325,417           | 205,997           | 119,420   |
| Textbooks   | 13,400             | (104)               | 13,296            | 4,471             | 8,825   |
| Miscellaneous Expenditures                                | 18,210             | 15,752              | 33,962            | 33,619            | 343   |
| <b>Total Regular Programs - Undistributed Instruction</b> | <b>459,166</b>     | <b>105,527</b>      | <b>564,693</b>    | <b>435,704</b>    | <b>128,989</b>  |
| <b>Total Regular Programs</b>                             | <b>2,977,950</b>   | <b>(68,245)</b>     | <b>2,909,705</b>  | <b>2,762,207</b>  | <b>147,498</b>  |
| <b>Special Education:</b>                                 |                    |                     |                   |                   |   |
| <b>Multiple Disabilities:</b>                             |                    |                     |                   |                   |   |
| Salaries of Teachers                                      | 10,000             | 168,953             | 178,953           | 178,845           | 108   |
| Other Salaries for Instruction                            | 18,000             | 37,844              | 55,844            | 44,929            | 10,915  |
| General Supplies  | 3,000              | 4,198               | 7,198             | 7,196             | 2   |
| <b>Total Multiple Disabilities</b>                        | <b>31,000</b>      | <b>210,995</b>      | <b>241,995</b>    | <b>230,970</b>    | <b>11,025</b>   |
| <b>Resource Room/Resouce Center:</b>                      |                    |                     |                   |                   |   |
| Salaries of Teachers                                      | 656,826            | 11,718              | 668,544           | 668,544           | -   |
| Other Salaries for Instruction                            | 153,237            | (61,463)            | 91,774            | 91,773            | 1   |
| General Supplies  | 5,700              | 1,956               | 7,656             | 7,656             | -   |
| <b>Total Resource Room/Resouce Center</b>                 | <b>815,763</b>     | <b>(47,789)</b>     | <b>767,974</b>    | <b>767,973</b>    | <b>1</b>  |
| <b>Autism:</b>  |                    |                     |                   |                   |   |
| Salaries of Teachers                                      | 62,129             | (19,130)            | 42,999            |                   | 42,999  |
| Other Salaries for Instruction                            | 11,055             | (10,031)            | 1,024             |                   | 1,024   |
| General Supplies  | 300                |                     | 300               |                   | 300   |
| <b>Total Autism</b>                                       | <b>73,484</b>      | <b>(29,161)</b>     | <b>44,323</b>     | <b>-</b>          | <b>44,323</b>   |

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual<br>Favorable<br>(Unfavorable) |
|--|--------------------|---------------------|------------------|------------------|---|
| (Continued from Prior Page)  |                    |                     |                  |                  |   |
| Preschool Disabilities - Full-Time:  |                    |                     |                  |                  |   |
| Salaries of Teachers   | \$ 60,105          | \$ (33,890)         | \$ 26,215        | \$ -             | \$ 26,215   |
| Other Salaries for Instruction   | 45,138             | (60)                | 45,078           | 16,367           | 28,711  |
| General Supplies   |                    | 60                  | 60               | 60               | -   |
| <b>Total Preschool Disabilities - Full-Time</b>                                | <b>105,243</b>     | <b>(33,890)</b>     | <b>71,353</b>    | <b>16,427</b>    | <b>54,926</b>   |
| Basic Skills/Remedial:   |                    |                     |                  |                  |   |
| Salaries of Teachers   | 251,615            | 19,336              | 270,951          | 270,911          | 40  |
| Other Salaries for Instruction   |                    | 25,528              | 25,528           | 18,444           | 7,084   |
| General Supplies   | 3,000              | 1,503               | 4,503            | 4,376            | 127   |
| <b>Total Basic Skills/Remedial</b>   | <b>254,615</b>     | <b>46,367</b>       | <b>300,982</b>   | <b>293,731</b>   | <b>7,251</b>  |
| <b>Total Special Education</b>   | <b>1,280,105</b>   | <b>146,522</b>      | <b>1,426,627</b> | <b>1,309,101</b> | <b>117,526</b>  |
| Other Instructional Programs:  |                    |                     |                  |                  |   |
| School-Sponsored Co-Curricular and Extra-Curricular Activities:                |                    |                     |                  |                  |   |
| Salaries   |                    | 4,614               | 4,614            | 4,614            | -   |
| Purchased Services   |                    | 253                 | 253              |                  | 253   |
| Supplies and Materials   |                    | 4,373               | 4,373            | 4,278            | 95  |
| <b>Total School-Sponsored Co-Curricular and Extra-Curricular Activities</b>    | <b>-</b>           | <b>9,240</b>        | <b>9,240</b>     | <b>8,892</b>     | <b>348</b>  |
| School-Sponsored Athletics:  |                    |                     |                  |                  |   |
| Other Objects  | 16,731             |                     | 16,731           | 16,731           | -   |
| <b>Total School-Sponsored Athletics</b>  | <b>16,731</b>      | <b>-</b>            | <b>16,731</b>    | <b>16,731</b>    | <b>-</b>  |
| <b>Total Other Instructional Programs</b>                                      | <b>16,731</b>      | <b>9,240</b>        | <b>25,971</b>    | <b>25,623</b>    | <b>348</b>  |
| <b>Total Instruction</b>   | <b>4,274,786</b>   | <b>87,517</b>       | <b>4,362,303</b> | <b>4,096,931</b> | <b>265,372</b>  |
| Undistributed Expenditures:  |                    |                     |                  |                  |   |
| Instruction:   |                    |                     |                  |                  |   |
| Tuition to County Vocational School Districts - Special Education              |                    |                     |                  | 141,377          | (141,377)   |
| Tuition to County Special Services<br>and Regional Day School Within the State | 251,082            | (16,015)            | 235,067          | 234,697          | 370   |
| Tuition to Private Schools for the Disabled Within the State                   | 106,755            | 20,467              | 127,222          | 42,632           | 84,590  |
| Transfer of Funds to Charter Schools   | 71,403             |                     | 71,403           | 15,171           | 56,232  |
| <b>Total Instruction</b>   | <b>429,240</b>     | <b>4,452</b>        | <b>433,692</b>   | <b>433,877</b>   | <b>(185)</b>  |
| Health Services:   |                    |                     |                  |                  |   |
| Salaries   | 128,730            | 16,100              | 144,830          | 135,961          | 8,869   |
| Purchased Prof/Tech Services   | 5,000              | 738                 | 5,738            | 5,738            | -   |
| Other Purchased Services   | 1,000              |                     | 1,000            | 861              | 139   |
| Supplies and Materials   | 7,000              | 2,700               | 9,700            | 8,439            | 1,261   |
| <b>Total Health Services</b>   | <b>141,730</b>     | <b>19,538</b>       | <b>161,268</b>   | <b>150,999</b>   | <b>10,269</b>   |
| Other Support Services Students - Related Services:                            |                    |                     |                  |                  |   |
| Salaries   | 278,236            |                     | 278,236          | 267,893          | 10,343  |
| Purchased Prof/Ed Services   | 39,800             | (36,629)            | 3,171            | 3,171            | -   |
| Supplies and Materials   | 3,000              |                     | 3,000            | 877              | 2,123   |
| <b>Total Other Support Services Students - Related Services</b>                | <b>321,036</b>     | <b>(36,629)</b>     | <b>284,407</b>   | <b>271,941</b>   | <b>12,466</b>   |
| Other Support Services Students - Extraordinary Services:                      |                    |                     |                  |                  |   |
| Salaries   | 116,194            | 95,181              | 211,375          | 142,708          | 68,667  |
| <b>Total Other Support Services Students - Extraordinary Services</b>          | <b>116,194</b>     | <b>95,181</b>       | <b>211,375</b>   | <b>142,708</b>   | <b>68,667</b>   |
| Other Support Services Students - Regular Services:                            |                    |                     |                  |                  |   |
| Other Salaries   |                    | 2,242               | 2,242            | 2,242            | -   |
| Other Purchased Prof/Tech Services   | 132,073            | (1,271)             | 130,802          | 114,976          | 15,826  |
| <b>Total Other Support Services Students - Regular Services</b>                | <b>132,073</b>     | <b>971</b>          | <b>133,044</b>   | <b>117,218</b>   | <b>15,826</b>   |

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual         | Variance<br>Final to Actual<br>Favorable<br>(Unfavorable) |
|---|--------------------|---------------------|-----------------|----------------|---|
| (Continued from Prior Page)                                     |                    |                     |                 |                |   |
| Other Support Services Students - Special Services:             |                    |                     |                 |                |   |
| Salaries of Other Professional Staff                            | \$ 132,096         | \$ (127,816)        | \$ 4,280        | \$ 4,280       | \$ -  |
| Salaries of Secretarial and Clerical Assistants                 | 81,786             | (20,785)            | 61,001          | 61,001         | -   |
| Purchased Prof/Ed Services                                      | 373,000            | 102,480             | 475,480         | 457,490        | 17,990  |
| Other Purchased Prof/Tech Services                              | 1,935              | (1,935)             | -               | -              | -   |
| Travel  | 600                | (449)               | 151             | 151            | -   |
| Miscellaneous Purchased Services                                | 8,400              | (4,706)             | 3,694           | 3,694          | -   |
| Supplies and Materials  | 19,195             | (3,105)             | 16,090          | 16,090         | -   |
| Other Objects   | 30,134             | (21,254)            | 8,880           | 8,880          | -   |
| <b>Total Other Support Services Students - Special Services</b> | <b>647,146</b>     | <b>(77,570)</b>     | <b>569,576</b>  | <b>551,586</b> | <b>17,990</b>   |
| Improvement of Instruction Services:                            |                    |                     |                 |                |   |
| Purchased Prof/Ed Services                                      | 2,211              |                     | 2,211           | 1,675          | 536   |
| <b>Total Improvement of Instruction Services</b>                | <b>2,211</b>       | <b>-</b>            | <b>2,211</b>    | <b>1,675</b>   | <b>536</b>  |
| Educational Media/Library:                                      |                    |                     |                 |                |   |
| Salaries  | 45,054             | 8,622               | 53,676          | 53,676         | -   |
| Purchased Prof/Tech Services                                    | 2,200              | (2,200)             | -               | -              | -   |
| Supplies and Materials  | 27,000             | (6,294)             | 20,706          | 13,425         | 7,281   |
| Other Objects   |                    | 215                 | 215             | 215            | -   |
| <b>Total Educational Media/Library</b>                          | <b>74,254</b>      | <b>343</b>          | <b>74,597</b>   | <b>67,316</b>  | <b>7,281</b>  |
| Instructional Staff Training Services:                          |                    |                     |                 |                |   |
| Salaries of Supervisors of Instruction                          | 82,360             | 3,140               | 85,500          | 78,714         | 6,786   |
| Salaries of Secretarial and Clerical Assistants                 | 18,290             | (962)               | 17,328          | 16,108         | 1,220   |
| Purchased Prof/Ed Services                                      | 7,000              | 2,091               | 9,091           | 7,434          | 1,657   |
| Other Purchased Services  |                    | 395                 | 395             | 395            | -   |
| Supplies and Materials  |                    | 3,593               | 3,593           | 3,593          | -   |
| Other Objects   |                    | 972                 | 972             | 972            | -   |
| <b>Total Instructional Staff Training Services</b>              | <b>107,650</b>     | <b>9,229</b>        | <b>116,879</b>  | <b>107,216</b> | <b>9,663</b>  |
| Support Services General Administration:                        |                    |                     |                 |                |   |
| Salaries  | 153,484            | 58,575              | 212,059         | 206,743        | 5,316   |
| Legal Fees  | 45,000             | 6,330               | 51,330          | 37,934         | 13,396  |
| Audit Fees  | 18,250             | 1,200               | 19,450          | 19,450         | -   |
| Travel  | 2,000              | (1,133)             | 867             | 798            | 69  |
| Communications/Telephone  | 45,250             | 3,126               | 48,376          | 42,157         | 6,219   |
| Other Purchased Services  | 34,273             | (6,268)             | 28,005          | 28,005         | -   |
| General Supplies  | 2,000              | 2,732               | 4,732           | 4,707          | 25  |
| Judgments Against the School District                           |                    | 15,000              | 15,000          | 15,000         | -   |
| Miscellaneous Expenditures                                      | 21,150             | 3,788               | 24,938          | 24,260         | 678   |
| BOE Membership Dues and Fees                                    | 8,800              | (2,043)             | 6,757           | 6,580          | 177   |
| <b>Total Support Services General Administration</b>            | <b>330,207</b>     | <b>81,307</b>       | <b>411,514</b>  | <b>385,634</b> | <b>25,880</b>   |
| Support Services School Administration:                         |                    |                     |                 |                |   |
| Salaries of Principals/Assistant Principals/Program Directors   | 199,885            | 3,493               | 203,378         | 203,378        | -   |
| Salaries of Secretarial and Clerical Assistants                 | 101,479            | 4,542               | 106,021         | 106,021        | -   |
| Other Purchased Services  | 1,000              | 686                 | 1,686           | 1,133          | 553   |
| Supplies and Materials  | 5,500              | 2,174               | 7,674           | 7,650          | 24  |
| Other Objects   | 5,541              | (1,560)             | 3,981           | 3,981          | -   |
| <b>Total Support Services School Administration</b>             | <b>313,405</b>     | <b>9,335</b>        | <b>322,740</b>  | <b>322,163</b> | <b>577</b>  |
| Central Services:   |                    |                     |                 |                |   |
| Salaries  | 210,417            | 3,532               | 213,949         | 213,949        | -   |
| Purchased Technical Services                                    | 25,002             | 5,317               | 30,319          | 29,309         | 1,010   |
| Miscellaneous Purchased Services                                | 7,150              | (4,848)             | 2,302           | 2,091          | 211   |
| Supplies and Materials  | 5,195              | (1,067)             | 4,128           | 3,699          | 429   |
| Miscellaneous Expenditures                                      | 4,000              | (433)               | 3,567           | 3,375          | 192   |
| <b>Total Central Services</b>                                   | <b>251,764</b>     | <b>2,501</b>        | <b>254,265</b>  | <b>252,423</b> | <b>1,842</b>  |

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual<br>Favorable<br>(Unfavorable) |
|---|--------------------|---------------------|-------------------|-------------------|---|
| (Continued from Prior Page)   |                    |                     |                   |                   |   |
| Required Maintenance for School Facilities:                                 |                    |                     |                   |                   |   |
| Salaries  | \$ 90,901          | \$ 15,165           | \$ 106,066        | \$ 106,066        | \$ -  |
| Cleaning, Repair and Maintenance Services                                   | 58,600             | 3,982               | 62,582            | 62,346            | 236   |
| General Supplies  | 53,850             | 809                 | 54,659            | 52,878            | 1,781   |
| Other Objects   |                    | 4,313               | 4,313             | 4,313             | -   |
| <b>Total Required Maintenance for School Facilities</b>                     | <b>203,351</b>     | <b>24,269</b>       | <b>227,620</b>    | <b>225,603</b>    | <b>2,017</b>  |
| Other Operation and Maintenance of Plant Services:                          |                    |                     |                   |                   |   |
| Salaries  | 456,821            | (26,750)            | 430,071           | 414,557           | 15,514  |
| Purchased Prof/Tech Services  | 7,800              | (573)               | 7,227             | 4,648             | 2,579   |
| Cleaning, Repair and Maintenance Services                                   | 14,600             | 4,848               | 19,448            | 17,312            | 2,136   |
| Other Purchased Property Services   | 46,800             | 2,180               | 48,980            | 38,711            | 10,269  |
| Insurance   | 28,395             | (2,000)             | 26,395            | 25,646            | 749   |
| Miscellaneous Purchased Services  | 1,400              | 4,578               | 5,978             | 5,348             | 630   |
| General Supplies  | 58,400             | 8,418               | 66,818            | 36,045            | 30,773  |
| Energy (Heat and Electricity)   | 221,460            | (985)               | 220,475           | 161,617           | 58,858  |
| Other Objects   |                    | 861                 | 861               | 23                | 838   |
| <b>Total Other Operation and Maintenance of Plant Services</b>              | <b>835,676</b>     | <b>(9,423)</b>      | <b>826,253</b>    | <b>703,907</b>    | <b>122,346</b>  |
| Student Transportation Services:  |                    |                     |                   |                   |   |
| Salaries for Pupil Transportation (Other Than B/T Home & School)            | 4,608              | 240                 | 4,848             | 4,848             | -   |
| Contracted Services - Aid In Lieu of Payment for Non-public School Students | 75,000             | (24,754)            | 50,246            | 36,244            | 14,002  |
| Contracted Services - Transport (Other Than B/T Home & School) - Vendors    | 5,000              | 3,236               | 8,236             | 8,236             | -   |
| Contracted Services (B/T Home & School) - Joint Agreements                  | 503,196            | (29,240)            | 473,956           | 470,926           | 3,030   |
| Contracted Services (Special Ed Students) - Vendors                         | 22,000             | 21,504              | 43,504            | 43,504            | -   |
| Contracted Services (Special Ed Students) - Joint Agreements                | 15,000             | 55,124              | 70,124            | 70,124            | -   |
| Miscellaneous Purchased Services - Transportation                           |                    | 4,983               | 4,983             | 4,983             | -   |
| <b>Total Student Transportation Services</b>                                | <b>624,804</b>     | <b>31,093</b>       | <b>655,897</b>    | <b>638,865</b>    | <b>17,032</b>   |
| Other Support Services:   |                    |                     |                   |                   |   |
| Employee Benefits   | 24,000             |                     | 24,000            | 23                | 23,977  |
| <b>Total Other Support Services</b>   | <b>24,000</b>      | <b>-</b>            | <b>24,000</b>     | <b>23</b>         | <b>23,977</b>   |
| Unallocated Benefits - Employee Benefits:                                   |                    |                     |                   |                   |   |
| Social Security Contribution  | 155,000            |                     | 155,000           | 140,364           | 14,636  |
| Other Retirement Contributions - Regular                                    | 142,255            | (6,530)             | 135,725           | 118,580           | 17,145  |
| Unemployment Compensation   | 38,000             |                     | 38,000            | 741               | 37,259  |
| Workmen's Compensation  | 41,090             |                     | 41,090            | 40,706            | 384   |
| Health Benefits   | 1,608,532          | (159,140)           | 1,449,392         | 1,198,307         | 251,085   |
| Other   | 12,000             |                     | 12,000            | 11,057            | 943   |
| <b>Total Unallocated Benefits - Employee Benefits</b>                       | <b>1,996,877</b>   | <b>(165,670)</b>    | <b>1,831,207</b>  | <b>1,509,755</b>  | <b>321,452</b>  |
| Non-Budgeted Contributions:   |                    |                     |                   |                   |   |
| On-Behalf TPAF Pension Contributions (Non-Budgeted)                         |                    |                     |                   | 341,522           | (341,522)   |
| On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)         |                    |                     |                   | 406,658           | (406,658)   |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted)                |                    |                     |                   | 319,135           | (319,135)   |
| <b>Total Non-Budgeted Contributions</b>                                     | <b>-</b>           | <b>-</b>            | <b>-</b>          | <b>1,067,315</b>  | <b>(1,067,315)</b>  |
| <b>Total Undistributed Expenditures</b>                                     | <b>6,551,618</b>   | <b>(11,073)</b>     | <b>6,540,545</b>  | <b>6,950,224</b>  | <b>(409,679)</b>  |
| <b>Total Expenditures - Current Expenses</b>                                | <b>10,826,404</b>  | <b>76,444</b>       | <b>10,902,848</b> | <b>11,047,155</b> | <b>(144,307)</b>  |
| Capital Outlay:   |                    |                     |                   |                   |   |
| Instructional Expenditures (Equipment):                                     |                    |                     |                   |                   |   |
| School-Sponsored Co-Curricular/Extra-Curricular Activities                  | 44,839             |                     | 44,839            |                   | 44,839  |
| <b>Total Instructional Expenditures (Equipment)</b>                         | <b>44,839</b>      | <b>-</b>            | <b>44,839</b>     | <b>-</b>          | <b>44,839</b>   |
| Undistributed Expenditures (Equipment):                                     |                    |                     |                   |                   |   |
| Operation and Maintenance of Plant Services                                 |                    | 2,450               | 2,450             | 2,450             | -   |
| <b>Total Undistributed Expenditures (Equipment)</b>                         | <b>-</b>           | <b>2,450</b>        | <b>2,450</b>      | <b>2,450</b>      | <b>-</b>  |

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



MANSFIELD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual              | Variance<br>Final to Actual<br>Favorable<br>(Unfavorable) |
|---|--------------------|---------------------|-----------------|---------------------|---|
| (Continued from Prior Page)   |                    |                     |                 |                     |   |
| Facilities Acquisition and Construction Services:<br>Assessment for Debt Service on SDA Funding |                    |                     |                 | 44,839              | (44,839)  |
| Total Facilities Acquisition and Construction Services  | -                  | -                   | -               | 44,839              | (44,839)  |
| Total Capital Outlay  | 44,839             | 2,450               | 47,289          | 47,289              | -   |
| Total Expenditures  | 10,871,243         | 78,894              | 10,950,137      | 11,094,444          | (144,307)   |
| Excess (Deficiency) of Revenues Over (Under) Expenditures                                       | (478,633)          | (78,894)            | (557,527)       | 464,094             | 1,021,621   |
| FUND BALANCES, JULY 1   | 1,630,462          | -                   | 1,630,462       | 1,630,462           | -   |
| FUND BALANCES, JUNE 30  | \$ 1,151,829       | \$ (78,894)         | \$ 1,072,935    | \$ 2,094,556        | \$ 1,021,621  |
| RECAPITULATION:   |                    |                     |                 |                     |   |
| Restricted Fund Balance   |                    |                     |                 |                     |   |
| Capital Reserve   |                    |                     |                 | \$ 77,164           |   |
| Maintenance Reserve   |                    |                     |                 | 16,142              |   |
| Excess Surplus  |                    |                     |                 | 922,939             |   |
| Assigned Fund Balance   |                    |                     |                 |                     |   |
| Encumbrances - Current Year   |                    |                     |                 | 17,429              |   |
| Unassigned Fund Balance   |                    |                     |                 | 315,141             |   |
| Designated Fund Balance   |                    |                     |                 | 745,741             |   |
|   |                    |                     |                 | <u>2,094,556</u>    |   |
| Reconciliation to Governmental Funds Statement (GAAP):  |                    |                     |                 |                     |   |
| Last State Aid Payment Not Recognized on GAAP Basis   |                    |                     |                 | (42,049)            |   |
| Fund Balance Per Governmental Funds (GAAP)  |                    |                     |                 | <u>\$ 2,052,507</u> |   |

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual         | Variance<br>Final to Actual |
|--|--------------------|---------------------|-----------------|----------------|-----------------------------|
| REVENUE SOURCES:   |                    |                     |                 |                |                             |
| Federal  | \$ 168,419         | \$ -                | \$ 168,419      | \$ 168,419     | \$ -                        |
| Total Revenues   | <u>168,419</u>     | <u>-</u>            | <u>168,419</u>  | <u>168,419</u> | <u>-</u>                    |
| EXPENDITURES:  |                    |                     |                 |                |                             |
| Instruction:   |                    |                     |                 |                |                             |
| Salaries of Teachers   | 4,240              |                     | 4,240           | 4,240          | -                           |
| Purchased Prof/Tech Services                                 | 20,698             | (20,698)            | -               |                | -                           |
| Other Purchased Services                                     | 118,758            | 11,782              | 130,540         | 130,540        | -                           |
| General Supplies   | 8,079              | 394                 | 8,473           | 8,473          | -                           |
| Total Instruction  | <u>151,775</u>     | <u>(8,522)</u>      | <u>143,253</u>  | <u>143,253</u> | <u>-</u>                    |
| Support Services:  |                    |                     |                 |                |                             |
| Salaries   | 2,500              | (1,980)             | 520             | 520            | -                           |
| Purchased Prof/Ed Services                                   | 5,144              |                     | 5,144           | 5,144          | -                           |
| Other Purchased Prof/Tech Services                           | 9,000              | (268)               | 8,732           | 8,732          | -                           |
| Supplies and Materials                                       |                    | 10,770              | 10,770          | 10,770         | -                           |
| Total Support Services                                       | <u>16,644</u>      | <u>8,522</u>        | <u>25,166</u>   | <u>25,166</u>  | <u>-</u>                    |
| Total Expenditures   | <u>168,419</u>     | <u>-</u>            | <u>168,419</u>  | <u>168,419</u> | <u>-</u>                    |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | <u>\$ -</u>        | <u>\$ -</u>         | <u>\$ -</u>     | <u>\$ -</u>    | <u>\$ -</u>                 |

***NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FISCAL YEAR ENDED JUNE 30, 2016

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

|  | <u>General<br/>Fund</u>    | <u>Special<br/>Revenue<br/>Fund</u> |  |
|--|----------------------------|-------------------------------------|--|
| <b>Sources/Inflows of Resources</b>  |                            |                                     |  |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules  | [C-1] \$ 11,558,538        | [C-2] \$ 168,419                    |  |
| Difference - Budget to GAAP:   |                            |                                     |  |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized  |                            | (1,383)                             |  |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.  | 37,185                     |                                     |  |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.   | <u>(42,049)</u>            |                                     |  |
| Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.   | [B-2] <u>\$ 11,553,674</u> | [B-2] <u>\$ 167,036</u>             |  |
| <b>Uses/Outflows of resources</b>  |                            |                                     |  |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule   | [C-1] \$ 11,094,444        | [C-2] \$ 168,419                    |  |
| Differences - Budget to GAAP:  |                            |                                     |  |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes. |                            | <u>(1,383)</u>                      |  |
| Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.   | [B-2] <u>\$ 11,094,444</u> | [B-2] <u>\$ 167,036</u>             |  |

***REQUIRED SUPPLEMENTARY INFORMATION – PART III***

***SCHEDULE L – SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
PENSIONS (GASB 68)***

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED**

|   | Fiscal Year Ending June 30, |              |
|---|-----------------------------|--------------|
|   | 2014                        | 2015         |
| District's proportion of the net pension liability  | 0.01388996%                 | 0.015516527% |
| District's proportionate share of the net pension liability   | \$ 2,654,647                | \$ 2,905,118 |
| District's covered employees payroll  | \$ 2,151,753                | \$ 1,944,934 |
| District's proportionate share of the net pension liability<br>as a percentage of it's covered employee payroll | 123%                        | 149%         |
| Plan fiduciary net position as a percentage of the total<br>pension liability                                   | 48.72%                      | 52.08%       |

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TWO FISCAL YEARS  
 UNAUDITED**

|  | Fiscal Year Ending June 30, |                  |
|--|-----------------------------|------------------|
|  | 2014                        | 2015             |
| Contractually required contribution                                  | \$ 104,658                  | \$ 127,916       |
| Contributions in relation to the contractually required contribution | <u>(116,537)</u>            | <u>(127,918)</u> |
| Contribution deficiency/(excess)                                     | <u>\$ (11,879)</u>          | <u>\$ (2)</u>    |
| District's covered employee payroll                                  | \$ 2,151,753                | \$ 1,944,934     |
| Contributions as a percentage of covered employee payroll            | 4.86%                       | 6.58%            |

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER'S PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED**

|  | Fiscal Year Ending June 30, |               |
|--|-----------------------------|---------------|
|  | 2014                        | 2015          |
| State's proportion of the net pension liability attributable of the District                                 | 0.0421027%                  | 0.04139094%   |
| State's proportionate share of the net pension liability attributable to the District                        | \$ 21,278,352               | \$ 22,122,108 |
| CS / District's covered employees payroll  | \$ 3,528,985                | \$ 3,571,929  |
| District's proportionate share of the net pension liability as a percentage of it's covered employee payroll | 602.96%                     | 619.33%       |
| Plan fiduciary net position as a p ercentage of the total pension liability                                  | 33.76%                      | 33.64%        |

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
FOR FISCAL YEAR ENDED JUNE 30, 2015

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHERS PENSION AND ANNUITY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2015

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

***OTHER SUPPLEMENTARY INFORMATION***

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

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

MANSFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

E-1

|   | NCLB<br>Title I | I.D.E.A.<br>Part B | I.D.E.A.<br>Preschool | NCLB<br>Title II<br>Part A | Grand<br>Total |
|---|-----------------|--------------------|-----------------------|----------------------------|----------------|
| <b>REVENUE SOURCES:</b>                                   |                 |                    |                       |                            |                |
| Federal   | \$ 21,965       | \$ 130,540         | \$ 10,770             | \$ 5,144                   | \$ 168,419     |
| Total Revenues  | <u>21,965</u>   | <u>130,540</u>     | <u>10,770</u>         | <u>5,144</u>               | <u>168,419</u> |
| <b>EXPENDITURES:</b>                                      |                 |                    |                       |                            |                |
| Instruction:  |                 |                    |                       |                            |                |
| Salaries of Teachers                                      | 4,240           |                    |                       |                            | 4,240          |
| Other Purchased Services                                  |                 | 130,540            |                       |                            | 130,540        |
| General Supplies  | 8,473           |                    |                       |                            | 8,473          |
| Total Instruction   | <u>12,713</u>   | <u>130,540</u>     | <u>-</u>              | <u>-</u>                   | <u>143,253</u> |
| Support Services:   |                 |                    |                       |                            |                |
| Salaries  | 520             |                    |                       |                            | 520            |
| Purchased Prof/Ed Services                                |                 |                    |                       | 5,144                      | 5,144          |
| Other Purchased Prof/Tech Services                        | 8,732           |                    |                       |                            | 8,732          |
| Supplies and Materials                                    |                 |                    | 10,770                |                            | 10,770         |
| Total Support Services                                    | <u>9,252</u>    | <u>-</u>           | <u>10,770</u>         | <u>5,144</u>               | <u>25,166</u>  |
| Total Expenditures  | <u>21,965</u>   | <u>130,540</u>     | <u>10,770</u>         | <u>5,144</u>               | <u>168,419</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u>     | <u>\$ -</u>        | <u>\$ -</u>           | <u>\$ -</u>                | <u>\$ -</u>    |

**SECTION G – PROPRIETARY FUNDS  
DETAIL STATEMENTS**

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

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

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

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



**SECTION H - FIDUCIARY FUNDS  
DETAIL STATEMENTS**

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

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

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

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

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 COMBINING STATEMENTS OF FIDUCIARY NET POSITION  
 TRUST AND AGENCY FUNDS  
 JUNE 30, 2016

|                                     | Trust                                     | Agency              |                   |                    | Total<br>Agency<br>Fund |
|-------------------------------------|---|---------------------|-------------------|--------------------|-------------------------|
|                                     | Unemployment<br>Compensation<br>Insurance | Student<br>Activity | Payroll<br>Agency | Payroll<br>Account |                         |
| <b>ASSETS:</b>                      |   |                     |                   |                    |                         |
| Cash and Cash Equivalents           | \$ 1,258                                  | \$ 8,164            | \$ 86,605         | \$ -               | \$ 94,769               |
| Interfund Accounts Receivable       | 14,021                                    |                     |                   | 2,329              | 2,329                   |
| <b>Total Assets</b>                 | <u>15,279</u>                             | <u>\$ 8,164</u>     | <u>\$ 86,605</u>  | <u>\$ 2,329</u>    | <u>\$ 97,098</u>        |
| <b>LIABILITIES:</b>                 |   |                     |                   |                    |                         |
| Cash Overdraft                      |   | \$ -                | \$ -              | \$ 2,329           | \$ 2,329                |
| Interfund Accounts Payable          |   |                     | 14,020            |                    | 14,020                  |
| Payable to Student Groups           |   | 8,164               |                   |                    | 8,164                   |
| Accrued Salaries and Benefits       |   |                     |                   | -                  | -                       |
| Payroll Deductions and Withholdings |   |                     | 72,585            |                    | 72,585                  |
| <b>Total Liabilities</b>            | <u>-</u>                                  | <u>\$ 8,164</u>     | <u>\$ 86,605</u>  | <u>\$ 2,329</u>    | <u>\$ 97,098</u>        |
| <b>NET POSITION:</b>                |   |                     |                   |                    |                         |
| Reserved Net Position               | <u>15,279</u>                             |                     |                   |                    |                         |
| <b>Total Net Position</b>           | <u>\$ 15,279</u>                          |                     |                   |                    |                         |

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 TRUST FUNDS  
 JUNE 30, 2016

|                                  | <u>Unemployment<br/>Compensation<br/>Insurance</u> |
|----------------------------------|--|
| ADDITIONS:                       |  |
| Interest                         | \$ 12  |
| Contributions:                   |  |
| Employees                        | <u>11,566</u>                                      |
| Total Additions                  | <u>11,578</u>                                      |
| DEDUCTIONS:                      |  |
| Expenditures                     | <u>4,854</u>                                       |
| Total Deductions                 | <u>4,854</u>                                       |
| CHANGE IN NET POSITION           | 6,724  |
| NET POSITION - BEGINNING OF YEAR | <u>8,555</u>                                       |
| NET POSITION - END OF YEAR       | <u><u>\$ 15,279</u></u>                            |

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 STUDENT ACTIVITY AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 JUNE 30, 2016

|                               | <u>Balance<br/>July 1, 2015</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Balance<br/>June 30, 2016</u> |
|-------------------------------|---------------------------------|--------------------------|-------------------------------|----------------------------------|
| John Hydock Elementary        | \$ 6,949                        | \$ 3,838                 | \$ 3,371                      | \$ 7,416                         |
| Mansfield Township Elementary | 2,279                           | 6,334                    | 7,865                         | 748                              |
| Total                         | <u>\$ 9,228</u>                 | <u>\$ 10,172</u>         | <u>\$ 11,236</u>              | <u>\$ 8,164</u>                  |

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 PAYROLL AGENCY AND PAYROLL ACCOUNT FUNDS  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 JUNE 30, 2016

|  | <u>Balance</u><br><u>July 1, 2015</u> | <u>Receipts</u>            | <u>Disbursements</u>       | <u>Balance</u><br><u>June 30, 2016</u> |
|--|---------------------------------------|----------------------------|----------------------------|--|
| <b>ASSETS:</b>                             |                                       |                            |                            |  |
| Cash and Cash Equivalents                  | \$ 12,131                             | \$ 6,948,379               | \$ 6,876,234               | \$ 84,276                              |
| Interfund Accounts Receivable              | 520                                   | 1,809                      | -                          | 2,329                                  |
| <b>Total Assets</b>                        | <b><u>\$ 12,651</u></b>               | <b><u>\$ 6,950,188</u></b> | <b><u>\$ 6,876,234</u></b> | <b><u>\$ 86,605</u></b>                |
| <b>LIABILITIES:</b>                        |                                       |                            |                            |  |
| Interfund Accounts Payable                 | \$ 12,651                             | \$ 14,020                  | \$ 12,651                  | \$ 14,020                              |
| Accrued Salaries and Benefits              | -                                     | 4,024,754                  | 4,024,754                  | -                                      |
| Payroll Deductions and Withholding Payable | -                                     | 2,911,414                  | 2,838,829                  | 72,585                                 |
| <b>Total Liabilities</b>                   | <b><u>\$ 12,651</u></b>               | <b><u>\$ 6,950,188</u></b> | <b><u>\$ 6,876,234</u></b> | <b><u>\$ 86,605</u></b>                |

***SECTION I – LONG-TERM DEBT SCHEDULES***

***The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.***

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 YEAR ENDED JUNE 30, 2016

| Purpose   | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance      |        | Retired    | Balance June 30, 2016 |
|---|---------------|-----------------|------------------------|--------------------------|---------------|--------------|--------|------------|-----------------------|
|   |               |                 |                        |                          |               | July 1, 2015 | Issued |            |                       |
| Refunding Bonds   | 12/6/2006     | \$ 9,985,000    | 9/1/2016               | 740,000                  | 5.50%         | \$ 7,895,000 | \$ -   | \$ 640,000 | \$ 7,255,000          |
|   |               |                 | 9/1/2017               | 840,000                  | 5.50%         |              |        |            |                       |
|   |               |                 | 9/1/2018               | 915,000                  | 3.70%         |              |        |            |                       |
|   |               |                 | 9/1/2019               | 1,035,000                | 4.00%         |              |        |            |                       |
|   |               |                 | 9/1/2020               | 1,155,000                | 4.00%         |              |        |            |                       |
|   |               |                 | 9/1/2021               | 1,235,000                | 4.00%         |              |        |            |                       |
|   |               |                 | 9/1/2022               | 1,335,000                | 4.00%         |              |        |            |                       |
| Roof replacement and installation of solar panels at JHES, including all necessary electric systems and related work. | 8/19/2010     | \$ 1,100,000    | 8/1/2016               | 115,000                  | 2.250%        | \$ 720,000   | \$ -   | \$ 110,000 | \$ 610,000            |
|   |               |                 | 8/1/2017               | 115,000                  | 2.250%        |              |        |            |                       |
|   |               |                 | 8/1/2018               | 125,000                  | 2.500%        |              |        |            |                       |
|   |               |                 | 8/1/2019               | 130,000                  | 2.625%        |              |        |            |                       |
|   |               |                 | 8/1/2020               | 125,000                  | 3.000%        |              |        |            |                       |
| Total   |               |                 |                        |                          |               | \$ 8,615,000 | \$ -   | \$ 750,000 | \$ 7,865,000          |

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2016

|                                      | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual       | Variance<br>Positive<br>(Negative)<br>Final to Actual |
|--------------------------------------|--------------------|---------------------|-----------------|--------------|---|
| REVENUES:                            |                    |                     |                 |              |   |
| Local Sources:                       |                    |                     |                 |              |   |
| Local Tax Levy                       | \$ 1,057,895       | \$ -                | \$ 1,057,895    | \$ 1,057,895 | \$ -  |
| Total Local Sources                  | 1,057,895          | -                   | 1,057,895       | 1,057,895    | -   |
| State Sources                        | 31,342             |                     | 31,342          | 31,342       | -   |
| Total Revenues                       | 1,089,237          | -                   | 1,089,237       | 1,089,237    | -   |
| EXPENDITURES:                        |                    |                     |                 |              |   |
| Debt Service - Regular:              |                    |                     |                 |              |   |
| Bonds:                               |                    |                     |                 |              |   |
| Interest                             | 339,238            |                     | 339,238         | 339,238      | -   |
| Redemption of Principal              | 750,000            |                     | 750,000         | 750,000      | -   |
| Total Expenditures                   | 1,089,238          | -                   | 1,089,238       | 1,089,238    | -   |
| Excess of Revenues Over Expenditures | (1)                | -                   | (1)             | (1)          | -   |
| FUND BALANCE, JULY 1                 | 83                 | -                   | 83              | 83           | -   |
| FUND BALANCE, JUNE 30                | \$ 82              | \$ -                | \$ 82           | \$ 82        | \$ -  |



**STATISTICAL SECTION (UNAUDITED)**

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

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

***FINANCIAL TRENDS***

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

|  | Fiscal Year Ending June 30, |              |              |              |              |              |              |              |              |              |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2016                        | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         |
| <b>Governmental Activities</b>   |                             |              |              |              |              |              |              |              |              |              |
| Net Investment in Capital Assets/<br>Invested in capital assets, net of related debt | \$ 5,351,363                | \$ 1,494,307 | \$ 1,881,342 | \$ 1,311,934 | \$ 2,493,969 | \$ 2,371,849 | \$ 2,787,489 | \$ 2,398,377 | \$ 2,497,657 | \$ 2,892,875 |
| Restricted   | 1,779,920                   | 1,306,192    | (34,779)     | (79,330)     | 64,726       | 112,136      | (425,259)    | 140,558      | 290,885      | 1,028,185    |
| Unrestricted   | (5,309,284)                 | (2,480,808)  | 1,351,475    | 964,019      | 791,909      | 707,793      | 640,618      | 450,578      | 477,574      | (67,205)     |
| Total Governmental Activities Net Assets/Position                                    | \$ 1,821,999                | \$ 319,691   | \$ 3,198,038 | \$ 2,196,623 | \$ 3,350,604 | \$ 3,191,778 | \$ 3,002,848 | \$ 2,989,513 | \$ 3,266,116 | \$ 3,853,855 |
| <b>Business-Type Activities</b>  |                             |              |              |              |              |              |              |              |              |              |
| Net Investment in Capital Assets/<br>Invested in capital assets, net of related debt | \$ 31,796                   | \$ 38,116    | \$ 45,701    | \$ 43,508    | \$ 24,417    | \$ 36,530    | \$ 48,644    | \$ 60,757    | \$ 72,870    | \$ 84,984    |
| Restricted   | -                           | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unrestricted   | 240,175                     | 304,593      | 257,075      | 225,582      | 201,412      | 118,528      | 77,845       | 50,383       | 24,817       | 2,556        |
| Total Business-Type Activities Net Assets/Position                                   | \$ 271,971                  | \$ 342,709   | \$ 302,776   | \$ 269,090   | \$ 225,829   | \$ 155,058   | \$ 126,489   | \$ 111,140   | \$ 97,687    | \$ 87,540    |
| <b>District-wide</b>   |                             |              |              |              |              |              |              |              |              |              |
| Net Investment in Capital Assets/<br>Invested in capital assets, net of related debt | \$ 5,383,159                | \$ 1,532,423 | \$ 1,927,043 | \$ 1,355,442 | \$ 2,518,386 | \$ 2,408,379 | \$ 2,836,133 | \$ 2,459,134 | \$ 2,570,527 | \$ 2,977,859 |
| Restricted   | 1,779,920                   | 1,306,192    | (34,779)     | (79,330)     | 64,726       | 112,136      | (425,259)    | 140,558      | 290,885      | 1,028,185    |
| Unrestricted   | (5,069,109)                 | (2,176,215)  | 1,608,550    | 1,189,601    | 993,321      | 826,321      | 718,463      | 500,961      | 502,391      | (64,649)     |
| Total District-wide Net Position   | \$ 2,093,970                | \$ 662,400   | \$ 3,500,814 | \$ 2,465,713 | \$ 3,576,433 | \$ 3,346,836 | \$ 3,129,337 | \$ 3,100,653 | \$ 3,363,803 | \$ 3,941,395 |

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

|  | Fiscal Year Ending June 30, |               |               |               |               |               |               |               |               |               |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2016                        | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          | 2009          | 2008          | 2007          |
| <b>Expenses</b>                                  |                             |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                         |                             |               |               |               |               |               |               |               |               |               |
| Instruction:                                     |                             |               |               |               |               |               |               |               |               |               |
| Regular  | \$ 4,031,972                | \$ 4,388,660  | \$ 3,154,332  | \$ 2,630,389  | \$ 2,624,174  | \$ 2,270,066  | \$ 2,469,365  | \$ 2,605,860  | \$ 2,338,567  | \$ 2,411,057  |
| Special Education                                | 1,458,528                   | 1,356,657     | 1,191,863     | 1,266,875     | 1,399,316     | 1,244,630     | 1,540,150     | 906,902       | 840,790       | 757,500       |
| Other Special Education                          | 421,902                     | 140,720       | 297,735       | 260,427       | 172,498       | 85,729        | 167,232       | 161,103       | 200,745       | 163,547       |
| Other Instruction                                | 27,667                      | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Support Services:                                |                             |               |               |               |               |               |               |               |               |               |
| Tuition  | 433,877                     | 538,932       | 353,698       | 138,866       | 96,554        | 391,487       | 143,260       | 435,504       | 450,527       | 584,663       |
| Student and Instruction Related Services         | 1,788,295                   | 1,816,154     | 1,598,286     | 1,395,704     | 1,372,567     | 1,275,131     | 1,351,695     | 1,373,938     | 1,658,701     | 1,634,960     |
| General and Business Administration Services     | 921,465                     | 660,316       | 2,321,157     | 3,019,456     | 2,722,114     | 2,682,356     | 2,806,636     | 2,587,587     | 2,620,884     | 2,680,701     |
| School Administrative Services                   | 459,213                     | 452,040       | 326,090       | 261,746       | 245,008       | 249,642       | 303,563       | 298,224       | 287,968       | 281,920       |
| Plant Operations and Maintenance                 | 1,168,069                   | 1,164,624     | 895,389       | 657,790       | 725,536       | 792,901       | 833,199       | 751,251       | 657,816       | 594,930       |
| Pupil Transportation                             | 644,612                     | 614,763       | 564,508       | 560,285       | 624,054       | 628,295       | 571,886       | 564,390       | 603,264       | 584,778       |
| Capital Outlay                                   | 47,289                      | 67,009        | 63,136        | -             | -             | -             | -             | -             | -             | -             |
| Interest on Long-Term Debt                       | 330,641                     | 356,007       | 381,624       | 541,852       | 495,635       | 503,280       | 404,135       | 495,108       | 484,902       | 345,439       |
| Unallocated Depreciation                         | 324,273                     | 333,301       | 333,705       | 1,960,275     | 431,818       | 427,066       | 387,916       | 384,006       | 811,595       | 397,576       |
| Total Governmental Activities Expenses           | 12,057,803                  | 11,889,183    | 11,481,523    | 12,693,665    | 10,909,274    | 10,550,583    | 10,979,037    | 10,563,873    | 10,955,759    | 10,437,071    |
| Business-Type Activities:                        |                             |               |               |               |               |               |               |               |               |               |
| Food Service/MVP Program/Kindergarten Connection | 541,610                     | 513,723       | 503,155       | 477,803       | 469,418       | 451,728       | 298,065       | 198,864       | 273,776       | 201,491       |
| Total Business-Type Activities Expenses          | 541,610                     | 513,723       | 503,155       | 477,803       | 469,418       | 451,728       | 298,065       | 198,864       | 273,776       | 201,491       |
| Total District Expenses                          | \$ 12,599,413               | \$ 12,402,906 | \$ 11,984,678 | \$ 13,171,468 | \$ 11,378,692 | \$ 11,002,311 | \$ 11,277,102 | \$ 10,859,211 | \$ 11,229,535 | \$ 10,638,562 |
| <b>Program Revenues</b>                          |                             |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                         |                             |               |               |               |               |               |               |               |               |               |
| Charges for Services                             | \$ 85,381                   | \$ 205,305    | \$ 112,623    | \$ -          | \$ -          | \$ -          | \$ 249,189    | \$ 139,446    | \$ 169,409    | \$ 206,924    |
| Operating Grants and Contributions               | 477,053                     | 482,282       | 488,867       | 184,084       | 182,281       | 152,684       | 306,613       | 157,745       | 489,730       | 215,798       |
| Capital Grants and Contributions                 | -                           | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Total Governmental Activities Expenses           | 562,434                     | 687,587       | 601,490       | 184,084       | 182,281       | 152,684       | 555,802       | 297,191       | 659,139       | 422,722       |
| Business-Type Activities:                        |                             |               |               |               |               |               |               |               |               |               |
| Charges for Services                             | 425,239                     | 510,685       | 486,551       | 464,543       | 487,579       | 436,917       | 269,089       | 266,434       | 239,184       | 145,888       |
| Operating Grants and Contributions               | 44,870                      | 42,232        | 50,064        | 56,450        | 52,604        | 43,316        | 44,293        | 42,287        | 43,590        | 39,642        |
| Capital Grants and Contributions                 | -                           | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Total Business-Type Activities Expenses          | 470,109                     | 552,917       | 536,615       | 520,993       | 540,183       | 480,233       | 313,382       | 308,721       | 282,774       | 185,530       |
| Total District Program Revenues                  | \$ 1,032,543                | \$ 1,240,504  | \$ 1,138,105  | \$ 705,077    | \$ 722,464    | \$ 632,917    | \$ 869,184    | \$ 605,912    | \$ 941,913    | \$ 608,252    |

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

|  | Fiscal Year Ending June 30, |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2016                        | 2015            | 2014            | 2013            | 2012            | 2011            | 2010            | 2009            | 2008            | 2007            |
| <b>Net (Expense)/Revenue</b>                                     |                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities  | \$ (11,495,369)             | \$ (11,201,596) | \$ (10,880,033) | \$ (12,509,581) | \$ (10,726,993) | \$ (10,397,899) | \$ (10,423,235) | \$ (10,266,682) | \$ (10,296,620) | \$ (10,014,349) |
| Business-Type Activities   | (71,501)                    | 39,194          | 33,460          | 43,190          | 70,765          | 28,505          | 15,317          | 13,383          | 8,998           | (15,961)        |
| Total District-wide Net Expense                                  | \$ (11,566,870)             | \$ (11,162,402) | \$ (10,846,573) | \$ (12,466,391) | \$ (10,656,228) | \$ (10,369,394) | \$ (10,407,918) | \$ (10,253,299) | \$ (10,287,622) | \$ (10,030,310) |
| <b>General Revenues and Other Changes in Net Assets/Position</b> |                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities:   |                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property Taxes Levied For:                                       |                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General Purposes   | \$ 9,604,841                | \$ 9,416,511    | \$ 9,231,874    | \$ 8,809,680    | \$ 8,394,731    | \$ 8,269,344    | \$ 7,964,795    | \$ 7,557,909    | \$ 7,320,239    | \$ 7,217,195    |
| Debt Service   | 1,057,895                   | 1,037,971       | 1,036,203       | 825,461         | 896,905         | 790,103         | 736,025         | 696,402         | 548,283         | 648,036         |
| Federal and State Aid Not Restricted                             | 1,455,686                   | 1,282,223       | 1,099,398       | 1,524,196       | 1,347,072       | 1,313,731       | 1,453,375       | 1,454,153       | 1,627,071       | 1,525,497       |
| Investment Earnings  | 2,854                       | 3,021           | 2,919           | -               | -               | -               | -               | -               | -               | -               |
| Miscellaneous Income   | 126,401                     | 59,224          | 196,141         | 196,263         | 247,111         | 213,651         | 282,375         | 281,615         | 214,196         | 124,266         |
| Transfer   | -                           | -               | -               | -               | -               | -               | -               | -               | (908)           | -               |
| Total Governmental Activities                                    | 12,247,677                  | 11,798,950      | 11,566,535      | 11,355,600      | 10,885,819      | 10,586,829      | 10,436,570      | 9,990,079       | 9,708,881       | 9,514,994       |
| Business-Type Activities:  |                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Investment Earnings  | 763                         | 739             | 226             | -               | -               | -               | -               | -               | -               | -               |
| Miscellaneous Income   | -                           | -               | -               | 45              | 6               | 64              | 32              | 70              | 241             | 315             |
| Transfer   | -                           | -               | -               | -               | -               | -               | -               | -               | 908             | -               |
| Total Business-Type Activities                                   | 763                         | 739             | 226             | 45              | 6               | 64              | 32              | 70              | 1,149           | 315             |
| Total District-wide  | \$ 12,248,440               | \$ 11,799,689   | \$ 11,566,761   | \$ 11,355,645   | \$ 10,885,825   | \$ 10,586,893   | \$ 10,436,602   | \$ 9,990,149    | \$ 9,710,030    | \$ 9,515,309    |
| <b>Change in Net Assets/Position</b>                             |                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities  | \$ 752,308                  | \$ 597,354      | \$ 686,502      | \$ (1,153,981)  | \$ 158,826      | \$ 188,930      | \$ 13,335       | \$ (276,603)    | \$ (587,739)    | \$ (499,355)    |
| Business-Type Activities   | (70,738)                    | 39,933          | 33,686          | 43,235          | 70,771          | 28,569          | 15,349          | 13,453          | 10,147          | (15,646)        |
| Total District   | \$ 681,570                  | \$ 637,287      | \$ 720,188      | \$ (1,110,746)  | \$ 229,597      | \$ 217,499      | \$ 28,684       | \$ (263,150)    | \$ (577,592)    | \$ (615,001)    |

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

|   | Fiscal Year Ending June 30, |                     |                     |                    |                   |                   |                     |                   |                   |                   |
|---|-----------------------------|---------------------|---------------------|--------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
|   | 2016                        | 2015                | 2014                | 2013               | 2012              | 2011              | 2010                | 2009              | 2008              | 2007              |
| General Fund                              |                             |                     |                     |                    |                   |                   |                     |                   |                   |                   |
| Assigned/Reserved                         | \$ 1,779,415                | \$ 1,305,850        | \$ 1,175,778        | \$ 576,051         | \$ 162,945        | \$ 244,924        | \$ 165,338          | \$ 277,172        | \$ 418,571        | \$ 702,446        |
| Unassigned/Unreserved                     | 273,092                     | 287,427             | 227,404             | 380,438            | 581,559           | 402,469           | 414,408             | 254,096           | 236,912           | (18,618)          |
| <b>Total General Fund</b>                 | <b>\$ 2,052,507</b>         | <b>\$ 1,593,277</b> | <b>\$ 1,403,182</b> | <b>\$ 956,489</b>  | <b>\$ 744,504</b> | <b>\$ 647,393</b> | <b>\$ 579,746</b>   | <b>\$ 531,268</b> | <b>\$ 655,483</b> | <b>\$ 683,828</b> |
| All Other Governmental Funds              |                             |                     |                     |                    |                   |                   |                     |                   |                   |                   |
| Assigned/Reserved                         | \$ -                        | \$ -                | \$ -                | \$ -               | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -              |
| Unassigned/Unreserved, Reported In:       |                             |                     |                     |                    |                   |                   |                     |                   |                   |                   |
| Capital Projects Fund                     | 423                         | 259                 | -                   | -                  | -                 | 118,078           | (447,478)           | 833               | 193,507           | 168,503           |
| Debt Service Fund                         | 82                          | 83                  | 82                  | (36,394)           | 80,597            | 960               | 1,280               | 10,348            | 23,189            | 10,099            |
| <b>Total All Other Governmental Funds</b> | <b>\$ 505</b>               | <b>\$ 342</b>       | <b>\$ 82</b>        | <b>\$ (36,394)</b> | <b>\$ 80,597</b>  | <b>\$ 119,038</b> | <b>\$ (446,198)</b> | <b>\$ 11,181</b>  | <b>\$ 216,696</b> | <b>\$ 178,602</b> |

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

| Fiscal Year Ending June 30,                               | 2016          | 2015          | 2014          | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         |
|---|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenues:</b>  |               |               |               |              |              |              |              |              |              |              |
| Local Sources:  |               |               |               |              |              |              |              |              |              |              |
| Local Tax Levy  | 85,381        | 205,305       | 112,623       | 55,088       | 118,446      | 28,444       | 189,270      | 199,165      | 7,868,522    | \$ 7,865,231 |
| Tuition   | 4,882         | 3,021         | 2,919         | 46           | 288          | -            | -            | 10,431       | 38,319       | 39,581       |
| Interest In Investments                                   | 124,363       | 59,224        | 196,141       | 141,129      | 128,377      | 185,207      | 93,105       | 72,019       | 109,380      | 71,219       |
| Miscellaneous   | 1,765,703     | 1,588,442     | 1,427,291     | 1,583,446    | 1,347,865    | 1,313,731    | 1,445,186    | 1,454,153    | 1,965,693    | 14,437       |
| State Sources   | 167,036       | 1,76,063      | 160,974       | 124,834      | 181,488      | 152,684      | 314,802      | 157,745      | 151,079      | 1,573,626    |
| Federal Sources   | 12,810,111    | 12,486,537    | 12,168,025    | 11,539,684   | 11,068,100   | 10,739,513   | 10,743,183   | 10,147,824   | 10,199,519   | 166,698      |
| Total Revenues  | \$ 10,662,736 | \$ 10,454,482 | \$ 10,268,077 | \$ 9,635,141 | \$ 9,291,636 | \$ 9,059,447 | \$ 8,700,820 | \$ 8,254,311 | \$ 7,868,522 | \$ 7,865,231 |
| <b>Expenditures:</b>                                      |               |               |               |              |              |              |              |              |              |              |
| Instruction:  |               |               |               |              |              |              |              |              |              |              |
| Regular   | 2,905,460     | 3,144,014     | 2,796,962     | 2,630,389    | 2,624,174    | 2,270,066    | 2,469,365    | 2,605,860    | 2,338,567    | 2,411,057    |
| Special Education   | 1,015,370     | 931,247       | 1,048,901     | 1,266,875    | 1,399,316    | 1,244,630    | 1,540,150    | 906,902      | 840,790      | 757,500      |
| Other Special Education                                   | 293,731       | 96,845        | 262,058       | 260,427      | 172,498      | 85,729       | 167,232      | 161,103      | 200,745      | 163,547      |
| Other Instruction   | 25,623        | -             | -             | -            | -            | -            | -            | -            | -            | -            |
| Support Services:   |               |               |               |              |              |              |              |              |              |              |
| Tuition   | 433,877       | 538,932       | 353,698       | 212,672      | 239,662      | 541,239      | 238,868      | 435,504      | 450,527      | 584,663      |
| Student and Instructional Related Services                | 1,434,442     | 1,412,350     | 1,458,963     | 1,321,898    | 1,229,458    | 1,125,380    | 1,026,342    | 1,240,078    | 1,482,812    | 1,424,287    |
| General and Business Administration Services              | 638,057       | 526,797       | 515,554       | 561,621      | 502,156      | 508,383      | 575,683      | 489,973      | 426,144      | 437,273      |
| School Administrative Services                            | 322,163       | 313,023       | 287,970       | 261,746      | 245,008      | 249,642      | 303,563      | 298,224      | 287,968      | 281,920      |
| Plant Operations and Maintenance                          | 929,510       | 939,208       | 824,284       | 762,799      | 725,536      | 792,901      | 833,199      | 751,251      | 657,816      | 594,930      |
| Pupil Transportation                                      | 638,865       | 610,831       | 563,617       | 560,285      | 624,054      | 628,295      | 571,886      | 564,390      | 603,264      | 584,778      |
| Employee Benefits   | 2,577,093     | 2,603,751     | 2,480,056     | 2,457,835    | 2,219,958    | 2,173,973    | 2,230,953    | 2,097,614    | 2,194,740    | 2,243,428    |
| Capital Outlay  | 47,289        | 109,327       | 63,136        | 176,435      | 101,359      | 795,447      | 447,478      | 24,726       | 349,880      | 243,116      |
| Debt Service:   |               |               |               |              |              |              |              |              |              |              |
| Interest and Other Charges                                | 339,238       | 364,857       | 389,657       | 560,000      | 485,000      | 370,000      | 310,000      | 280,000      | 235,000      | 160,000      |
| Principal   | 750,000       | 705,000       | 640,000       | 411,708      | 441,251      | 420,945      | 436,365      | 449,255      | 460,420      | 361,112      |
| Total Expenditures  | 12,350,718    | 12,296,182    | 11,664,856    | 11,444,690   | 11,009,430   | 11,206,630   | 11,152,084   | 10,284,880   | 10,528,673   | 10,247,611   |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 459,393       | 190,355       | 483,169       | 94,994       | 58,670       | (467,117)    | (408,901)    | (137,056)    | (329,154)    | (516,819)    |
| <b>Other Financing Sources (Uses):</b>                    |               |               |               |              |              |              |              |              |              |              |
| Bond Principal  | -             | -             | -             | -            | -            | 1,100,000    | -            | -            | -            | -            |
| Transfers In  | -             | -             | -             | 81           | 81,525       | 522          | 1,272        | 12           | 3,140        | 10,099       |
| Transfers Out   | -             | -             | -             | (81)         | (81,525)     | (522)        | (1,272)      | (12)         | (4,048)      | (10,099)     |
| Total Other Financing Sources (Uses)                      | -             | -             | -             | -            | -            | 1,100,000    | -            | -            | (908)        | -            |
| Net Change in Fund Balance                                | \$ 459,393    | \$ 190,355    | \$ 483,169    | \$ 94,994    | \$ 58,670    | \$ 632,883   | \$ (408,901) | \$ (137,056) | \$ (330,062) | \$ (516,819) |
| Debt service as a percentage of noncapital expenditures   | 8.85%         | 8.78%         | 8.86%         | 8.62%        | 8.49%        | 7.60%        | 6.97%        | 6.91%        | 6.83%        | 5.21%        |
| <b>Source: District records</b>                           |               |               |               |              |              |              |              |              |              |              |

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.



MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

| Fiscal Year<br>Ending<br>June 30, | Rentals    | Sale of<br>Capital<br>Assets | Prior Year<br>Refunds | Miscellaneous | Annual<br>Total |
|-----------------------------------|------------|------------------------------|-----------------------|---------------|-----------------|
| 2016                              | \$ 130,965 | \$ -                         | \$ -                  | \$ (6,602)    | \$ 124,363      |
| 2015                              | 168,889    | -                            | 5,689                 | (115,354)     | 59,224          |
| 2014                              | 150,925    | -                            | -                     | 31,297        | 182,222         |
| 2013                              | 66,739     | -                            | -                     | 41,639        | 108,378         |
| 2012                              | 66,739     | -                            | -                     | 61,596        | 128,335         |
| 2011                              | -          | -                            | -                     | 184,685       | 184,685         |
| 2010                              | 81,896     | -                            | -                     | 10,770        | 92,666          |
| 2009                              | 63,749     | -                            | -                     | 8,258         | 72,007          |
| 2008                              | 56,572     | -                            | -                     | 39,689        | 96,261          |
| 2007                              | -          | -                            | -                     | 3,367         | 3,367           |

Source: District records

***REVENUE CAPACITY***

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

| Year Ended<br>June 30 | Vacant Land   | Residential      | Farm Reg.     | Qlarm        | Commercial    | Industrial   | Apartment    | Total Assessed<br>Value | Less: Tax<br>Exempt Property | Public Utilities<br><sup>a</sup> | Net Valuation<br>Taxable | Estimated Actual<br>(County<br>Equalized) Value | Total<br>Direct<br>School<br>Tax Rate <sup>b</sup> |
|-----------------------|---------------|------------------|---------------|--------------|---------------|--------------|--------------|-------------------------|------------------------------|----------------------------------|--------------------------|---|--|
| 2016                  | \$ 12,063,900 | \$ 845,779,100   | \$ 34,756,600 | \$ 4,321,200 | \$ 81,173,100 | \$ 4,021,200 | \$ 1,162,800 | \$ 983,279,900          | \$ 102,985,440               | \$ 1,344,984                     | \$ 881,639,444           | \$ 1,199,882,161                                | 2.149  |
| 2015                  | \$ 15,112,000 | \$ 812,902,800   | \$ 34,584,400 | \$ 4,321,200 | \$ 80,181,000 | \$ 4,021,200 | \$ 1,183,800 | \$ 952,306,400          | \$ 102,042,240               | \$ 1,444,026                     | \$ 851,708,188           | \$ 1,132,466,963                                | 2.130  |
| 2014                  | \$ 16,680,700 | \$ 805,504,200   | \$ 35,681,300 | \$ 4,341,300 | \$ 80,585,800 | \$ 4,021,200 | \$ 1,151,300 | \$ 947,974,800          | \$ 99,675,240                | \$ 2,004,817                     | \$ 850,304,377           | \$ 1,194,582,728                                | 2.025  |
| 2013                  | \$ 26,630,600 | \$ 1,145,919,600 | \$ 48,395,700 | \$ 4,555,700 | \$ 95,256,100 | \$ 5,301,200 | \$ 1,549,700 | \$ 1,327,608,600        | \$ 120,591,300               | \$ 2,218,786                     | \$ 1,209,236,086         | \$ 1,261,563,098                                | 1.960  |
| 2012                  | \$ 31,041,800 | \$ 1,131,681,700 | \$ 48,095,900 | \$ 4,583,000 | \$ 93,223,200 | \$ 5,301,200 | \$ 1,549,700 | \$ 1,315,456,500        | \$ 118,890,500               | \$ 2,453,660                     | \$ 1,199,019,660         | \$ 1,346,272,138                                | 1.317  |
| 2011                  | \$ 37,953,900 | \$ 1,118,913,700 | \$ 49,117,800 | \$ 4,416,400 | \$ 90,481,100 | \$ 5,301,200 | \$ 1,549,700 | \$ 1,307,733,800        | \$ 118,890,500               | \$ 2,323,604                     | \$ 1,191,165,904         | \$ 1,364,791,953                                | 1.324  |
| 2010                  | \$ 40,718,500 | \$ 1,105,446,900 | \$ 48,025,500 | \$ 4,040,600 | \$ 89,713,300 | \$ 5,301,200 | \$ 1,888,100 | \$ 1,285,144,100        | \$ 112,985,400               | \$ 2,235,393                     | \$ 1,184,394,093         | \$ 1,297,379,493                                | 1.306  |
| 2009                  | \$ 45,735,400 | \$ 1,094,648,400 | \$ 47,024,100 | \$ 4,218,900 | \$ 89,409,800 | \$ 5,301,200 | \$ 2,165,400 | \$ 1,288,903,200        | \$ 111,669,100               | \$ 1,287,603                     | \$ 1,178,691,703         | \$ 1,280,671,921                                | 1.281  |
| 2008                  | \$ 17,368,103 | \$ 554,560,315   | \$ 25,660,900 | \$ 2,244,700 | \$ 47,667,900 | \$ 2,331,200 | \$ 918,900   | \$ 650,772,018          | \$ 109,046,600               | \$ 1,513,781                     | \$ 543,239,199           | \$ 1,272,162,007                                | 1.247  |

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

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

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

| Year Ended<br>June 30 | School District Direct Rate |                    |   | Overlapping Rates           |                      |                   |                         |       |  | Total Direct and<br>Overlapping Tax<br>Rate |
|-----------------------|-----------------------------|--------------------|---|-----------------------------|----------------------|-------------------|-------------------------|-------|--|---|
|                       | Local<br>School             | Regional<br>School | (From J-6)<br>Total<br>Direct<br>School Tax<br>Rate | Township<br>of<br>Mansfield | Burlington<br>County | County<br>Library | County<br>Open<br>Space |       |  |   |
| 2016                  | 1.110                       | 1.039              | 2.149   | 0.471                       | 0.410                | 0.039             | 0.049                   | 3.118 |  |   |
| 2015                  | 1.118                       | 1.012              | 2.130   | 0.465                       | 0.405                | 0.038             | 0.048                   | 3.086 |  |   |
| 2014                  | 1.098                       | 0.965              | 2.063   | 0.441                       | 0.399                | 0.037             | 0.018                   | 2.958 |  |   |
| 2013                  | 1.080                       | 0.945              | 2.025   | 0.430                       | 0.415                | 0.038             | 0.019                   | 2.927 |  |   |
| 2012                  | 0.725                       | 0.635              | 1.360   | 0.287                       | 0.293                | 0.029             | 0.038                   | 2.007 |  |   |
| 2011                  | 0.702                       | 0.615              | 1.317   | 0.238                       | 0.302                | 0.029             | 0.039                   | 1.925 |  |   |
| 2010                  | 0.688                       | 0.636              | 1.324   | 0.226                       | 0.317                | 0.031             | 0.041                   | 1.939 |  |   |
| 2009                  | 0.664                       | 0.642              | 1.306   | 0.219                       | 0.324                | 0.031             | 0.042                   | 1.922 |  |   |
| 2008                  | 0.637                       | 0.644              | 1.281   | 0.182                       | 0.323                | 0.030             | 0.041                   | 1.857 |  |   |
| 2007                  | 0.610                       | 0.637              | 1.247   | 0.168                       | 0.334                | 0.032             | 0.039                   | 1.820 |  |   |

**Source: Municipal Tax Collector**

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

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b Rates for debt service are based on each year's requirements.
- N/A At the time of CAFR completion, this data was not yet available

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

|                                      | 2016     |                        |      | 2005                                 |                        |      |                                      |
|--------------------------------------|----------|------------------------|------|--------------------------------------|------------------------|------|--------------------------------------|
|                                      | Taxpayer | Taxable Assessed Value | Rank | % of Total Direct Net Assessed Value | Taxable Assessed Value | Rank | % of Total Direct Net Assessed Value |
| N.A.D.E                              |          | \$ 38,270,600          | 1    | 3.892%                               | \$ 38,545,700          | 1    | 6.104%                               |
| Homestead Plaza, Il                  |          | 3,752,000              | 2    | 0.382%                               | 3,574,700              | 2    | 0.566%                               |
| Vanco USA, LLC                       |          | 3,574,700              | 3    | 0.364%                               | 3,251,100              | 3    | 0.515%                               |
| Transcontinental Gas & Pipeline Corp |          | 2,772,400              | 4    | 0.282%                               | 3,232,000              | 4    | 0.512%                               |
| MLC Developers, LLC                  |          | 2,756,200              | 5    | 0.280%                               | 2,772,400              | 5    | 0.439%                               |
| Cubesmart, LP                        |          | 2,713,000              | 6    | 0.276%                               | 2,713,000              | 6    | 0.430%                               |
| Generation Builders, Inc.            |          | 2,225,000              | 7    | 0.226%                               | 2,711,000              | 7    | 0.429%                               |
| Individual Taxpayer 1                |          | 2,306,200              | 8    | 0.235%                               | 2,064,000              | 8    | 0.327%                               |
| Individual Taxpayer 2                |          | 2,130,200              | 9    | 0.217%                               | 2,048,817              | 9    | 0.324%                               |
| Individual Taxpayer 3                |          | 1,938,800              | 10   | 0.197%                               | 1,971,100              | 10   | 0.312%                               |
| <b>Total</b>                         |          | <b>\$ 62,439,100</b>   |      | <b>6.351%</b>                        | <b>\$ 62,883,817</b>   |      | <b>9.958%</b>                        |

**Source:** Municipal Tax Assessor

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

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

| Year Ended<br>June 30 | Taxes Levied for<br>the Fiscal Year | Collected Within the Fiscal year<br>of the Levy <sup>a</sup> |                       | Collections in<br>Subsequent<br>Years |
|-----------------------|-------------------------------------|--|-----------------------|---------------------------------------|
|                       |                                     | Amount   | Percentage<br>of Levy |                                       |
| 2016                  | \$ -                                | \$ -   | 0%                    | \$ -                                  |
| 2015                  | 10,468,369                          | 10,468,369   | 100%                  | -                                     |
| 2014                  | 10,268,077                          | 10,268,077   | 100%                  | -                                     |
| 2013                  | 9,635,141                           | 9,635,141  | 100%                  | -                                     |
| 2012                  | 9,291,636                           | 9,291,636  | 100%                  | -                                     |
| 2011                  | 9,059,447                           | 9,059,447  | 100%                  | -                                     |
| 2010                  | 8,700,820                           | 8,700,820  | 100%                  | -                                     |
| 2009                  | 8,254,311                           | 8,254,311  | 100%                  | -                                     |
| 2008                  | 7,868,522                           | 7,868,522  | 100%                  | -                                     |
| 2007                  | 7,865,231                           | 7,865,231  | 100%                  | -                                     |

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

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

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

***DEBT CAPACITY***

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

| Fiscal Year Ended June 30, | Governmental Activities               |                               |       |                | Bond                      |                | Business-Type Activities |            | Total District | Percentage of Personal Income <sup>a</sup> | Per Capita <sup>a</sup> |
|----------------------------|---------------------------------------|-------------------------------|-------|----------------|---------------------------|----------------|--------------------------|------------|----------------|--|-------------------------|
|                            | General Obligation Bonds <sup>b</sup> | Certificates of Participation | Loans | Capital Leases | Anticipation Notes (BANS) | Capital Leases |                          |            |                |  |                         |
| 2016                       | \$ 7,865,000                          | \$ -                          | \$ -  | \$ -           | -                         | -              | \$ -                     | 7,865,000  | N/A            | N/A  |                         |
| 2015                       | 8,615,000                             | -                             | -     | -              | -                         | -              | -                        | 8,615,000  | N/A            | N/A  |                         |
| 2014                       | 9,320,000                             | -                             | -     | -              | -                         | -              | -                        | 9,320,000  | 2.02%          | \$ 1,086                                   |                         |
| 2013                       | 9,960,000                             | -                             | -     | -              | -                         | -              | -                        | 9,960,000  | 2.16%          | 1,161                                      |                         |
| 2012                       | 10,520,000                            | -                             | -     | -              | -                         | -              | -                        | 10,520,000 | 2.37%          | 1,227                                      |                         |
| 2011                       | 11,005,000                            | -                             | -     | -              | -                         | -              | -                        | 11,005,000 | 2.49%          | 1,281                                      |                         |
| 2010                       | 10,275,000                            | -                             | -     | -              | 300,000                   | -              | -                        | 10,575,000 | 2.47%          | 1,234                                      |                         |
| 2009                       | 10,585,000                            | -                             | -     | -              | -                         | -              | -                        | 10,585,000 | 2.58%          | 1,237                                      |                         |
| 2008                       | 10,845,000                            | -                             | -     | -              | -                         | -              | -                        | 10,845,000 | 2.85%          | 1,356                                      |                         |
| 2007                       | 11,080,000                            | -                             | -     | -              | -                         | -              | -                        | 11,080,000 | 2.91%          | 1,392                                      |                         |

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

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

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



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

| Fiscal<br>Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Actual Taxable<br>Value <sup>a</sup><br>of Property | Per<br>Capita <sup>b</sup> |
|-------------------------------------|---------------------------------|------------|---|--|----------------------------|
|                                     | General<br>Obligation<br>Bonds  | Deductions | Net General<br>Bonded Debt<br>Outstanding |  |                            |
| 2016                                | \$ 7,865,000                    | \$ -       | \$ 7,865,000                              | N/A  | N/A                        |
| 2015                                | 8,615,000                       | -          | 8,615,000                                 | 0.977%   | N/A                        |
| 2014                                | 9,320,000                       | -          | 9,320,000                                 | 1.094%   | \$ 1,086                   |
| 2013                                | 9,960,000                       | -          | 9,960,000                                 | 0.789%   | 1,161                      |
| 2012                                | 10,520,000                      | -          | 10,520,000                                | 0.781%   | 1,227                      |
| 2011                                | 11,005,000                      | -          | 11,005,000                                | 0.835%   | 1,281                      |
| 2010                                | 10,275,000                      | -          | 10,275,000                                | 0.780%   | 1,234                      |
| 2009                                | 10,585,000                      | -          | 10,585,000                                | 0.898%   | 1,237                      |
| 2008                                | 10,845,000                      | -          | 10,845,000                                | 1.996%   | 1,356                      |
| 2007                                | 11,080,000                      | -          | 11,080,000                                | 1.952%   | 1,392                      |

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

**a** See J-6 for property tax data.

**b** Population data can be found in J-14.

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

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2016

| <u>Governmental Unit</u>                              | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable <sup>a</sup> | Estimated<br>Share of<br>Overlapping<br>Debt |
|---|---------------------|--|--|
| Debt Repaid With Property Taxes                       |                     |  |  |
| Mansfield Township                                    | -                   | 0.000%   | -  |
| Burling County  | -                   | 0.000%   | -  |
| Regional School Debt                                  | -                   | 0.000%   | -  |
| Subtotal, Overlapping Debt                            |                     |  |  |
|   |                     |  | -  |
| <b>Mansfield Township School District Direct Debt</b> |                     |  |  |
|   |                     |  | -  |
| <b>Total Direct and Overlapping Debt</b>              |                     |  |  |
|   |                     |  | -  |
|   |                     |  | \$ -   |

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

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2016

|                           |                         |
|---------------------------|-------------------------|
| Equalized Valuation Basis |                         |
| 2016                      | \$ 1,199,882,161        |
| 2015                      | 1,162,793,294           |
| 2014                      | 1,128,404,489           |
| [A]                       | <u>\$ 3,491,079,944</u> |

Average Equalized Valuation of Taxable Property [A/3] \$ 1,163,693,315

Debt Limit (4% of Average Equalization Value) [B] 46,547,733 **a**  
 Total Net Debt Applicable To Limit [C] 7,865,000  
 Legal Debt Margin [B-C] \$ 38,682,733

|                                    | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 | 2007                 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt Limit                         | \$ 46,547,733        | \$ 45,582,752        | \$ 46,133,636        | \$ 33,043,401        | \$ 33,099,920        | \$ 23,602,298        | \$ 33,047,207        | \$ 25,256,352        | \$ 25,256,352        | \$ 25,256,352        |
| Total Net Debt Applicable to Limit | 7,865,000            | 8,615,000            | 9,320,000            | 9,960,000            | 10,520,000           | 11,005,000           | 10,275,000           | 10,585,000           | 10,845,000           | 11,080,000           |
| Legal Debt Margin                  | <u>\$ 38,682,733</u> | <u>\$ 36,967,752</u> | <u>\$ 36,813,636</u> | <u>\$ 23,083,401</u> | <u>\$ 22,579,920</u> | <u>\$ 12,597,298</u> | <u>\$ 22,772,207</u> | <u>\$ 14,671,352</u> | <u>\$ 14,411,352</u> | <u>\$ 14,176,352</u> |

Total Net Debt Applicable to the Limit  
 As a Percentage of Debt Limit

|  |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 16.90% | 18.90% | 20.20% | 30.14% | 31.78% | 46.63% | 31.09% | 41.91% | 42.94% | 43.87% |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

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

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

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

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

| Year | Population <sup>a</sup> | Personal<br>Income <sup>b</sup> | Per Capita<br>Personal<br>Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|------|-------------------------|---------------------------------|---|-----------------------------------|
| 2015 | 8,574                   | N/A                             | N/A   | 4.90%                             |
| 2014 | 8,580                   | \$ 461,149,260                  | \$ 53,747                                     | 5.90%                             |
| 2013 | 8,573                   | 443,952,805                     | 51,785  | 7.20%                             |
| 2012 | 8,589                   | 441,388,710                     | 51,390  | 11.70%                            |
| 2011 | 8,569                   | 428,064,395                     | 49,955  | 11.30%                            |
| 2010 | 8,554                   | 410,994,038                     | 48,047  | 11.60%                            |
| 2009 | 8,000                   | 381,192,000                     | 47,649  | 10.90%                            |
| 2008 | 7,958                   | 380,519,728                     | 47,816  | 6.40%                             |
| 2007 | 7,926                   | 366,086,088                     | 46,188  | 4.70%                             |
| 2006 | 7,957                   | 354,738,974                     | 44,582  | 5.20%                             |

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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



***OPERATING INFORMATION***

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

| Function/Program                           | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Instruction:</b>                        |              |              |              |              |              |              |              |              |              |              |
| Regular                                    | 42.0         | 42.0         | 51.0         | 38.4         | 42.0         | 53.0         | 53.0         | 53.0         | 53.0         | 53.0         |
| Special Education                          | 18.0         | 18.0         | 20.0         | 24.0         | 16.0         | 23.0         | 25.0         | 25.0         | 25.0         | 25.0         |
| Other Special Education                    | 8.0          | 8.0          | 3.0          | 3.0          | 3.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          |
| <b>Support Services:</b>                   |              |              |              |              |              |              |              |              |              |              |
| Student and Instructional Related Services | 24.0         | 24.0         | 21.2         | 21.2         | 33.0         | 16.0         | 16.0         | 16.0         | 16.0         | 16.0         |
| School Administrative Services             | 2.0          | 2.0          | 2.5          | 2.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          |
| General & Business Administrative Services | 3.5          | 3.0          | 3.5          | 3.5          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 4.0          |
| Plant Operations and Maintenance           | 10.0         | 10.0         | 14.5         | 14.5         | 8.0          | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         |
| Pupil Transportation                       | 0.3          | 0.3          | 0.5          | 0.5          | 0.5          | 0.5          | 0.5          | 1.0          | 1.0          | 1.0          |
| Other Support Services                     | 4.0          | 4.0          | 0.0          | 0.0          | 0.0          | 0.0          | 2.5          | 3.0          | 3.0          | 3.0          |
| Food Service                               | 7.0          | 8.0          | 7.0          | 6.0          | 6.0          | 6.0          | 6.0          | 6.0          | 6.0          | 7.0          |
| <b>Total</b>                               | <b>118.8</b> | <b>119.3</b> | <b>123.2</b> | <b>113.1</b> | <b>115.5</b> | <b>119.5</b> | <b>124.0</b> | <b>125.0</b> | <b>125.0</b> | <b>127.0</b> |

**Source:** District Personnel Records

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



MANSFIELD TOWNSHIP BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio Elementary | Average Daily                 |                               | Percent Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|--------------------------------|-------------------------------|-------------------------------|--|-------------------------------|
|             |            |                                     |                |                   |                             |                                | Enrollment (ADE) <sup>c</sup> | Attendance (ADA) <sup>c</sup> |  |                               |
| 2016        | 660.0      | \$ 11,214,191                       | \$ 16,991      | 2.25%             | 77                          | 8.7:1                          | 651.0                         | 631.0                         | -1.21%                                     | 96.93%                        |
| 2015        | 669.0      | 11,116,998                          | 16,617         | 16.25%            | 77                          | 8.7:1                          | 659.0                         | 637.3                         | -8.60%                                     | 96.71%                        |
| 2014        | 741.0      | 10,592,063                          | 14,294         | 8.26%             | 74                          | 1:10                           | 721.0                         | 695.7                         | 0.85%                                      | 96.49%                        |
| 2013        | 714.0      | 9,427,276                           | 13,203         | 7.85%             | 63                          | 1:11                           | 714.9                         | 683.8                         | -3.78%                                     | 95.65%                        |
| 2012        | 749.0      | 9,169,389                           | 12,242         | -1.34%            | 58                          | 1:13                           | 743.0                         | 715.0                         | 4.65%                                      | 96.23%                        |
| 2011        | 719.0      | 8,922,056                           | 12,409         | -4.30%            | 53                          | 1:14                           | 710.0                         | 682.0                         | 3.21%                                      | 96.06%                        |
| 2010        | 697.0      | 9,037,750                           | 12,967         | 0.66%             | 58                          | 1:12                           | 687.9                         | 654.7                         | 0.13%                                      | 95.17%                        |
| 2009        | 685.0      | 8,824,209                           | 12,882         | 6.28%             | 56                          | 1:12                           | 687.0                         | 667.8                         | -0.29%                                     | 97.21%                        |
| 2008        | 687.0      | 8,326,868                           | 12,121         | -6.03%            | 56                          | 1:12                           | 689.0                         | 665.8                         | 0.12%                                      | 96.63%                        |
| 2007        | 675.0      | 8,706,398                           | 12,898         | 8.33%             | 55                          | 1:12                           | 688.2                         | 653.1                         | 1.06%                                      | 94.90%                        |

Sources: District records

Note: Enrollment based on annual October District count.

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

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

|                                 | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   | 2007   |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b><u>District Building</u></b> |        |        |        |        |        |        |        |        |        |        |
| <b><u>Elementary</u></b>        |        |        |        |        |        |        |        |        |        |        |
| John Hydock                     |        |        |        |        |        |        |        |        |        |        |
| Square Feet                     | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Capacity (students)             | 280    | 280    | 280    | 280    | 280    | 280    | 280    | 280    | 280    | 280    |
| Enrollment                      | 253    | 253    | 253    | 276    | 307    | 279    | 293    | 262    | 282    | 282    |
| Mansfield Township              |        |        |        |        |        |        |        |        |        |        |
| Square Feet                     | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Capacity (students)             | 640    | 640    | 640    | 640    | 640    | 640    | 640    | 640    | 640    | 640    |
| Enrollment                      | 472    | 472    | 472    | 438    | 441    | 435    | 459    | 423    | 405    | 376    |

Number of Schools at June 30, 2016  
 Elementary = 2

**Source: District Facilities Office**

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

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

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

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

|                         | * School<br>Facilities<br>Project # (s) | John<br>Hydock<br>Elementary | Mansfield<br>Township<br>Elementary | Total             |
|-------------------------|---|------------------------------|-------------------------------------|-------------------|
| 2016                    |   | \$ 44,505                    | \$ 62,236                           | \$ 106,741        |
| 2015                    |   | 13,980                       | 90,074                              | 104,054           |
| 2014                    |   | 38,127                       | 41,709                              | 79,836            |
| 2013                    |   | 25,996                       | 38,320                              | 64,316            |
| 2012                    |   | 16,129                       | 30,242                              | 46,371            |
| 2011                    |   | 27,194                       | 30,284                              | 57,478            |
| 2010                    |   | 27,081                       | 38,192                              | 65,273            |
| 2009                    |   | 23,903                       | 35,854                              | 59,757            |
| 2008                    |   | 26,389                       | 25,842                              | 52,231            |
| 2007                    |   | 55,388                       | 57,533                              | 112,921           |
| Total School Facilities |   | <u>\$ 298,692</u>            | <u>\$ 450,286</u>                   | <u>\$ 748,978</u> |

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

Source: District records

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016

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

Source: District Records.

***SINGLE AUDIT SECTION***

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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K-1  
Page 1

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 2, 2016.

**Internal Control over Financial Reporting**

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

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

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

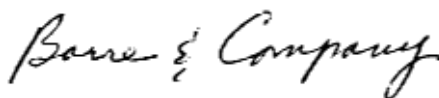
### **Compliance and Other Matters**

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

We also noted other matters that we reported to the Mansfield Township Board of Education in a separate report entitled, Auditor's Management Report on Administrative Findings dated December 2, 2016.

### **Purpose of this Report**

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



BARRE & COMPANY  
Certified Public Accountants  
Public School Accountants



Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
December 2, 2016



**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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K-2  
Page 1

**Independent Auditor’s Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

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

**Report on Compliance for Each Major State Program**

We have audited the compliance of the Mansfield Township Board of Education (School District), in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the year ended June 30, 2016. The School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

Those standards, the Uniform Guidance, and New Jersey OMB's Circular 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 state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major State Program***

In our opinion, the Mansfield Township Board of Education, in the County of Burlington, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

### **Report on Internal Control over Compliance**

Management of Mansfield Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 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 School District's internal control over compliance.


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

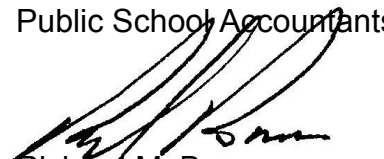
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purposes.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB's Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mansfield Township Board of Education, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated December 2, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by the New Jersey OMB Circular 15-08 are presented for purposed of additional analysis and are not a required part of the basic financial statements. Such information is the responsibilities of management and was derived from and related directly to the underlying accounting and other records used to prepare basic 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 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 schedule of expenditures and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

  
BARRE & COMPANY  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
November 18, 2016

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| Federal Grantor/Pass-through Grantor/<br>Program Title | Federal<br>CFDA<br>Number | FAIN            | Grant or State<br>Project<br>Number | Program or<br>Award<br>Amount | Grant Period<br>From To | Balance at<br>June 30, 2015 | Carryover/<br>(Walkover)<br>Amount | Cash<br>Received | Budgetary<br>Expenditures | Adjustments | Repayment<br>Of Prior Years'<br>Balances | Accounts<br>Receivable | Balance at June 30, 2016<br>Deferred<br>Revenue | Due to<br>Grantor |
|--|---------------------------|-----------------|-------------------------------------|-------------------------------|-------------------------|-----------------------------|------------------------------------|------------------|---------------------------|-------------|--|------------------------|---|-------------------|
| <b>U.S. Department of Education</b>                    |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| <b>Passed-through State Department of Education</b>    |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| Special Revenue Fund:                                  |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| No Child Left Behind Cluster:                          |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| Title I Part A   | 84.010A                   | S010A150030     | NCLB - 2860 - 16                    | \$ 25,460                     | 7/1/15                  | 6/30/16                     | \$ -                               | \$ -             | (21,965)                  | \$ -        | \$ -                                     | (21,965)               | \$ -  | \$ -              |
| Title I Part A Carryover                               | 84.010A                   | S010A150030     | NCLB - 2860 - 15                    | 25,697                        | 7/1/14                  | 6/30/15                     | (23,073)                           | 22,529           | (5,144)                   | -           | -  | (644)                  | -   | -                 |
| Title II Part A  | 84.367A                   | S367A150029     | NCLB - 2860 - 16                    | 7,475                         | 7/1/15                  | 6/30/16                     | (70)                               | -                | (5,144)                   | -           | -  | (5,144)                | -   | -                 |
| Title II Part A Carryover                              | 84.367A                   | S367A150029     | NCLB - 2860 - 15                    | 7,659                         | 7/1/14                  | 6/30/15                     | (23,143)                           | 22,529           | (27,109)                  | -           | -  | (70)                   | -   | -                 |
| Total No Child Left Behind Cluster                     |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| Individuals with Disabilities Cluster:                 |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| I.D.E.A. Part B Basic                                  | 84.027                    | H027A150100     | IDEA - 2860 - 16                    | 130,540                       | 7/1/15                  | 6/30/16                     | -                                  | 104,237          | (130,540)                 | -           | -  | (28,303)               | -   | -                 |
| I.D.E.A. Part B Basic Carryover                        | 84.027                    | H027A150100     | IDEA - 2860 - 15                    | 132,555                       | 7/1/14                  | 6/30/15                     | (119,940)                          | 119,940          | (10,770)                  | -           | -  | (1,030)                | -   | -                 |
| I.D.E.A. Preschool                                     | 84.173                    | H173A150114     | IDEA - 2860 - 16                    | 10,770                        | 7/1/15                  | 6/30/16                     | (10,691)                           | 9,740            | (10,770)                  | -           | -  | (1,030)                | -   | -                 |
| I.D.E.A. Preschool Carryover                           | 84.173                    | H173A150114     | IDEA - 2860 - 15                    | 10,729                        | 7/1/14                  | 6/30/15                     | (130,637)                          | 244,688          | (141,310)                 | -           | -  | (27,333)               | -   | -                 |
| Total Individuals with Disabilities Cluster            |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| Total Special Revenue Fund                             |                           |                 |                                     |                               |                         |                             | (153,774)                          | 267,137          | (168,419)                 | -           | -  | (55,056)               | -   | -                 |
| <b>U.S. Department of Agriculture</b>                  |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| <b>Passed-through State Department of Agriculture</b>  |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| Enterprise Fund:                                       |                           |                 |                                     |                               |                         |                             |                                    |                  |                           |             |  |                        |   |                   |
| Food Distribution Program                              | 10.550                    |                 | N/A                                 | 12,247                        | 7/1/15                  | 6/30/16                     | -                                  | 12,247           | (12,247)                  | -           | -  | -                      | -   | -                 |
| National School Lunch Program                          | 10.555                    | 16161N3004N1099 | N/A                                 | 30,844                        | 7/1/15                  | 6/30/16                     | (1,929)                            | 29,367           | (30,844)                  | -           | -  | (1,477)                | -   | -                 |
| National School Lunch Program                          | 10.555                    | 16161N3004N1099 | N/A                                 | 36,043                        | 7/1/14                  | 6/30/15                     | -                                  | 1,929            | -                         | -           | -  | -                      | -   | -                 |
| Total Enterprise Fund                                  |                           |                 |                                     |                               |                         |                             | (1,929)                            | 43,543           | (43,091)                  | -           | -  | (1,477)                | -   | -                 |
| Sub-Total Federal Financial Awards                     |                           |                 |                                     |                               |                         |                             | (155,703)                          | 310,680          | (211,510)                 | \$ -        | \$ -                                     | (56,533)               | \$ -  | \$ -              |

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| State Grantor/Program Title  | Grant or State Project Number | Program or Award Amount | Grant Period |         | Balance at June 30, 2015                |   | Carryover/(Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments/Reversal of Prior Year's Balance | Balance at June 30, 2016 |      | MEMO     |           |
|--|-------------------------------|-------------------------|--------------|---------|---|---|-----------------------------|---------------|------------------------|--|--------------------------|------|----------|-----------|
|  |                               |                         | From         | To      | Deferred Revenues (Accounts Receivable) | Deferred Revenues (Accounts Receivable) |                             |               |                        |  |                          |      |          |           |
| <b>State Department of Education</b>   |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>General Fund:</b>   |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>State Aid-Public Cluster:</b>   |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| Equalization Aid   | 16-495-034-5120-078           | \$ 61,810               | 7/1/15       | 6/30/16 | \$ -                                    | \$ -                                    | \$ -                        | \$ 57,526     | \$ (61,810)            | \$ -   | \$ (4,284)               | \$ - | \$ 4,284 | \$ 61,810 |
| Equalization Aid   | 15-495-034-5120-078           | 61,810                  | 7/1/14       | 6/30/15 | (3,788)                                 |   | 3,788                       | 387,970       | (384,623)              |  | (26,653)                 |      | 26,653   | 384,623   |
| Special Education Categorical Aid  | 16-495-034-5120-089           | 384,623                 | 7/1/15       | 6/30/16 | (23,570)                                |   | 23,570                      | 46,898        | (50,390)               |  | (3,492)                  |      | 3,492    | 50,390    |
| Special Education Categorical Aid  | 15-495-034-5120-089           | 384,623                 | 7/1/14       | 6/30/15 | (3,088)                                 |   | 3,088                       |               | (2)                    |  | (6,672)                  |      | 6,672    | 96,284    |
| Security Aid   | 16-495-034-5120-084           | 50,390                  | 7/1/15       | 6/30/16 |   |   |                             | 89,612        | (96,284)               |  | (473)                    |      | 473      | 6,830     |
| Security Aid   | 15-495-034-5120-084           | 50,390                  | 7/1/14       | 6/30/15 |   |   |                             | 5,901         | (6,830)                |  | (419)                    |      | 419      | 6,830     |
| Additional Adjustment Aid  | 16-495-034-5120-095           | 2                       | 7/1/15       | 6/30/16 |   |   |                             | 6,357         | (6,830)                |  | (419)                    |      | 419      | 6,830     |
| Transportation Aid   | 16-495-034-5120-014           | 96,284                  | 7/1/15       | 6/30/16 |   |   |                             | 601,905       | (606,769)              |  | (42,049)                 |      | 42,049   | 606,769   |
| Transportation Aid   | 15-495-034-5120-014           | 96,284                  | 7/1/14       | 6/30/15 | (5,901)                                 |   | 5,901                       |               | (2)                    |  | (6,672)                  |      | 6,672    | 96,284    |
| Parish Program Aid   | 16-495-034-5120-097           | 6,830                   | 7/1/15       | 6/30/16 |   |   |                             | 6,357         | (6,830)                |  | (419)                    |      | 419      | 6,830     |
| Parish Program Aid   | 15-495-034-5120-097           | 6,830                   | 7/1/14       | 6/30/15 | (419)                                   |   | 419                         |               | (2)                    |  | (6,672)                  |      | 6,672    | 96,284    |
| PARCC Readiness Aid  | 16-495-034-5120-088           | 6,830                   | 7/1/15       | 6/30/16 |   |   |                             | 601,905       | (606,769)              |  | (42,049)                 |      | 42,049   | 606,769   |
| PARCC Readiness Aid  | 15-495-034-5120-088           | 6,830                   | 7/1/14       | 6/30/15 | (37,165)                                |   | 37,165                      |               | (2)                    |  | (6,672)                  |      | 6,672    | 96,284    |
| <b>Total State Aid-Public Cluster</b>  |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>Other General Funds:</b>  |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| Extraordinary Aid  | 16-100-034-5120-473           | 58,181                  | 7/1/15       | 6/30/16 |   |   |                             | 67,130        | (66,980)               |  | (58,181)                 |      | 58,181   | 58,181    |
| Extraordinary Aid  | 15-100-034-5120-473           | 67,130                  | 7/1/14       | 6/30/15 | (67,130)                                |   | 67,130                      |               | (6,980)                |  | (6,980)                  |      | 6,980    | 6,960     |
| Nonpublic School Transportation Costs  | 16-100-034-5120-088           | 6,960                   | 7/1/15       | 6/30/16 |   |   |                             | 7,482         | (406,658)              |  | (15,764)                 |      | 15,764   | 319,135   |
| Nonpublic School Transportation Costs  | 15-100-034-5120-088           | 7,482                   | 7/1/14       | 6/30/15 | (7,482)                                 |   | 7,482                       |               | (319,135)              |  | (80,905)                 |      | 80,905   | 1,132,456 |
| TPAF Post-Retirement Medical Contributions                                     | 16-495-034-5094-001           | 406,658                 | 7/1/15       | 6/30/16 |   |   |                             | 1,799         | (1,779)                |  | (86)                     |      | 86       | 1,779     |
| TPAF Post-Retirement Medical Contributions                                     | 15-495-034-5094-001           | 341,522                 | 7/1/14       | 6/30/15 | (109)                                   |   | 106                         |               | (1,779)                |  | (86)                     |      | 86       | 1,779     |
| Reimbursed TPAF - Social Security  | 16-495-034-5094-003           | 319,135                 | 7/1/15       | 6/30/16 |   |   |                             | 1,799         | (1,779)                |  | (86)                     |      | 86       | 1,779     |
| Reimbursed TPAF - Social Security  | 15-495-034-5094-003           | 304,004                 | 7/1/14       | 6/30/15 | (89,927)                                |   | 1,491,472                   |               | (1,132,456)            |  | (122,954)                |      | 122,954  | 1,739,225 |
| <b>Total Other General Funds</b>   |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>Debt Service Fund:</b>  |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| Debt Service Aid Type II   | 16-495-034-5120-017           | 31,342                  | 7/1/15       | 6/30/16 |   |   |                             | 31,342        | (31,342)               |  |                          |      |          | 31,342    |
| <b>Total Debt Service Fund</b>   |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>State Department of Agriculture</b>   |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>Enterprise Fund:</b>  |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| National School Lunch Program (State Share)                                    | 16-100-010-3350-023           | 1,779                   | 7/1/15       | 6/30/16 |   |   |                             | 1,693         | (1,779)                |  | (86)                     |      | 86       | 1,779     |
| National School Lunch Program (State Share)                                    | 15-100-010-3350-023           | 2,546                   | 7/1/14       | 6/30/15 | (109)                                   |   | 106                         |               | (1,779)                |  | (86)                     |      | 86       | 1,779     |
| <b>Total Enterprise Fund</b>   |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>Total State Financial Assistance</b>  |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>State Financial Assistance Not Subject to Major Program Determination:</b>  |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| On-Behalf TPAF Pension Contributions   | 16-495-034-5094-001           | 406,658                 | 7/1/15       | 6/30/16 |   |   |                             | (406,658)     | 406,658                |  |                          |      |          | (406,658) |
| On-Behalf TPAF Pension Contributions   | 16-495-034-5094-006           | 341,522                 | 7/1/15       | 6/30/16 |   |   |                             | (341,522)     | 341,522                |  |                          |      |          | (341,522) |
| <b>Total On-Behalf TPAF Pension System Contributions</b>                       |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>Total State Financial Assistance Subject to Major Program Determination</b> |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |
| <b>MEMO</b>  |                               |                         |              |         |   |   |                             |               |                        |  |                          |      |          |           |

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2016**

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**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2016**

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,864 for the general fund and \$1,383 for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

|                                     | <u>Federal</u>    | <u>State</u>        | <u>Total</u>        |
|-------------------------------------|-------------------|---------------------|---------------------|
| General Fund                        | \$ -              | \$ 1,734,361        | \$ 1,734,361        |
| Special Revenue Fund                | 167,036           | -                   | 167,036             |
| Debt Service Fund                   | -                 | 31,342              | 31,342              |
| Food Service Fund                   | 43,091            | 1,779               | 44,870              |
| Total Awards & Financial Assistance | <u>\$ 210,127</u> | <u>\$ 1,767,482</u> | <u>\$ 1,977,609</u> |

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING**

Mansfield Township Board of Education has no loan balances outstanding at June 30, 2016.

**MANSFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2016**

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**NOTE 6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the school district for the year ended June 30, 2016. 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, 2016.

**NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the School District's basic financial statements and the amount subject to State single audit and major program determination.

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

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

| Program  | Total                   | 2015                    |
|--|-------------------------|-------------------------|
| Title I, Part A: <i>Grants to Local Education Agencies</i> | <u>\$ 21,965</u>        | <u>\$ 21,206</u>        |
| Total  | <u><u>\$ 21,965</u></u> | <u><u>\$ 21,206</u></u> |



MANSFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditors’ report issued on financial statements 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

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

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 auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?  Yes  No

Identification of major state programs:

| <b>GMIS Number(s)</b> | <b>Name of State Program</b>            |
|-----------------------|---|
| _____                 | State Aid-Public Cluster:               |
| 16-495-034-5120-078   | _____ Equalization Aid                  |
| 16-495-034-5120-089   | _____ Special Education Categorical Aid |
| 16-495-034-5120-084   | _____ Security Aid                      |
| 16-495-034-5120-085   | _____ Additional Adjustment Aid         |
| 16-495-034-5120-014   | _____ Transportation Aid                |
| 16-495-034-5120-097   | _____ Per Pupil Growth Aid              |
| 16-495-034-5120-098   | _____ PARCC Readiness Aid               |

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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***Section II – Financial Statement Findings***

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

**Finding**

There were no matters reported.

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08.

**STATE AWARDS**

**Finding**

There were no matters reported.

MANSFIELD TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Uniform Guidance (.511(a)(b)) and NJOMB's Circular 15-08.

**Finding**

There were no matters reported.