

**MANSFIELD TOWNSHIP  
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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

**Prepared by  
Mansfield Township  
Department of Administration**

**MANSFIELD TOWNSHIP  
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2016**

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BOARD OF EDUCATION**

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# *Mansfield Township Board of Education*

50 Port Murray Road, Port Murray, NJ 07865

Phone: 908-689-3212, Ext. 1186

Fax: 908-689-9504

November 10, 2016

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** Mansfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Mansfield Township Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular classes and special education for handicapped youngsters. The District completed the 2015-16 fiscal year with an enrollment of 679 students, which is 24 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

**AVERAGE DAILY ENROLLMENT**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	679	-3.5%
2014-15	703	0.0%
2013-14	704	0.0%
2012-13	705	-1.7%
2011-12	717	3.17%
2010-11	695	-3.4%
2009-10	719	3.6%

2) **ECONOMIC CONDITIONS AND OUTLOOK:** A new housing development was presented to the Mansfield Township Planning Board. The builder was asking to change from an age-restricted development to a non-age restricted development, consisting of 159 dwellings. There was to be 20% of the housing set aside for affordable housing. All of the litigation has been completed. The development will be an age restricted development.

3) **MAJOR INITIATIVES:**

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

The district continues to focus its major initiatives on improving instruction and curriculum to boost student achievement. Teachers have implemented the Common Core State Standards in the areas of Mathematics and Language Arts. Committees have been formed, curriculums have been revised, and resources and professional development

needs continue to be assessed and addressed as needed. We are currently transitioning to the New Jersey Student Learning Standards. We continued to offer Homework Club to provide after-school support for students needing extra assistance. This year we purchased the Wonders reading program for grades K – 5 and the Collections program for grade 6.

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

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

We added two on-line sites for professional development. Staff now have access to the TEQ Training site as well as the SimpleK12 site. Training is available 24/7 via these sites.

The major initiatives in technology for the 2015-2016 school year included purchasing ten additional SMART Boards (Model 6065), 150 Dell Latitude 3340, 150 Lenovo 11E laptops and seven carts for the tablets. Grades 2 to 6 are now using Office 365 in the cloud. We will continue to utilize Discovery Video Streaming as a teacher resource. Additionally we will continue to receive e-rate rebates for our eligible technology and communication costs.

In terms of achievement, many teachers are utilizing SuccessMaker© to support student growth. We are continuing NWEA MAP pre and post testing. MAP is our GPS that enables teachers to target and differentiate instruction to the strengths and needs of each student. The immediacy and depth of feedback provides essential data necessary for teachers to plot an instructional course that promotes continuous student improvement and provides an avenue for tracking individual growth within and across grade levels. We are fully utilizing the Marzano Evaluation System which identifies elements of teaching that lead to greater student success. The students in grades 3, 4, 5, and 6 participated in the PARCC testing, and grade 4 also took the NJ ASK Science test.

Improving security continues to be a high priority. We now have a total of 54 IP security cameras. A second server was added for our video surveillance that serves as a failover and our new LPR server for license plate recognition.



**2016 PARCC Scores  
Mansfield Township Elementary School**

	Not Yet Meeting Expectations (Level 1)	Partially Meeting Expectations (Level 2)	Approaching Expectations (Level 3)	Meeting Expectations (Level 4)	Exceeding Expectations (Level 5)
Grade 3 PARCC ELA	14%	22%	29%	35%	0%
Grade 3 PARCC Math	12%	15%	32%	39%	2%
Grade 4 PARCC ELA	10%	12%	23%	45%	11%
Grade 4 PARCC Math	3%	21%	32%	43%	1%
Grade 5 PARCC ELA	7%	13%	32%	43%	5%
Grade 5 PARCC Math	3%	12%	43%	38%	3%
Grade 6 PARCC ELA	5%	4%	19%	57%	15%
Grade 6 PARCC Math	3%	9%	25%	54%	10%

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

**NJ ASK  
2016 Results**

**NJASK 4 Science Scores  
Mansfield Township Elementary School**

	Partially Proficient	Proficient	Advanced Proficient
Grade 4 Science	6%	37%	57%

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

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

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

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

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

7) **DEBT ADMINISTRATION:** The District's voters approved a \$6,685,000 referendum in March of 2014. There is a zero net cost to the taxpayers for this new debt since the Board timed the new debt to begin after the final payment was made on the 1995 "COP" lease purchase obligation. The referendum monies will be used to replace the fire alarm system, the original boilers and control system, the uni-vent systems in 23 classrooms, bathrooms, lighting, ceilings, the roof on every section except for the 2004

addition, asbestos removal, interior and exterior doors and locks, the original kitchen equipment, finish the final phase of the windows project, replace the windows in the All Purpose Room, add a storage building, add additional storage throughout the school, replace the clocks throughout the school, water treatment, and parking lot replacement.

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

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

10) **OTHER INFORMATION - INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bedard, Kurowicki & Co. 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

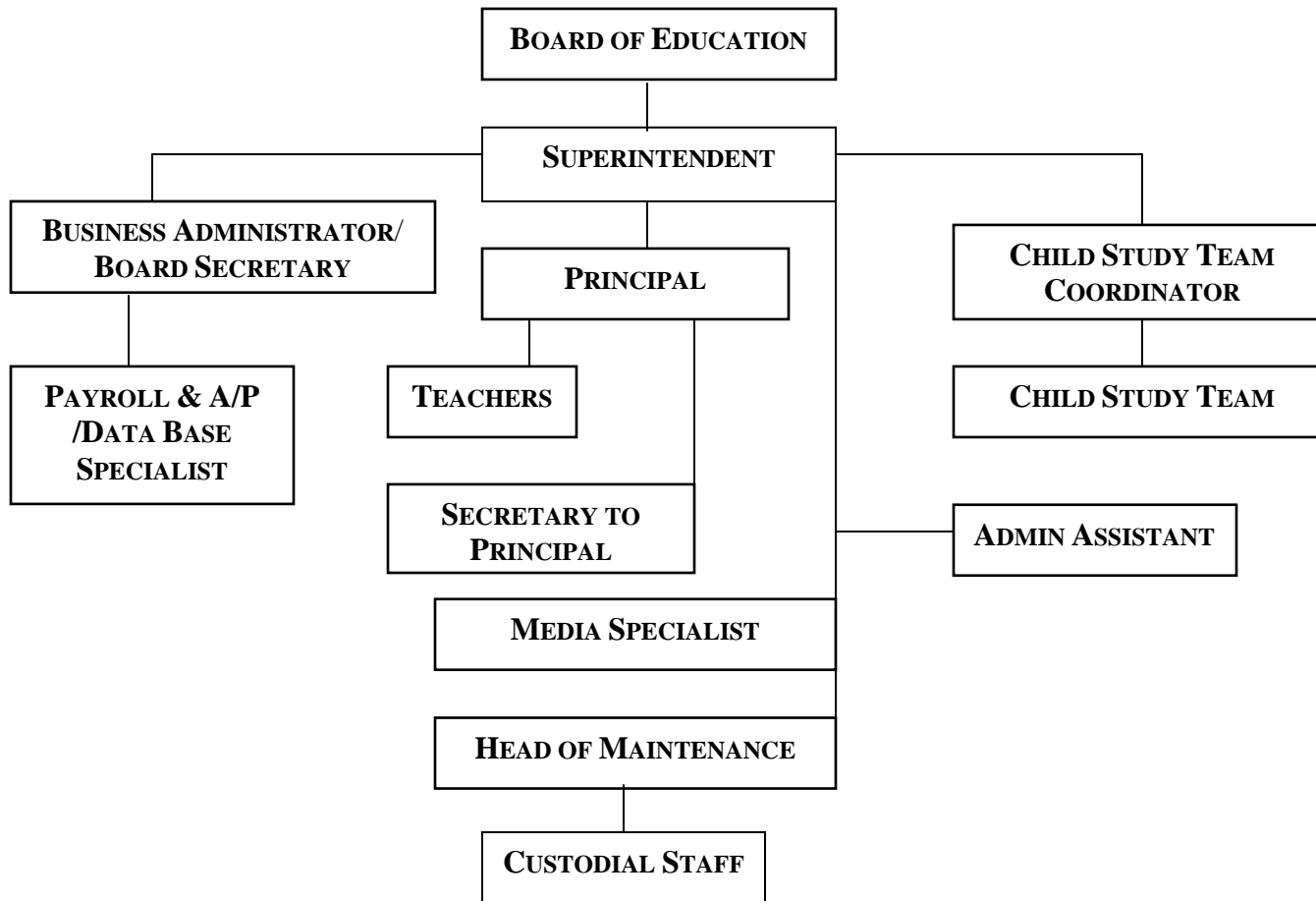


Edward S. Kemp, Jr.  
Superintendent



Mary E. Roszkowski  
Business Administrator/Board Secretary

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



**ROSTER OF OFFICIALS**  
**JUNE 30, 2016**

**Members of the Board of Education**

**Term Expires**

Karri Reyes, President	2016
Timothy Barlow	2016
Michael Coombs	2017
John Falco	2018
James Momary, Vice President	2016
Desiree Mora-Dillon	2018
Tracey Janowski	2017
Sharon McAlpin	2018
Jason Winch	2017

**Other Officials**

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

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

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

BEDARD, KUROWICKI & Co., CPA's, PC  
CERTIFIED PUBLIC ACCOUNTANTS  
114 BROAD STREET  
FLEMINGTON, NJ 08822

**ATTORNEYS**

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

**OFFICIAL DEPOSITORIES**

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



Bedard, Kurowicki & Co.  
Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Mansfield Township School District, (the District) in the County of Warren, the State of New Jersey, as of and for the year ended June 30, 2016, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

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

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

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

## **Other Matters**

### Required Supplementary Information

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, 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 and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are also not a required part of the basic financial statements.



The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.


In our opinion, the combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, 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.

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*Bedard, Kurowicki & Co.*  
**BEDARD, KUROWICKI & CO., CPA'S, PC**

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

November 10, 2016  
Flemington, New Jersey

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

The discussion and analysis of Mansfield Township School District’s financial performance provide an overall review of the District’s financial activities for the fiscal year ended June 30, 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 transmittal letter, the basic financial statements and notes to enhance their understanding of the District’s financial performance.

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

**FINANCIAL HIGHLIGHTS**

- In total, net position increased \$182,082 which is a 4.37 percent increase from fiscal year 2015.
- General revenue accounted for \$12,505,674 in revenue or 92.6 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,006,992 or 7.4 percent of the total revenue of \$13,512,666.
- The School District had \$13,330,584 in expenses; only \$1,006,992 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,505,674 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$10,260,725 in revenues and \$10,289,340 in expenditures. The General Fund’s fund balance decreased by \$28,615 from fiscal year 2015.

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

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

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

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

**REPORTING THE DISTRICT AS A WHOLE**

**STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES**

While this document contains the various funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUNDS**

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

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

(or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**ENTERPRISE FUNDS**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**THE DISTRICT AS A WHOLE**

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

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

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

Table 1 provides a summary of the District's net position at June 30, 2016, with comparisons to June 30, 2015.

**Table 1  
Net Position**

	6/30/16	6/30/15	Variance	
			Dollars	%
<b>ASSETS</b>				
Current & Other Assets	\$ 3,774,862	\$ 7,432,236	\$ (3,657,374)	(49.21)
Capital Assets	9,104,332	5,590,009	3,514,323	62.87
Total Assets	12,879,194	13,022,245	(143,051)	(1.10)
Deferred Outflows of Resources:				
Deferred Amount on Pension Activity	384,419	109,357	275,062	251.53
<b>LIABILITIES</b>				
Long-Term Liabilities	8,768,822	8,579,613	189,209	2.21
Other Liabilities	113,889	295,190	(181,301)	(61.42)
Total Liabilities	8,882,711	8,874,803	7,908	.09
Deferred Inflows of Resources:				
Deferred Amount on Pension Activity	34,968	92,947	(57,979)	(62.38)
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,630,694	4,460,430	170,264	3.82
Restricted	1,357,097	1,281,189	75,908	5.92
Unrestricted	(1,641,857)	(1,577,767)	(64,090)	(4.06)
Total Net Position	\$ 4,345,934	\$ 4,163,852	\$ 182,082	4.37
* = Undefined				

The negative balance in unrestricted net position is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2016, with comparisons to June 30, 2015.

**Table 2  
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/16	6/30/15	Dollars	%
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 559,129	\$ 550,975	\$ 8,154	1.48
Operating Grants	447,863	483,732	(35,869)	(7.42)
General Revenues:				
Property Taxes	5,570,870	5,270,238	300,632	5.70
Unrestricted Grants	6,905,423	6,107,203	798,220	13.07
Other	29,381	35,588	(6,207)	(17.44)
<b>Total Revenues</b>	<b>13,512,666</b>	<b>12,447,736</b>	<b>1,064,930</b>	<b>8.56</b>
<b>Program Expenses</b>				
Instruction:				
Regular	6,142,056	5,492,303	649,753	11.83
Special	1,936,241	1,692,648	243,593	14.39
Other	444,814	439,260	5,554	1.26
Support Services:				
Tuition	267,121	197,323	69,798	35.37
Student & Instructional Staff	1,454,791	1,475,824	(21,033)	(1.43)
General & Business Administration	841,402	828,075	13,327	1.61
School Administration	310,631	252,182	58,449	23.18
Maintenance	684,436	663,945	20,491	3.09
Transportation	630,343	662,703	(32,360)	(4.88)
Food Service	211,802	221,620	(9,818)	(4.43)
Child Care Program	192,505	181,892	10,613	5.83
Summer Recreation Program	12,160	17,176	(5,016)	(29.20)
Charter Schools	-	16,546	(16,546)	(100.00)
Interest on Long-Term Debt	202,282	185,288	16,994	9.17
<b>Total Expenses</b>	<b>13,330,584</b>	<b>12,326,785</b>	<b>1,003,799</b>	<b>8.14</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 182,082</b>	<b>\$ 120,951</b>	<b>\$ 61,131</b>	<b>50.54</b>

\* = Undefined

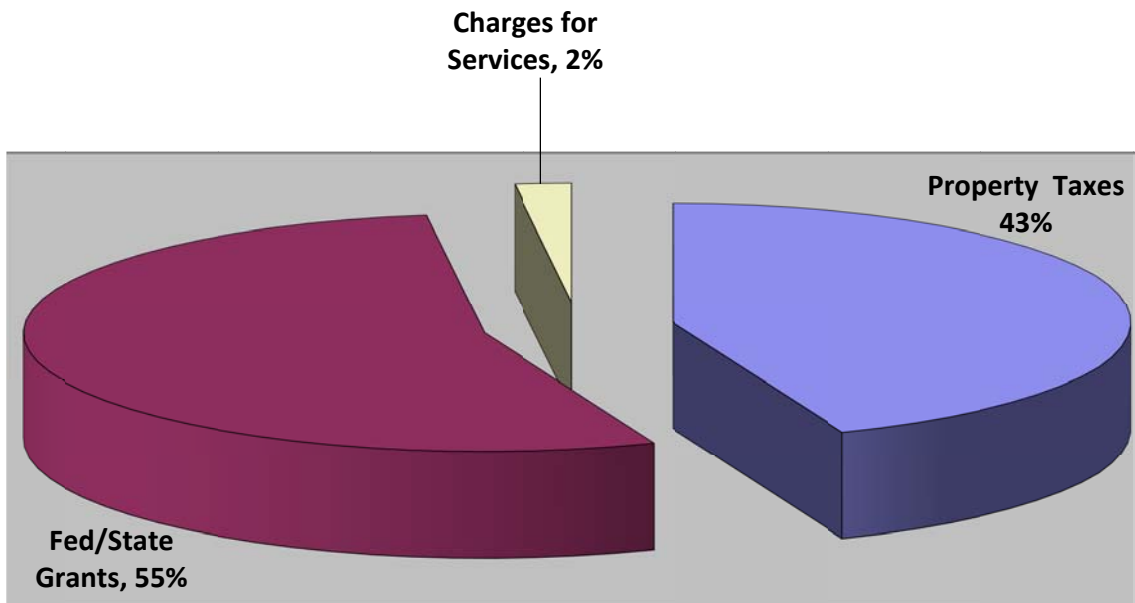
**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 43% of revenues for governmental activities for the Mansfield School District for fiscal year 2016. Federal, state, and local grants accounted for another 55% of the revenues, and 2% was derived from charges for services and from other sources. The District's total revenues for governmental activities were \$13,070,511 for the year ended June 30, 2016.

**REVENUES  
YEAR ENDED 6/30/16**

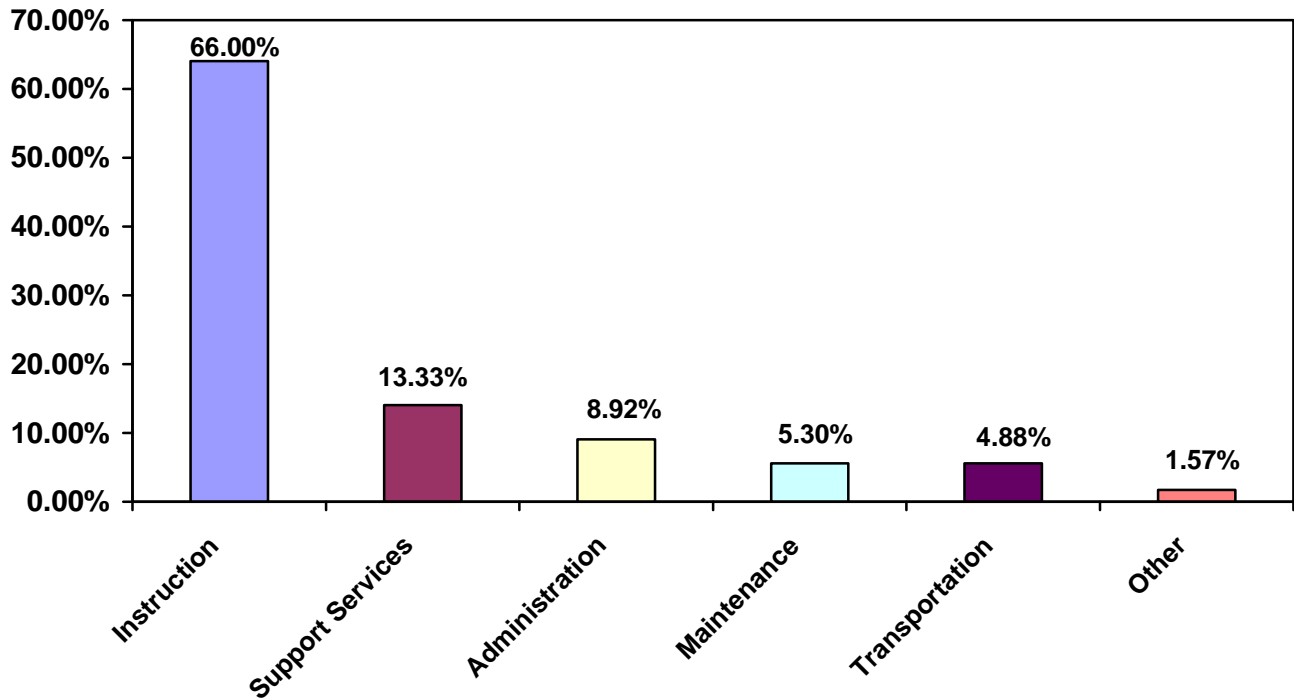


**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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The total cost of all program expenses and services for governmental activities was \$12,914,117. Expenditure categories and associated percentages are shown below.

**EXPENDITURES  
YEAR ENDED 6/30/2016**



***Business-Type Activities***

***Food Service***

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

Food service revenues exceeded expenditures by \$43,686.

Daily food sales amounted to \$132,309. This represents amounts paid by patrons for daily food services.

Federal and State reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$123,179.



**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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***Child Care Program***

Revenues for the district’s child care program were comprised of charges for services. Child care expenditures exceeded revenues by \$17,731.

Charges for services represent \$174,774. This represents amounts paid by patrons for child care services.

***Summer Recreation Program***

Revenues for the district’s summer recreation program were comprised of charges for services. Summer recreation expenditures exceeded revenues by \$340.

Charges for services represent \$11,820. This represents amounts paid by patrons for summer recreation services.

Table 3 provides a summary of the School District’s cost of governmental services in 2016 and 2015.

**Table 3  
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/16	6/30/15	6/30/16	6/30/15
Instruction	\$ 8,523,111	\$ 7,624,211	\$ 8,359,458	\$ 7,430,125
Support Services:				
Tuition	267,121	197,323	114,762	31,743
Student & Instructional Staff	1,454,791	1,475,824	1,392,533	1,414,386
General & Business Administration	841,402	828,075	840,611	826,925
School Administration	310,631	252,182	310,631	252,182
Plant Operations & Maintenance	684,436	663,945	683,373	662,142
Pupil Transportation	630,343	662,703	445,557	459,156
Food Service	211,802	221,620	(43,686)	(4,842)
Child Care Program	192,505	181,892	17,731	18,283
Summer Recreation Program	12,160	17,176	340	144
Charter Schools	-	16,546	-	16,546
Interest on Long-Term Debt	202,282	185,288	202,282	185,288
<b>Total Expenses</b>	<b><u>\$ 13,330,584</u></b>	<b><u>\$ 12,326,785</u></b>	<b><u>\$ 12,323,592</u></b>	<b><u>\$ 11,292,078</u></b>

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

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

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

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

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

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

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

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

**The School District's Funds**

All governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$11,069,247 and expenditures were \$14,641,922 resulting in a decrease in fund balance of \$3,572,675.

**General Fund Budgeting Highlights**

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

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

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

**Capital Assets**

At the end of fiscal year 2016, the district had \$9,104,332 invested in land, buildings, furniture, and equipment.

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2016, with comparisons to June 30, 2015.

**Table 4  
Capital Assets at Year-end  
(Net of Depreciation)**

	6/30/16	6/30/15	Variance	
			Dollars	%
Land	\$ 17,722	\$ 17,722		
Construction in Progress	4,547,694	1,003,635	\$ 3,544,059	353.12
Land Improvements	80,726	97,573	(16,847)	(17.27)
Buildings & Improvements	4,134,433	4,203,909	(69,476)	(1.65)
Furniture & Equipment	323,757	267,170	56,587	21.18
<b>Total</b>	<b>\$ 9,104,332</b>	<b>\$ 5,590,009</b>	<b>\$ 3,514,323</b>	<b>62.87</b>

Major capital asset acquisitions included \$3,733,115 for building renovations in connection with a voter approved referendum for building improvements. In addition, the district disposed of obsolete equipment totaling \$21,352.

**Long Term Liabilities – Debt Administration**

As of June 30, 2016, the district had \$8,768,822 of long-term liabilities. This amount is detailed below.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2016, with comparisons to June 30, 2015.

**Table 5  
Long-term Liabilities at Year-end**

	6/30/16	6/30/15	Variance	
			Dollars	%
PERS Net Pension Liability	\$ 1,839,639	\$ 1,448,880	\$ 390,759	26.97
2014 General Obligation Bonds	6,485,000	6,685,000	(200,000)	(2.99)
Unamortized Bond Premium	104,904	110,732	(5,828)	(5.26)
Compensated Absences	339,279	335,001	4,278	1.28
<b>Total</b>	<b>\$ 8,768,822</b>	<b>\$ 8,579,613</b>	<b>\$ 189,209</b>	<b>2.21</b>

\* = Undefined

The general obligation bonded debt of the District is limited by state law to 2.5% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

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

June 30, 2016 is \$17,223,100. General obligation debt and debt authorized at June 30, 2016 is \$6,485,350, resulting in a legal debt margin of \$10,737,750.

**For the Future**

The building is 50 years old. While it owes us nothing, we certainly owe it the essential upgrades necessary to adequately serve the community and our students for the foreseeable future. In that spirit, the Administration and the Board of Education held a bond referendum in March of 2014 for \$6,685,350 in school improvements. The referendum was a result of preparation meeting opportunity. A long range facilities plan was developed in 2005 (updated in 2010) which addresses the many anticipated building needs. The heating/ventilation units in the 1963 portion of the building are original as are the lighting fixtures. We have replaced the lighting in 39 classrooms and replaced 5 outdoor fixtures to date. Areas remaining to be completed are music, art, nurse, board office, office area, library, visitors' center, faculty lounge, kitchen, boiler, ESL, and hallways. The heating/ventilation units will need to be replaced or retrofitted in the foreseeable future. We have installed new valves in two of the three wings but still need to add heater controls and modify the piping system for the 1963 heaters or replace the heaters. In 2012-2013 we replaced our generator that failed during Hurricane Sandy. We also replaced the HVAC unit that services the teachers' room, the board office, the nurse's room, and the Title I room.

Phase I of the windows project was completed in August 2008, and Phase II was completed in August 2010. The District applied for and received a 40% grant for Phase II of the project to replace windows in the 1963 section. Mansfield received \$195,691 from the NJ Department of Education. The cost of the entire project was \$493,662. Phase III of the project which includes five classrooms of windows in the 1963 section of the building and the windows in the multi-purpose room was replaced with referendum funds in the summer of 2015.

As a result of the preparation of conducting the above mentioned thorough analysis of the building needs and the opportunity to retire our existing debt along with the state agreeing to pay 44.16% of the projects' costs, the taxpayers approved a March 2014, Bond Referendum which had a zero impact on the debt service tax levy. Projects included in the 2014 Bond Referendum are:

1. Exterior: paving the back entrance and the front parking lot, replacing the sidewalk along the office parking lot, parking lot lighting.
2. HVAC: controls for the entire building, unit ventilators for the 1962 and 1976 buildings, IT room ventilation, IT Control Room ventilation, 2 Cleaver Brooks Boilers, and 1 Pacific Boiler.
3. Roof: 1962, 1976, 1997 buildings.
4. Lighting: replaced most existing T-12 fixtures
5. Doors: all exterior, Kindergarten, 3<sup>rd</sup>, 5<sup>th</sup>, and 6<sup>th</sup> bathrooms
6. ADA hardware throughout the entire building
7. Bathrooms: 3<sup>rd</sup>, 5<sup>th</sup>, 6<sup>th</sup> grade bathrooms, and faculty bathrooms, new bathroom in Room 31, renovated existing bathroom in Room 40
8. Windows: Phase III to include five classrooms and the all-purpose room windows
9. Building Elements: fire alarm, clock system, front entrance, bathroom in nurse's room, kitchen exhaust over the dishwasher, water fountains, asbestos removal, library and music room ceilings, ceilings in hallways and all purpose room, doors under stage, music practice (reconfigure walls), remove glass between rooms and fill in, water treatment and hot water heater.

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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- 10. Maintenance Building: new
- 11. Kitchen renovation: Replaced all kitchen equipment (i.e., freezers, refrigerator, counters, etc.)

In addition to upgrading our aging facility, we continue initiatives to stay in the forefront of technology. During the 2015-2016 school year we purchased ten additional SMART Boards (Model 6065), 150 Dell Latitude 3340, 150 Lenovo 11E laptops, and seven carts. We continue to utilize Discovery Video Streaming as a teacher resource. Additionally, we continue to receive e-Rate rebates for our eligible technology and communication costs.

Our technology goals for 2016-2017 include continued additions to foster the infusion of technology in the classroom and to improve school safety. We anticipate adding new laptops stationed in individual classrooms as well as continuing to replace older Smart Boards as needed. We are looking to deploy a streaming video system that will allow us to broadcast school information throughout the building. We are exploring the changeover of our telephone system to VoIP with enhanced security options. Also in the area of security, we will deploy additional cameras on the outside of the building and in the parking lot, including a license plate reading camera. The local police department will be able to access the feeds from the cameras. Our PTA and Education Foundation will help support the costs of expanding technology and funding programs.

We remain committed to improving our educational programs and instructional strategies. Our team teaching model for inclusion special education students and Title I students continues to develop and provide benefits for struggling learners. We have trained all Title I teachers and grade K – 2 teachers in Project Read. We continue to improve our Intervention and Referral Services. Changes better support teachers by providing them with alternative methodologies to address the specific needs of an individual student. These changes will also more effectively support students who are experiencing difficulties in the classroom. The new Go Math series provides resources to aid struggling students. The MAP Assessments provide teachers with valuable data on each student to better inform instruction. We will provide more staff training to help teachers better understand and utilize the reports provided by MAP.

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

**Contacting the School District's Financial Management**

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

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 49,988	\$ 68,924	\$ 118,912
Due from other funds, net	(64,277)	64,543	266
Receivables, net	238,409	6,236	244,645
Inventory	-	3,036	3,036
<b>Restricted assets</b>			
Capital reserve account - cash	922,846	-	922,846
Emergency expense reserve account - cash	143,000	-	143,000
Maintenance reserve account - cash	291,251	-	291,251
Capital projects fund - cash	2,050,906	-	2,050,906
<b>Capital assets, net (Note 4)</b>			
Land	17,722	-	17,722
Construction in progress	4,547,694	-	4,547,694
Other capital assets, net of depreciation	4,519,482	19,434	4,538,916
<b>Total assets</b>	<b>12,717,021</b>	<b>162,173</b>	<b>12,879,194</b>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	384,419	-	384,419
<b>Liabilities</b>			
Accrued interest	87,852	-	87,852
Unearned revenue	4,611	21,426	26,037
<b>Long-term liabilities (Note 5)</b>			
Due within one year	329,091	-	329,091
Due beyond one year	8,439,731	-	8,439,731
<b>Total liabilities</b>	<b>8,861,285</b>	<b>21,426</b>	<b>8,882,711</b>
<b>Deferred inflows of resources</b>			
Deferred amount on pension liability	34,968	-	34,968
<b>Net position</b>			
Net investment in capital assets	4,611,260	19,434	4,630,694
<b>Restricted for</b>			
Capital reserve	922,846	-	922,846
Emergency expense reserve	143,000	-	143,000
Maintenance reserve	291,251	-	291,251
Unrestricted	(1,763,170)	121,313	(1,641,857)
<b>Total net position</b>	<b>\$ 4,205,187</b>	<b>\$ 140,747</b>	<b>\$ 4,345,934</b>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2016**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,466,975	\$ 2,675,081	\$ 16,742	\$ 18,412	\$ -	\$ (6,106,902)	\$ -	\$ 6,106,902
Special education	1,053,097	883,144	36,634	8,109	-	(1,891,498)	-	1,891,498
Other special instruction	274,589	170,225	-	83,756	-	(361,058)	-	361,058
Support services								
Tuition	267,121	-	-	152,359	-	(114,762)	-	114,762
Students & instruction related services	918,399	536,392	210	62,048	-	(1,392,533)	-	1,392,533
General & business administration services	468,994	372,408	791	-	-	(840,611)	-	840,611
School administration services	175,650	134,981	-	-	-	(310,631)	-	310,631
Plant operations & maintenance	552,877	131,559	1,063	-	-	(683,373)	-	683,373
Pupil transportation	627,137	3,206	184,786	-	-	(445,557)	-	445,557
Interest on long-term debt	202,282	-	-	-	-	(202,282)	-	202,282
Total governmental activities	<u>8,007,121</u>	<u>4,906,996</u>	<u>240,226</u>	<u>324,684</u>	<u>-</u>	<u>(12,349,207)</u>	<u>-</u>	<u>12,349,207</u>
Business-type activities								
Food service	211,802	-	132,309	123,179	-	-	43,686	43,686
Before and after child care	192,505	-	174,774	-	-	-	(17,731)	(17,731)
Summer recreation program	12,160	-	11,820	-	-	-	(340)	(340)
Total business-type activities	<u>416,467</u>	<u>-</u>	<u>318,903</u>	<u>123,179</u>	<u>-</u>	<u>-</u>	<u>25,615</u>	<u>25,615</u>
Total primary government	<u>\$ 8,423,588</u>	<u>\$ 4,906,996</u>	<u>\$ 559,129</u>	<u>\$ 447,863</u>	<u>\$ -</u>	<u>(12,349,207)</u>	<u>25,615</u>	<u>(12,323,592)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						5,268,633	-	5,268,633
Property taxes levied for debt service						302,237	-	302,237
Federal & State aid not restricted						6,905,423	-	6,905,423
Investment earnings						7,945	73	8,018
Miscellaneous income						21,363	-	21,363
Total general revenues & special items						<u>12,505,601</u>	<u>73</u>	<u>12,505,674</u>
Change in net position						156,394	25,688	182,082
Net position - beginning						4,048,793	115,059	4,163,852
Net position - ending						<u>\$ 4,205,187</u>	<u>\$ 140,747</u>	<u>\$ 4,345,934</u>

See accompanying notes to financial statements.



## **FUND FINANCIAL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash & cash equivalents	\$ 49,988	\$ -	\$ -	\$ -	\$ 49,988
Due from other funds	89,930	-	-	-	89,930
Receivables from other governments					
Federal	-	54,731	-	-	54,731
State	176,352	-	-	-	176,352
Local	7,326	-	-	-	7,326
Restricted cash & equivalents	<u>1,357,097</u>	<u>-</u>	<u>2,050,906</u>	<u>-</u>	<u>3,408,003</u>
<b>Total assets</b>	<b><u>\$ 1,680,693</u></b>	<b><u>\$ 54,731</u></b>	<b><u>\$ 2,050,906</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,786,330</u></b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ 64,543	\$ 50,120	\$ 39,544	\$ -	\$ 154,207
Unearned revenue	-	4,611	-	-	4,611
<b>Total liabilities</b>	<b><u>64,543</u></b>	<b><u>54,731</u></b>	<b><u>39,544</u></b>	<b><u>-</u></b>	<b><u>158,818</u></b>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet (continued)**  
**Governmental Funds**  
**June 30, 2016**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Capital project fund balance	\$ -	\$ -	\$ 163,433	\$ -	\$ 163,433
Committed fund balance					
Capital reserve account	922,846	-	-	-	922,846
Emergency expense reserve account	143,000	-	-	-	143,000
Maintenance reserve account	291,251	-	-	-	291,251
Assigned fund balance					
Year-end encumbrances	229,092	-	1,847,929	-	2,077,021
Designated for subsequent year's expenditures	92,293	-	-	-	92,293
Unassigned fund balance	(62,332)	-	-	-	(62,332)
Total fund balances	<u>\$ 1,616,150</u>	<u>\$ -</u>	<u>\$ 2,011,362</u>	<u>\$ -</u>	<u>3,627,512</u>
Total liabilities and fund balances	<u>\$ 1,680,693</u>	<u>\$ 54,731</u>	<u>\$ 2,050,906</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$13,270,633 and the accumulated depreciation is \$4,185,735.	9,084,898
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	349,451
Long-term liabilities, including bonds payable are not due & payable in the current period & therefore are not reported as liabilities in the funds	(8,768,822)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	<u>(87,852)</u>
Total net position of governmental activities	<u>\$ 4,205,187</u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
<b>Local sources</b>					
Local tax levy	\$ 5,268,633	\$ -	\$ -	\$ 302,237	\$ 5,570,870
Tuition	51,834	-	-	-	51,834
Interest earned on capital reserve funds	1,235	-	-	-	1,235
Interest on investments	6,710	-	-	-	6,710
Miscellaneous	15,535	1,367	-	-	16,902
<b>Total</b>	<u>5,343,947</u>	<u>1,367</u>	<u>-</u>	<u>302,237</u>	<u>5,647,551</u>
State sources	4,906,153	-	-	181,601	5,087,754
Federal sources	10,625	323,317	-	-	333,942
<b>Total revenues</b>	<u>10,260,725</u>	<u>324,684</u>	<u>-</u>	<u>483,838</u>	<u>11,069,247</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instructional</b>					
Regular instruction	3,442,085	10,927	-	-	3,453,012
Special education instruction	1,044,988	8,109	-	-	1,053,097
Other special instruction	202,036	72,553	-	-	274,589
<b>Support service &amp; undistributed costs</b>					
Tuition	114,762	152,359	-	-	267,121
Student & instruction related services	852,639	62,048	-	-	914,687
General & business administrative services	464,701	-	-	-	464,701
School administrative services	175,650	-	-	-	175,650
Plant operations & maintenance	547,386	-	-	-	547,386
Pupil transportation	442,351	-	-	-	442,351
Unallocated benefits	2,810,761	18,688	-	-	2,829,449

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 189,056	\$ -	\$ 3,544,059	\$ -	\$ 3,733,115
Debt service					
Principal	-	-	-	200,000	200,000
Interest & other charges	2,925	-	-	283,839	286,764
Total expenditures	<u>10,289,340</u>	<u>324,684</u>	<u>3,544,059</u>	<u>483,839</u>	<u>14,641,922</u>
Net change in fund balance	(28,615)	-	(3,544,059)	(1)	(3,572,675)
Fund balances, July 1	<u>1,644,765</u>	<u>-</u>	<u>5,555,421</u>	<u>1</u>	<u>7,200,187</u>
Fund balances, June 30	<u><u>\$ 1,616,150</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,011,362</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,627,512</u></u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

Total net changes in fund balances - Governmental fund (from B-2) \$ (3,572,675)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 3,733,115	
Depreciation expense	<u>(232,360)</u>	3,500,755

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and are not reported in the Statement of Activities:

Debt principal payments		200,000
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Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		5,828
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Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

(57,718)

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds (continued)**  
**For the Fiscal Year Ended June 30, 2016**

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 84,482
In the Statement of Activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	<u>(4,278)</u>
Change in net position of governmental activities	<u><u>\$ 156,394</u></u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
<b>ASSETS</b>				
Current assets				
Cash & cash equivalents	\$ 16,800	\$ 34,349	\$ 17,775	\$ 68,924
Due from other funds	64,543	-	-	64,543
Receivables from other governments				
State	139	-	-	139
Federal	5,170	-	-	5,170
Other accounts receivable	-	927	-	927
Inventory	3,036	-	-	3,036
Total current assets	<u>89,688</u>	<u>35,276</u>	<u>17,775</u>	<u>142,739</u>
Noncurrent assets				
Capital assets	60,454	-	-	60,454
Less: accumulated depreciation	41,020	-	-	41,020
Total noncurrent assets	<u>19,434</u>	<u>-</u>	<u>-</u>	<u>19,434</u>
Total assets	<u>109,122</u>	<u>35,276</u>	<u>17,775</u>	<u>162,173</u>
<b>LIABILITIES</b>				
Current liabilities				
Unearned revenues	<u>3,651</u>	<u>-</u>	<u>17,775</u>	<u>21,426</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	19,434	-	-	19,434
Unrestricted	<u>86,037</u>	<u>35,276</u>	<u>-</u>	<u>121,313</u>
TOTAL NET POSITION	<u>\$ 105,471</u>	<u>\$ 35,276</u>	<u>\$ -</u>	<u>\$ 140,747</u>

See accompanying notes to financial statements.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Operating revenues				
Charges for services				
Daily sales - reimbursable programs	\$ 92,592	\$ -	\$ -	\$ 92,592
Daily sales - non-reimbursable programs	39,717	-	-	39,717
Child care program fees	-	174,774	-	174,774
Summer recreation program fees	-	-	11,820	11,820
Total operating revenues	<u>132,309</u>	<u>174,774</u>	<u>11,820</u>	<u>318,903</u>
Operating expenses				
Cost of sales - reimbursable programs	76,317	-	-	76,317
Cost of sales - non-reimbursable programs	32,736	-	-	32,736
Salaries	60,498	122,480	12,145	195,123
Employee benefits	12,981	8,978	-	21,959
Purchased property services	4,571	198	-	4,769
Supplies and materials (not included in cost of sales)	4,652	59,894	15	64,561
Insurance	1,555	-	-	1,555
Management fee	9,595	-	-	9,595
Other purchased services	6,356	955	-	7,311
Depreciation	2,229	-	-	2,229
Miscellaneous	312	-	-	312
Total operating expenses	<u>211,802</u>	<u>192,505</u>	<u>12,160</u>	<u>416,467</u>
Operating income (loss)	<u>(79,493)</u>	<u>(17,731)</u>	<u>(340)</u>	<u>(97,564)</u>
Non-operating revenues (expenses)				
State sources				
State School Lunch Program	2,834	-	-	2,834
Federal sources				
National School Breakfast Program				
Cash assistance	7,153	-	-	7,153
National School Lunch Program				
Cash assistance	96,729	-	-	96,729
Non-cash assistance (commodities)	15,259	-	-	15,259
Child and Adult Care Food Program				
Cash assistance	1,204	-	-	1,204

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Local sources				
Interest on investments	\$ 73	\$ -	\$ -	\$ 73
Total non-operating revenues (expenses)	<u>123,252</u>	<u>-</u>	<u>-</u>	<u>123,252</u>
Change in net position	43,759	(17,731)	(340)	(97,491)
Net position, beginning	<u>61,712</u>	<u>53,007</u>	<u>340</u>	<u>115,059</u>
Net position, ending	<u>\$ 105,471</u>	<u>\$ 35,276</u>	<u>\$ -</u>	<u>\$ 140,747</u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Cash flows from operating activities				
Receipts from customers	\$ 133,277	\$ 176,199	\$ 18,370	\$ 327,846
Payments to food service management company	(184,634)	-	-	(184,634)
Payments to employees	-	(122,480)	(12,145)	(134,625)
Payments for employee benefits	-	(8,978)	-	(8,978)
Payments to vendors (net)	(10,767)	(62,183)	(340)	(73,290)
Net cash provided by operating activities	<u>(62,124)</u>	<u>(17,442)</u>	<u>5,885</u>	<u>(73,681)</u>
Cash flows from noncapital financing activities				
State sources	2,994	-	-	2,994
Federal sources	107,190	-	-	107,190
General fund interfund activity	(64,543)	-	-	(64,543)
Net cash provided by (used for) noncapital financing activities	<u>45,641</u>	<u>-</u>	<u>-</u>	<u>45,641</u>
Cash flows from capital related financing activities				
Acquisition of equipment	(15,797)	-	-	(15,797)
Cash flows from investing activities				
Interest on investments	73	-	-	73
Net increase in cash and cash equivalents	(32,207)	(17,442)	5,885	(43,764)
Cash and cash equivalents, July 1	49,007	51,791	11,890	112,688
Cash and cash equivalents, June 30	<u>\$ 16,800</u>	<u>\$ 34,349</u>	<u>\$ 17,775</u>	<u>\$ 68,924</u>
Reconciliation of operating income to net cash				
Provided by operating activities				
Operating income (loss)	\$ (79,493)	\$ (17,731)	\$ (340)	\$ (97,564)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	2,229	-	-	2,229
Federal food donation program	15,259	-	-	15,259
(Increase) decrease in other accounts receivable	-	289	-	289
(Increase) decrease in inventory	(1,942)	-	-	(1,942)
Increase (decrease) in accounts payable	1,823	-	-	1,823
Increase (decrease) in unearned revenues	-	-	6,225	6,225
Net cash provided by (used for) operating activities	<u>\$ (62,124)</u>	<u>\$ (17,442)</u>	<u>\$ 5,885</u>	<u>\$ (73,681)</u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2016**

	<u>Unemployment Compensation Fund</u>	<u>Student Activity Agency Fund</u>	<u>Payroll Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 190,625	\$ 31,197	\$ 61,326
Due from other funds	8,938	-	-
Total assets	<u>\$ 199,563</u>	<u>\$ 31,197</u>	<u>\$ 61,326</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ 9,204
Due to student groups	-	31,197	-
Payroll deductions and withholdings	-	-	52,122
Total liabilities	<u>-</u>	<u>\$ 31,197</u>	<u>\$ 61,326</u>
<b>NET POSITION</b>	<u>\$ 199,563</u>		

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2016**

	Unemployment Compensation Fund
Additions	
Employee contributions	\$ 8,938
Investment earnings - interest	286
	9,224
Change in net position	9,224
Net position, beginning of the year	190,339
	199,563
Net position, end of the year	\$ 199,563

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-6. The District had an approximate enrollment at June 30, 2016 of 680 students.

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

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

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the District. For the most part, the effect of Interfund activity has been removed from these statements.

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

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

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



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations.

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

The District reports the following major Governmental Funds:

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

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

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Equipment	12 Years
Light trucks & vehicles	4 Years
Heavy trucks & vehicles	6 Years

Fiduciary fund types

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

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

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

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

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal years 2015-2016 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term Interfund receivable/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 District and that are due within one year.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

J. Capital assets

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

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

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

Assets	Years
Buildings	50
Building improvements & portable classroom	20 - 50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicle	5

K. Compensated absences

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

N. Fund balances - Governmental funds

In the fund financial statements, Governmental Funds report the following classifications of fund balance:

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

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

O. Comparative data/reclassifications

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

P. Allocation of indirect expenses

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 2 - Tax assessments and property taxes

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

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

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

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

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

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

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



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 3 - Deposits and cash equivalents and investments (continued)

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

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

Deposits at June 30, 2016 appear in the financial statements as summarized below:

Cash		\$	<u>3,810,063</u>
	<u>Ref.</u>		
Unrestricted cash			
Governmental Funds, Balance Sheet	B-1	\$	49,988
Enterprise Funds, Statement of Net Position	B-4		68,924
Fiduciary Funds, Statement of Net Position	B-7		283,148
Restricted cash			
Governmental Funds, Balance Sheet	B-1		<u>3,408,003</u>
Total cash		\$	<u>3,810,063</u>

*Deposits* - The District's carrying amount of bank deposits at June 30, 2016 is \$3,810,063 and the bank balance is \$4,065,643. Of the bank balance, \$250,000 is covered by Federal Depository Insurance and \$3,815,643 is insured by GUDPA.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 3 - Deposits and cash equivalents and investments (continued)

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

1. Custodial credit risk disclosures are required for:
  - Deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name.
  - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

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

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the District has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the District has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the District has no such investments this disclosure is not applicable.

Concentration of credit risk

The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer. As of June 30, 2016, the District had no investments.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 17,722	\$ -	\$ -	\$ 17,722
Construction in progress	1,003,635	3,544,059	-	4,547,694
Total	<u>1,021,357</u>	<u>3,544,059</u>	<u>-</u>	<u>4,565,416</u>
Capital assets, being depreciated				
Land improvements	339,620	-	-	339,620
Building & improvements	7,599,907	92,085	21,352	7,670,640
Furniture & equipment	597,986	96,971	-	694,957
Total	<u>8,537,513</u>	<u>189,056</u>	<u>21,352</u>	<u>8,705,217</u>
Accumulated depreciation				
Land improvements	242,048	16,846	-	258,894
Building & improvements	3,395,998	140,209	-	3,536,207
Furniture & equipment	336,681	75,305	21,352	390,634
Total	<u>3,974,727</u>	<u>232,360</u>	<u>21,352</u>	<u>4,185,735</u>
Total capital assets, being depreciated, net	<u>4,562,786</u>	<u>(43,304)</u>	<u>-</u>	<u>4,519,482</u>
Transfer	-	-	-	-
Governmental activities capital assets, net	<u>\$ 5,584,143</u>	<u>\$ 3,500,755</u>	<u>\$ -</u>	<u>\$ 9,084,898</u>

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 44,657	\$ 15,797	\$ -	\$ 60,454
Accumulated depreciation	38,791	2,229	-	41,020
Business type activities capital assets, net	<u>\$ 5,866</u>	<u>\$ 13,568</u>	<u>\$ -</u>	<u>\$ 19,434</u>

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

Instruction	
Regular	\$ 80,873
Special education	20,876
Other special instruction	5,443
Support services	
Student & instruction	21,635
General & business administration	95,623
School administration	3,482
Maintenance	4,428
Total depreciation expense, governmental activities	<u>\$ 232,360</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 6,685,000	\$ -	\$ 200,000	\$ 6,485,000	\$ 245,000
Unamortized bond premium	110,732	-	5,828	104,904	5,828
PERS net pension liability	1,448,880	407,169	16,410	1,839,639	-
Compensated absences payable	335,001	23,548	19,270	339,279	78,263
Total governmental activities long-term liabilities	<u>\$ 8,579,613</u>	<u>\$ 430,717</u>	<u>\$ 241,508</u>	<u>\$ 8,768,822</u>	<u>\$ 329,091</u>

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt (continued)

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The compensated absences liability is paid in the current expenditures budget of the District's General Fund and the other long-term debts are amortized over a determined period.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016 including interest payments are listed as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 245,000	\$ 188,919	\$ 433,919
2018	255,000	183,294	438,294
2019	265,000	177,113	442,113
2020	275,000	170,362	445,362
2021	285,000	163,362	448,362
2022 - 2026	1,620,000	688,000	2,308,000
2027 - 2031	1,940,000	420,600	2,360,600
2032 - 2035	1,600,000	110,000	1,710,000
Total	<u>\$ 6,485,000</u>	<u>\$ 2,101,650</u>	<u>\$ 8,586,650</u>

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2016, with their outstanding balances are comprised of the following individual issues:

\$6,685,000 - 2014 general obligation bonds, interest at 2.25% to 3.50%, due in annual installments beginning July 15, 2015 to July 15, 2034.	<u>\$ 6,485,000</u>
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The general obligation bonded debt of the District is limited by state law to 2.50% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2016 is \$17,223,100. General obligation debt and debt authorized at June 30, 2016 is \$6,485,350, resulting in a legal debt margin of \$10,737,750.

*Debt authorized but not issued* - As of June 30, 2016, the District had authorized but not issued debt for the school facility capital project authorized by the voters on February 17, 2014 for \$6,685,350. The District issued bonds on July 9, 2014 totaling \$6,685,000 resulting in a remaining amount of authorized but not issued debt for \$350.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans

Description of systems

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

A. 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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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:

Tier	Definition
1	Members enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members eligible to enroll on or after June 28, 2011

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 -

Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

Service retirement benefits of 1/55th 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 1/60th 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 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early 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.

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2015 are based on the ratio of each employer's contributions to the group for the fiscal years ended June 30, 2015.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 through June 30, 2015. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note - 6 Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes 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 years 2015, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the 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.

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 3,532,879	\$ 3,023,590
Plan fiduciary net position	<u>1,693,240</u>	<u>1,574,710</u>
Net pension liability	<u>\$ 1,839,639</u>	<u>\$ 1,448,880</u>
 Plan fiduciary net position as a percentage of the total pension liability	 47.93%	 52.08%



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6.

Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Components of net pension liability (continued)

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.04%
Salary increases (based on age)	
2012 - 2021	2.15% - 4.40%
Thereafter	3.15% - 5.40%
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) 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 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 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 plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)  
A. Public employees' retirement systems (PERS) (continued)  
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grad Credit	10.00%	1.79%
Mortgages	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%
Commodities	1.00%	5.32%
Global Debt ex U.S.	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 7.9%, 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 made based on the average of the last five years of contributions made in relation to the last five years of recommended 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 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 collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate (continued)

	2015
At current discount rate (4.90%)	\$ 1,839,639
At a 1% lower rate (3.90%)	2,286,446
At a 1% higher rate (5.90%)	1,465,039
	2014
At current discount rate (5.39%)	\$ 1,448,880
At a 1% lower rate (4.39%)	1,822,740
At a 1% higher rate (6.39%)	1,134,932

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,887	\$ -
Changes of assumptions	197,563	-
Net difference between projected and actual earnings on pension plan investments	-	29,578
Changes in proportion and differences between District contributions and proportionate share of contributions	72,513	5,390
District contributions subsequent to the measurement date	70,456	-
Total	\$ 384,419	\$ 34,968

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) of \$70,456 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2015:

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 -

Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred outflows of resources				
Changes of assumptions	\$ 48,248	\$ 244,883	\$ 51,681	\$ 241,450
Deferred inflows of resources				
Difference between projected and actual earnings on pension plan investments	91,439	(48,752)	13,109	<u>29,578</u>
Net of deferred outflows/(inflows)				<u>\$ 211,872</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Year ending June 30,

2016	\$ 38,571
2017	38,571
2018	38,571
2019	61,432
2020	<u>34,727</u>
Total	<u>\$ 211,872</u>

Pension expense

For the year ended June 30, 2016, the District recognized net pension expense of \$128,174 which represents the District's proportionate share of allocable plan pension expense of \$120,680 plus the net amortization of deferred amounts from changes in proportion of \$14,149, less other adjustments to the net pension liability of \$6,655. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2015 are as follows:

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 -

Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (continued)

Service cost	\$	72,284
Interest on total pension liability		172,263
Member contributions		(39,984)
Administrative expense		1,343
Expected investment return net of investment expense		(123,083)
Pension expense related to specific liabilities of individual employers		(715)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		42,383
Amortization of expected versus actual experience		9,298
Amortization of projected versus actual investment earnings on pension plan investments		(13,109)
Pension expense	\$	120,680

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' 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 to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

The vesting and benefit provisions 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 for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership Tiers for TPAF:

Tier	Definition
1	Members enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members eligible to enroll on or after June 28, 2011

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 -

Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Plan description (continued)

Service retirement benefits of 1/55th 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 1/60th 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 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early 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.

Special funding situation

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 non-employer 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2015 and 2014 is as follows:

	2015	2014
Net pension liability	\$ 29,595,038	\$ 25,283,200
Employer pension expense and related revenue	1,807,044	1,360,474
Non-employer contribution	251,647	200,948
Allocable proportionate percentage	.0468244287%	.0473054061%

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

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

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey Legislation. Significant legislation which became effective October 1, 2011, will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011, the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Contribution requirements

Three-year trend information for TPAF (paid on behalf of the District):

<u>Year Funding</u>	<u>TPAF Benefit Cost</u>	<u>Percentage of APC Contributed</u>
06/30/16	\$ 821,625	100%
06/30/15	655,025	100%
06/30/14	528,247	100%

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)  
Contribution requirements (continued)  
Three-year trend information for PERS:

<u>Year Funding</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>
06/30/16	\$ 70,456	100%
06/30/15	63,796	100%
06/30/14	58,617	100%

During the year ended June 30, 2016, the State of New Jersey contributed \$446,578 to the TPAF for post-retirement medical benefits, \$17,796 for non-contributory insurance premiums and \$357,251 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$356,246 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

Note 7 - Post-retirement benefits

Chapter 384 of PL 1987 and Ch. 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for 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 Ch. 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch. 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. In fiscal year 2015, the State paid \$214.1 million toward Ch. 126 benefits for 19,056 eligible retired members.

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



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Post-retirement benefits (continued)

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The School District adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 by visiting their website at ([www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)).

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

Note 8 - Deferred compensation

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

Siracusa Benefits  
AXA Equitable-Equinvest  
Lincoln Investment Planning

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 9 - Interfund receivable and payables

The composition of Interfund balances as of June 30, 2016 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 89,930	\$ 64,543
Special Revenue Fund	-	50,120
Capital Projects Fund	-	39,544
Food Service Enterprise Fund	64,543	-
Fiduciary Funds		
Unemployment Compensation Fund	8,938	-
Payroll Agency Fund	-	9,204
Total	<u>\$ 163,411</u>	<u>\$ 163,411</u>

As of June 30, 2016, the following Interfunds were on the District's records. The Special Revenue Fund had an Interfund payable for \$50,120 due to the General Fund for a loan due to cash flow issues relating to the delayed receipt of grant revenues. The Capital Projects Fund had an Interfund payable for \$39,544 to the General Fund for Capital Project expenses paid from the General Fund but not reimbursed. The General Fund had an Interfund payable to the Food Service Fund for \$64,543 representing subsidy aid that was received in the General Fund but not disbursed to the Food Service Fund. The Payroll Agency Fund had an Interfund balance for \$266 to the General Fund for interest and canceled balances. The Payroll Agency Fund has an Interfund payable for \$8,938 due to the Unemployment Compensation Fund for withholdings not yet transferred as of year-end. These balances are expected to be liquidated within one fiscal year.

Note 10 - Inventory

Inventory in the Food Service fund as of June 30, 2016 consisted of the following:

Food	\$ 2,188
Supplies	848
Total	<u>\$ 3,036</u>

Note 11 - Contingent liabilities

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 12 - Risk management

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

*Property and Liability Insurance* - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

Fiscal Year	Prior Year Refund	Interest Earnings	Employee Deposits	Amount Reimbursed	Ending Balance
2015-2016	\$ -	\$ 286	\$ 8,938	\$ -	\$ 199,563
2014-2015	-	279	8,817	(7,477)	190,339
2013-2014	-	271	8,685	(1,252)	188,720

Note 13 - Legal reserve accounts

A Capital Reserve Account was established by the District for the accumulation of funds for use as Capital Outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to capital projects in the Districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 13 - Legal reserve accounts (continued)

Beginning in fiscal year 2008, Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$206,414 to their Capital Reserve account by board resolution in June 2016 as summarized in the following schedule.

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

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 846,937	\$ 206,414	\$ 1,235	\$ 90,276	\$ (222,016)	\$ 922,846
Maintenance	291,251	-	-	-	-	291,251
Emergency	143,000	-	-	-	-	143,000
<b>Total</b>	<b>\$ 1,281,188</b>	<b>\$ 206,414</b>	<b>\$ 1,235</b>	<b>\$ 90,276</b>	<b>\$ (222,016)</b>	<b>\$1,357,097</b>

Note 14 - Fund balances - Budgetary basis

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund balance on June 30, 2016 and 2015 is as follows:

	2015	2016
<b>Committed</b>		
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 846,937	\$ 922,846
Maintenance reserve - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:76-9).	291,251	291,251
Emergency reserve - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1)	143,000	143,000
<b>Assigned</b>		
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	354,235	229,092
Designated for subsequent year's expenditures - Amount appropriated in the succeeding year's budget to reduce tax requirements	92,293	92,293

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 14 - Fund balances - Budgetary basis (continued)

	2015	2016
Unassigned		
Undesignated - Represents fun balance which has not been restricted or designated.	\$ 272,378	\$ 275,689
Total fund balance	\$ 2,000,094	\$ 1,954,171

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$0.

Note 16 - Deficit fund balance

The District has a deficit fund balance of \$62,332 in the General Fund as of June 30, 2016 as reported in the fund statements. NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for School Districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e. if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the June state aid payments, the unreserved, undesignated General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unreserved, undesignated General Fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$62,332 is less than the last state aid payment of \$338,021.

Note 17 - Subsequent events

The District has evaluated subsequent events through November 10, 2016, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 18 - Recent accounting pronouncements not yet effective

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

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

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "*Pension's Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "*Certain External Investment Pools and Pool Participants*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "*Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*". This statement, which is effective for reporting periods beginning June 15, 2016, is not expected to have a material impact on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "*Irrevocable Split-Interest Agreements*". This statement, which is effective for reporting periods after June 15, 2016, is not expected to have a material impact on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "*Pension Issues - an amendment of GASB Statements No. 67 and No. 73*". This statement is effective for reporting periods beginning June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement is not expected to have a material impact on the District's financial reporting.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 19 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2016 of \$1,763,170 on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources					
Local tax levy	\$ 5,268,633	\$ -	\$ 5,268,633	\$ 5,268,633	\$ -
Tuition from individuals	12,000	-	12,000	15,200	3,200
Tuition from other LEAs within the state	35,500	-	35,500	36,634	1,134
Unrestricted miscellaneous revenues	1,200	-	1,200	22,245	21,045
Interest earned on current expense emergency reserve	200	-	200	-	(200)
Interest earned on maintenance reserve	500	-	500	-	(500)
Interest earned on capital reserve funds	500	-	500	1,235	735
<b>Total</b>	<b>5,318,533</b>	<b>-</b>	<b>5,318,533</b>	<b>5,343,947</b>	<b>25,414</b>
State sources					
Categorical Transportation Aid	112,510	-	112,510	112,510	-
Extraordinary Aid	-	-	-	24,042	24,042
Categorical Special Education Aid	391,733	-	391,733	391,733	-
Equalization Aid	2,943,686	-	2,943,686	2,943,686	-
Categorical Security Aid	83,654	-	83,654	83,654	-
Other State Aids	33,641	-	33,641	155,349	121,708
TPAF Pension (on-behalf)	-	-	-	375,047	375,047
TPAF Social Security (reimbursed)	-	-	-	356,246	356,246
TPAF Post Retirement Benefits	-	-	-	446,578	446,578
<b>Total</b>	<b>3,565,224</b>	<b>-</b>	<b>3,565,224</b>	<b>4,888,845</b>	<b>1,323,621</b>
Federal sources					
Medicaid reimbursement	11,711	-	11,711	10,625	(1,086)
<b>Total</b>	<b>11,711</b>	<b>-</b>	<b>11,711</b>	<b>10,625</b>	<b>(1,086)</b>
<b>Total Revenues</b>	<b>\$ 8,895,468</b>	<b>\$ -</b>	<b>\$ 8,895,468</b>	<b>\$ 10,243,417</b>	<b>\$ 1,347,949</b>
<b>EXPENDITURES</b>					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 392,979	\$ 8,300	\$ 401,279	\$ 401,027	\$ 252
Grades 1-5	2,195,593	(33,300)	2,162,293	2,159,428	2,865
Grades 6-8	392,955	11,872	404,827	404,827	-
Home instruction					
Salaries of teacher	-	675	675	675	-
Regular programs - undistributed instruction					
Purchased technical services	400	(138)	262	-	262
Other purchased services	45,325	(10,770)	34,555	34,555	-
General supplies	209,936	80,825	290,761	233,437	57,324
Textbooks	337,582	(129,220)	208,362	208,136	226
<b>Total</b>	<b>3,574,770</b>	<b>(71,756)</b>	<b>3,503,014</b>	<b>3,442,085</b>	<b>60,929</b>
Special education					
Learning and/or language disabilities					
Salaries of teachers	79,793	(28,500)	51,293	46,482	4,811
Other salaries for instruction	36,873	(3,124)	33,749	23,586	10,163
<b>Total</b>	<b>116,666</b>	<b>(31,624)</b>	<b>85,042</b>	<b>70,068</b>	<b>14,974</b>

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Multiple disabilities					
Salaries of teachers	\$ 79,534	\$ 2,827	\$ 82,361	\$ 82,361	\$ -
Other salaries for instruction	41,637	13,847	55,484	55,258	226
Total	<u>121,171</u>	<u>16,674</u>	<u>137,845</u>	<u>137,619</u>	<u>226</u>
Resource room/resource center					
Salaries of teachers	547,588	55,799	603,387	603,387	-
Other salaries for instruction	26,542	(24,557)	1,985	1,985	-
Total	<u>574,130</u>	<u>31,242</u>	<u>605,372</u>	<u>605,372</u>	<u>-</u>
Autism					
Salaries of teachers	-	1,477	1,477	1,477	-
Other salaries for instruction	3,150	(1,093)	2,057	676	1,381
Other objects	100	-	100	-	100
Total	<u>3,250</u>	<u>384</u>	<u>3,634</u>	<u>2,153</u>	<u>1,481</u>
Preschool disabilities - part-time					
Salaries of teachers	81,961	3,101	85,062	85,061	1
Other salaries for instruction	18,666	12,489	31,155	31,152	3
Total	<u>100,627</u>	<u>15,590</u>	<u>116,217</u>	<u>116,213</u>	<u>4</u>
Preschool disabilities - full-time					
Salaries of teachers	81,711	(3,064)	78,647	78,646	1
Other salaries for instruction	8,579	27,532	36,111	34,917	1,194
Total	<u>90,290</u>	<u>24,468</u>	<u>114,758</u>	<u>113,563</u>	<u>1,195</u>
Total special education	<u>1,006,134</u>	<u>56,734</u>	<u>1,062,868</u>	<u>1,044,988</u>	<u>17,880</u>
Basic skills/remedial					
Salaries of teachers	169,128	10,883	180,011	175,519	4,492
Total	<u>169,128</u>	<u>10,883</u>	<u>180,011</u>	<u>175,519</u>	<u>4,492</u>
Bilingual education - instruction					
Purchased professional-education services	32,376	-	32,376	26,517	5,859
Total	<u>32,376</u>	<u>-</u>	<u>32,376</u>	<u>26,517</u>	<u>5,859</u>
Total instruction regular	<u>\$ 4,782,408</u>	<u>\$ (4,139)</u>	<u>\$ 4,778,269</u>	<u>\$ 4,689,109</u>	<u>\$ 89,160</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ 22,000	\$ (22,000)	\$ -	\$ -	\$ -
Tuition to other LEAs within the state - special	21,000	3,564	24,564	24,564	-
Tuition to cssd & regional day schools	-	25,888	25,888	25,888	-
Tuition to priv. school for the disabled w/i state	-	83,280	83,280	60,031	23,249
Tuition to priv. sch. disabled & other LEAs-spl, o/s state	-	4,279	4,279	4,279	-
Total	<u>43,000</u>	<u>95,011</u>	<u>138,011</u>	<u>114,762</u>	<u>23,249</u>
Undistributed expenditures - attendance & social work					
Salaries	11,632	299	11,931	11,931	-
Total	<u>11,632</u>	<u>299</u>	<u>11,931</u>	<u>11,931</u>	<u>-</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - health services					
Salaries	\$ 79,019	\$ 5,300	\$ 84,319	\$ 84,161	\$ 158
Purchased professional and technical services	3,500	-	3,500	3,500	-
Other purchased services	100	-	100	32	68
Supplies and materials	3,000	-	3,000	439	2,561
Total	<u>85,619</u>	<u>5,300</u>	<u>90,919</u>	<u>88,132</u>	<u>2,787</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	190,745	2,315	193,060	193,059	1
Purchased professional - educational services	10,000	-	10,000	7,253	2,747
Total	<u>200,745</u>	<u>2,315</u>	<u>203,060</u>	<u>200,312</u>	<u>2,748</u>
Undistributed expenditures- guidance					
Salaries of other professional staff	79,809	-	79,809	78,994	815
Other salaries	3,500	-	3,500	-	3,500
Supplies and materials	3,000	-	3,000	-	3,000
Total	<u>86,309</u>	<u>-</u>	<u>86,309</u>	<u>78,994</u>	<u>7,315</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	244,514	3,975	248,489	248,489	-
Salaries of secretarial and clerical assistants	49,346	2,220	51,566	51,565	1
Purchased professional - educational services	3,000	(2,470)	530	526	4
Other purchased services	-	315	315	312	3
Miscellaneous purchased service	-	662	662	651	11
Supplies and materials	3,950	4,577	8,527	8,527	-
Total	<u>300,810</u>	<u>9,279</u>	<u>310,089</u>	<u>310,070</u>	<u>19</u>
Undistributed expenditures - improvement of inst. service					
Other purchased services	1,500	-	1,500	1,500	-
Total	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	140,612	1,257	141,869	141,869	-
Supplies and materials	6,904	8,500	15,404	9,457	5,947
Total	<u>147,516</u>	<u>9,757</u>	<u>157,273</u>	<u>151,326</u>	<u>5,947</u>
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	4,500	(2,862)	1,638	1,392	246
Other purchased services	3,000	7,790	10,790	8,982	1,808
Total	<u>7,500</u>	<u>4,928</u>	<u>12,428</u>	<u>10,374</u>	<u>2,054</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expend. - support service - general admin.					
Salaries	\$ 199,177	\$ 7,068	\$ 206,245	\$ 206,244	\$ 1
Legal services	15,000	(5,000)	10,000	10,000	-
Audit fees	18,522	678	19,200	19,200	-
Architectural/engineering services	9,063	(9,063)	-	-	-
Purchased technical services	-	7,096	7,096	7,096	-
Communications/telephone	18,925	(9,296)	9,629	9,629	-
BOE other purchased services	3,172	-	3,172	1,403	1,769
Misc purch services	32,600	(4,135)	28,465	27,730	735
General supplies	5,013	1,111	6,124	5,247	877
Miscellaneous expenditures	2,325	-	2,325	1,720	605
BOE membership dues and fees	6,250	(921)	5,329	4,932	397
<b>Total</b>	<b>310,047</b>	<b>(12,462)</b>	<b>297,585</b>	<b>293,201</b>	<b>4,384</b>
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	102,489	18,215	120,704	120,092	612
Salaries of secretarial and clerical assistants	46,284	380	46,664	46,664	-
Purchased professional and technical services	4,125	(4,125)	-	-	-
Other purchased services	-	5,425	5,425	5,425	-
Supplies and materials	3,050	(89)	2,961	2,325	636
Other objects	1,500	(356)	1,144	1,144	-
<b>Total</b>	<b>157,448</b>	<b>19,450</b>	<b>176,898</b>	<b>175,650</b>	<b>1,248</b>
Undistributed expenditures - central services					
Salaries	147,257	2,819	150,076	150,076	-
Purchased professional services	12,550	(9,819)	2,731	-	2,731
Purchased technical services	3,012	22,331	25,343	17,630	7,713
Miscellaneous purchased services	825	450	1,275	712	563
Supplies and materials	1,760	555	2,315	1,820	495
Other objects	1,121	149	1,270	1,262	8
<b>Total</b>	<b>166,525</b>	<b>16,485</b>	<b>183,010</b>	<b>171,500</b>	<b>11,510</b>
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	28,500	68,860	97,360	38,687	58,673
General supplies	14,210	(5,401)	8,809	8,809	-
<b>Total</b>	<b>42,710</b>	<b>63,459</b>	<b>106,169</b>	<b>47,496</b>	<b>58,673</b>
Undistributed expenditures - custodial services					
Salaries	252,114	15,559	267,673	267,673	-
Salaries of non-instructional aides	5,050	(5,050)	-	-	-
Purchased professional and technical services	1,734	(623)	1,111	1,111	-
Cleaning, repair, and maintenance service	9,220	4,655	13,875	13,873	2
Insurance	36,925	(952)	35,973	35,973	-
Miscellaneous purchased services	-	652	652	652	-
General supplies	41,329	42,752	84,081	65,579	18,502
Energy (natural gas)	3,000	(556)	2,444	2,444	-
Energy (electricity)	75,000	(1,948)	73,052	73,052	-
Energy (oil)	92,000	(54,142)	37,858	37,857	1
Other objects	175	455	630	626	4
<b>Total</b>	<b>516,547</b>	<b>802</b>	<b>517,349</b>	<b>498,840</b>	<b>18,509</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (cont'd)</b>					
Undistributed expenditures - Care and upkeep of grounds					
Cleaning, repair, and maintenance service	\$ 8,000	\$ (6,950)	\$ 1,050	\$ 1,050	\$ -
<b>Total</b>	<b>8,000</b>	<b>(6,950)</b>	<b>1,050</b>	<b>1,050</b>	<b>-</b>
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	8,134	(1,512)	6,622	6,622	-
Management fee - esc & ctsa trans. program	2,250	299	2,549	2,549	-
Other purchased professional and technical service	12,261	-	12,261	11,676	585
Contract service-aid in lieu pymts-non-public schools	18,564	(18,564)	-	-	-
Contract serv-aid in lieu pymts-charter school students	2,652	(2,652)	-	-	-
Contract services (between home & school) - vendors	233,103	2,100	235,203	216,714	18,489
Contr service (oth. than between home & school) - vend	1,000	(1,000)	-	-	-
Contr service (between home & school) - joint agreements	75,975	-	75,975	75,975	-
Contract service (sp ed stds) - vendors	63,764	58,154	121,918	121,910	8
Contract service (reg. students) - escs & ctsas	-	717	717	717	-
Contract service (spl. ed. students) - escs & ctsas	26,520	(26,520)	-	-	-
Miscellaneous purchased services - transportation	-	6,188	6,188	6,188	-
<b>Total</b>	<b>444,223</b>	<b>17,210</b>	<b>461,433</b>	<b>442,351</b>	<b>19,082</b>
Unallocated benefits-employee benefits					
Social security contributions	82,687	(3,802)	78,885	78,885	-
TPAF contributions - ERIP	13,218	(7,978)	5,240	-	5,240
Other retirement contributions - PERS	72,000	-	72,000	70,456	1,544
Other retirement contributions - ERIP	800	562	1,362	1,208	154
Unemployment compensation	5,000	(5,000)	-	-	-
Workmen's compensation	41,811	(1,262)	40,549	40,549	-
Health benefits	1,722,422	(307,959)	1,414,463	1,400,697	13,766
Tuition reimbursement	22,500	(385)	22,115	22,115	-
Other employee benefits	10,150	(9,070)	1,080	1,080	-
Unused sick payment to terminated/retired staff	-	17,900	17,900	17,900	-
<b>Total</b>	<b>1,970,588</b>	<b>(316,994)</b>	<b>1,653,594</b>	<b>1,632,890</b>	<b>20,704</b>
On-behalf TPAF pension contribution	-	-	-	375,047	(375,047)
On-behalf TPAF post retirement medical benefits	-	-	-	446,578	(446,578)
Reimbursed TPAF social security contribution	-	-	-	356,246	(356,246)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,177,871</b>	<b>(1,177,871)</b>
<b>Total undistributed expenditures</b>	<b>\$ 4,500,719</b>	<b>\$ (92,111)</b>	<b>\$ 4,408,608</b>	<b>\$ 5,408,250</b>	<b>\$ (999,642)</b>
<b>Total current</b>	<b>\$ 9,283,127</b>	<b>\$ (96,250)</b>	<b>\$ 9,186,877</b>	<b>\$ 10,097,359</b>	<b>\$ (910,482)</b>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 35,178	\$ 73,772	\$ 108,950	\$ 72,160	\$ 36,790
Undistributed expenditures - custodial services	-	2,214	2,214	-	2,214
Undistributed expenditures - security	-	8,813	8,813	8,813	-
<b>Total equipment</b>	<b>35,178</b>	<b>84,799</b>	<b>119,977</b>	<b>80,973</b>	<b>39,004</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Facilities acquisition and construction service					
Architectural/engineering services	\$ -	\$ 1,400	\$ 1,400	\$ -	\$ 1,400
Construction services	172,016	38,430	210,446	97,842	112,604
Supplies and materials	50,000	(8,813)	41,187	10,241	30,946
Assessment for debt service on SDA funding	2,925	-	2,925	2,925	-
Total facilities acquisition and construction service	<u>224,941</u>	<u>31,017</u>	<u>255,958</u>	<u>111,008</u>	<u>144,950</u>
Total capital outlay	<u>\$ 260,119</u>	<u>\$ 115,816</u>	<u>\$ 375,935</u>	<u>\$ 191,981</u>	<u>\$ 183,954</u>
Transfer of funds to charter schools	<u>\$ 19,566</u>	<u>\$ (19,566)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ 9,562,812</u>	<u>\$ -</u>	<u>\$ 9,562,812</u>	<u>\$ 10,289,340</u>	<u>\$ (726,528)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (667,344)	\$ -	\$ (667,344)	\$ (45,923)	\$ 621,421
Fund balances, July 1	2,000,094	-	2,000,094	2,000,094	-
Fund balances, June 30	<u>\$ 1,332,750</u>	<u>\$ -</u>	<u>\$ 1,332,750</u>	<u>\$ 1,954,171</u>	<u>\$ 621,421</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Adjustment for prior year encumbrances	\$ (354,235)	\$ -	\$ (354,235)	\$ (354,235)	\$ -
Increase in Capital Reserve	-	206,414	206,414	206,414	-
Interest deposit to Capital Reserve	500	-	500	1,235	735
Withdrawal from Capital Reserve	(222,016)	-	(222,016)	(131,740)	90,276
Increase in Emergency Reserve	200	-	200	-	(200)
Interest earned on Maintenance Reserve	500	-	500	-	(500)
Budgeted fund balance	(92,293)	(206,414)	(298,707)	232,403	531,110
Total	<u>\$ (667,344)</u>	<u>\$ -</u>	<u>\$ (667,344)</u>	<u>\$ (45,923)</u>	<u>\$ 621,421</u>
Recapitulation of fund balance					
Committed fund balance					
Capital Reserve				\$ 922,846	
Emergency Reserve				143,000	
Maintenance Reserve				291,251	
Assigned fund balance					
Year-end encumbrances				229,092	
Designated for subsequent year's expenditures				92,293	
Unassigned fund balance				<u>275,689</u>	
Fund balance per budgetary basis				1,954,171	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(338,021)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 1,616,150</u>	

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources	\$ 5,763	\$ -	\$ 5,763	\$ 1,367	\$ (4,396)
Federal sources	342,131	-	342,131	323,532	(18,599)
Total revenues	<u>\$ 347,894</u>	<u>\$ -</u>	<u>\$ 347,894</u>	<u>\$ 324,899</u>	<u>\$ (22,995)</u>
<b>Expenditures</b>					
<b>Instruction</b>					
Other salaries for instruction	\$ 77,170	\$ 4,490	\$ 81,660	\$ 81,660	\$ -
Other purchased services	146,441	5,918	152,359	152,359	-
General supplies	16,295	(2,800)	13,495	9,929	3,566
Total	<u>239,906</u>	<u>7,608</u>	<u>247,514</u>	<u>243,948</u>	<u>3,566</u>
<b>Support services</b>					
Personal services - employee benefits	36,803	484	37,287	18,688	18,599
Purchased professional & technical services	58,494	(5,918)	52,576	52,576	-
Other purchased services	11,516	(1,999)	9,517	8,687	830
General supplies	1,175	(175)	1,000	1,000	-
Total	<u>107,988</u>	<u>(7,608)</u>	<u>100,380</u>	<u>80,951</u>	<u>19,429</u>
Total expenditures	<u>\$ 347,894</u>	<u>\$ -</u>	<u>\$ 347,894</u>	<u>\$ 324,899</u>	<u>\$ 22,995</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 10,243,417	\$ 324,899
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances current year	-	(215)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	355,329	-
State aid receivable current year	(338,021)	-
Total revenues (GAAP Basis)	<u>\$ 10,260,725</u>	<u>\$ 324,684</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,289,340	\$ 324,899
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	-	(215)
Total expenditures (GAAP Basis)	<u>\$ 10,289,340</u>	<u>\$ 324,684</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	-	29,595,038	25,283,200	22,821,533	-	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 29,595,038</u>	<u>\$ 25,283,200</u>	<u>\$ 22,821,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ -	\$ 4,784,251	\$ 4,818,878	\$ 4,649,890						
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	28.71%	33.64%	33.76%						

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions - Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 375,047	\$ 253,150	\$ 200,122	\$ 291,778	\$ 145,142	\$ 13,943	\$ 15,646	\$ 14,630	\$ 325,870	\$ 329,730
Contributions in relation to the contractually required contribution	<u>(375,047)</u>	<u>(253,150)</u>	<u>(200,122)</u>	<u>(291,778)</u>	<u>(145,142)</u>	<u>(13,943)</u>	<u>(15,646)</u>	<u>(14,630)</u>	<u>(325,870)</u>	<u>(329,730)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 4,944,527	\$ 4,784,251	\$ 4,818,878	\$ 4,649,890	\$ 4,625,593	\$ 4,277,068	\$ 4,550,613	\$ 4,356,958	\$ 4,488,225	\$ 4,209,018
Contributions as a percentage of covered employee payroll	7.59%	5.29%	4.15%	6.27%	3.14%	0.33%	0.34%	0.34%	7.26%	7.83%

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System**  
**Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - percentage	N/A	0.0081951138%	0.0077386119%	0.0077795075%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 2,350,829	\$ 1,448,880	\$ 1,486,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	568,546	557,526	\$ 518,180	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	413.48%	259.88%	286.93%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions - Public Employees Retirement System**  
**Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 70,456	\$ 63,796	\$ 58,617	\$ 61,197	\$ 68,048	\$ 65,536	\$ 53,060	\$ 52,679	\$ 37,240	\$ 20,282
Contributions in relation to the contractually required contribution	(70,456)	(63,796)	(58,617)	(61,197)	(68,048)	(65,536)	(53,060)	(52,679)	(37,240)	(20,282)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 580,461	\$ 568,546	\$ 557,526	\$ 518,180	\$ 532,985	\$ 526,344	\$ 609,219	\$ 582,213	\$ 600,468	\$ 616,112
Contributions as a percentage of covered employee payroll	12.14%	11.22%	10.51%	11.81%	12.77%	12.45%	8.71%	9.05%	6.20%	3.29%

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2016**

Note 1 - Special funding situation - TPAF

The participating employer allocations included in the Supplemental Schedule of Employer Special Funding Allocations and the Supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues And Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Local Grants	NCLB Title I	NCLB Title IIA	NCLB Title III	IDEA Basic	IDEA Preschool	Total
<b>Revenues</b>							
Local sources	\$ 1,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367
Federal sources	-	74,574	25,922	13,686	202,180	7,170	323,532
<b>Total revenues</b>	<b>\$ 1,367</b>	<b>\$ 74,574</b>	<b>\$ 25,922</b>	<b>\$ 13,686</b>	<b>\$ 202,180</b>	<b>\$ 7,170</b>	<b>\$ 324,899</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Salaries	\$ -	\$ 64,490	\$ 10,000	\$ -	\$ -	\$ 7,170	\$ 81,660
Other purchased services	-	-	-	-	152,359	-	152,359
General supplies	927	84	-	7,979	939	-	9,929
<b>Total</b>	<b>927</b>	<b>64,574</b>	<b>10,000</b>	<b>7,979</b>	<b>153,298</b>	<b>7,170</b>	<b>243,948</b>
<b>Support services</b>							
Personal services - employee benefits	-	10,000	7,485	1,203	-	-	18,688
Purchased professional and technical services	440	-	-	4,254	47,882	-	52,576
Other purchased services	-	-	8,437	250	-	-	8,687
Supplies & materials	-	-	-	-	1,000	-	1,000
<b>Total</b>	<b>440</b>	<b>10,000</b>	<b>15,922</b>	<b>5,707</b>	<b>48,882</b>	<b>-</b>	<b>80,951</b>
<b>Total expenditures</b>	<b>\$ 1,367</b>	<b>\$ 74,574</b>	<b>\$ 25,922</b>	<b>\$ 13,686</b>	<b>\$ 202,180</b>	<b>\$ 7,170</b>	<b>\$ 324,899</b>

See independent auditors' report.

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2016**

<u>Description</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	GAAP		<u>Unexpended Appropriations 06/30/16</u>
			<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	
Renovations to the Mansfield School Building	03/11/2014	\$ 6,685,350	\$ 1,129,579	\$3,544,059	\$ 2,011,712
		<u>\$ 6,685,350</u>	<u>\$ 1,129,579</u>	<u>\$3,544,059</u>	<u>\$ 2,011,712</u>

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

Expenditures	
Legal services	\$ 11,158
Architectural/engineering services	171,633
Other purchased professional & services	10,000
Construction services	3,351,268
	<u>3,544,059</u>
Excess (deficiency) of revenues and other financing sources	
Over (under) expenditures and other financing uses	(3,544,059)
Fund balance - beginning	<u>5,555,421</u>
Fund balance - ending	<u><u>\$ 2,011,362</u></u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Renovations to the Mansfield School Building**  
**For the Fiscal Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Bond proceeds	\$ 6,685,000	\$ -	\$ 6,685,000	\$ 6,685,350
Total revenues	6,685,000	-	6,685,000	6,685,350
Expenditures and other financing uses				
Bonding/legal fees	78,265	11,158	89,423	78,265
Architectural/engineering	120,449	171,633	292,082	354,000
Other purchased professional & technical services	29,547	10,000	39,547	85,983
Construction services	901,318	3,351,268	4,252,586	6,167,102
Total expenditures	1,129,579	3,544,059	4,673,638	6,685,350
Excess (deficiency) of revenues over (Under) expenditures	\$ 5,555,421	\$ (3,544,059)	\$ 2,011,362	\$ -

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis (continued)**  
**Improvements and Renovations at Manfield Township School (continued)**  
**For the Fiscal Year Ended June 30, 2016**

Additional project information

Project number	2970-050-14-1000
Grant date	N/A
Bond authorization date	03/11/2014
Bonds authorized	\$ 6,685,350
Bonds issued	\$ 6,685,000
Original authorized cost	\$ 6,685,350
Additional authorized cost	\$ -
Revised authorized cost	\$ 6,685,350
Percentage completion	70%

See independent auditors' report.

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Fund Net Position**  
**Enterprise Funds**  
**June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
<b>ASSETS</b>				
Current assets				
Cash & cash equivalents	\$ 16,800	\$ 34,349	\$ 17,775	\$ 68,924
Due from other funds	64,543	-	-	64,543
Receivables from other governments				
State	139	-	-	139
Federal	5,170	-	-	5,170
Other accounts receivable		927		927
Inventory	3,036	-	-	3,036
Total current assets	<u>89,688</u>	<u>35,276</u>	<u>17,775</u>	<u>142,739</u>
Noncurrent assets				
Capital assets	60,454	-	-	60,454
Less: accumulated depreciation	41,020	-	-	41,020
Total noncurrent assets	<u>19,434</u>	<u>-</u>	<u>-</u>	<u>19,434</u>
Total assets	<u>109,122</u>	<u>35,276</u>	<u>17,775</u>	<u>162,173</u>
<b>LIABILITIES</b>				
Current liabilities				
Unearned revenues	3,651	-	17,775	21,426
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	19,434	-	-	19,434
Unrestricted	86,037	35,276	-	121,313
TOTAL NET POSITION	<u>\$ 105,471</u>	<u>\$ 35,276</u>	<u>\$ -</u>	<u>\$ 140,747</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Operating revenues				
Charges for services				
Daily sales - reimbursable programs	\$ 92,592	\$ -	\$ -	\$ 92,592
Daily sales - non-reimbursable programs	39,717	-	-	39,717
Child care program fees	-	174,774	-	174,774
Summer recreation program fees	-	-	11,820	11,820
Total operating revenues	<u>132,309</u>	<u>174,774</u>	<u>11,820</u>	<u>318,903</u>
Operating expenses				
Cost of sales - reimbursable programs	76,317	-	-	76,317
Cost of sales - non-reimbursable programs	32,736	-	-	32,736
Salaries	60,498	122,480	12,145	195,123
Employee benefits	12,981	8,978	-	21,959
Purchased property services	4,571	198	-	4,769
Supplies and materials (not included in cost of sales)	4,652	59,894	15	64,561
Insurance	1,555	-	-	1,555
Management fee	9,595	-	-	9,595
Other purchased services	6,356	955	-	7,311
Depreciation	2,229	-	-	2,229
Miscellaneous	312	-	-	312
Total operating expenses	<u>211,802</u>	<u>192,505</u>	<u>12,160</u>	<u>416,467</u>
Operating income (loss)	<u>(79,493)</u>	<u>(17,731)</u>	<u>(340)</u>	<u>(97,564)</u>
Non-operating revenues (expenses)				
State sources				
State School Lunch Program	2,834	-	-	2,834
Federal sources				
National School Breakfast Program				
Cash assistance	7,153	-	-	7,153
National School Lunch Program				
Cash assistance	96,729	-	-	96,729
Non-cash assistance (commodities)	15,259	-	-	15,259
Child and Adult Care Food Program				
Cash assistance	1,204	-	-	1,204
Local sources				
Interest on investments	73	-	-	73
Total non-operating revenues (expenses)	<u>123,252</u>	<u>-</u>	<u>-</u>	<u>123,252</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Change in net position	\$ 43,759	\$ (17,731)	\$ (340)	\$ (97,491)
Net position, beginning	<u>61,712</u>	<u>53,007</u>	<u>340</u>	<u>115,059</u>
Net position, ending	<u>\$ 105,471</u>	<u>\$ 35,276</u>	<u>\$ -</u>	<u>\$ 140,747</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Cash flows from operating activities				
Receipts from customers	\$ 133,277	\$ 176,199	\$ 18,370	\$ 327,846
Payments to food service management company	(184,634)	-	-	(184,634)
Payments to employees	-	(122,480)	(12,145)	(134,625)
Payments for employee benefits	-	(8,978)	-	(8,978)
Payments to vendors (net)	(10,767)	(62,183)	(340)	(73,290)
Net cash provided by operating activities	<u>(62,124)</u>	<u>(17,442)</u>	<u>5,885</u>	<u>(73,681)</u>
Cash flows from noncapital financing activities				
State sources	2,994	-	-	2,994
Federal sources	107,190	-	-	107,190
General fund interfund activity	(64,543)	-	-	(64,543)
Net cash provided by (used for) noncapital financing activities	<u>45,641</u>	<u>-</u>	<u>-</u>	<u>45,641</u>
Cash flows from capital related financing activities				
Acquisition of equipment	(15,797)	-	-	(15,797)
Cash flows from investing activities				
Interest on investments	73	-	-	73
Net increase in cash and cash equivalents	(32,207)	(17,442)	5,885	(43,764)
Cash and cash equivalents, July 1	<u>49,007</u>	<u>51,791</u>	<u>11,890</u>	<u>112,688</u>
Cash and cash equivalents, June 30	<u>\$ 16,800</u>	<u>\$ 34,349</u>	<u>\$ 17,775</u>	<u>\$ 68,924</u>
Reconciliation of operating income to net cash				
Provided by operating activities				
Operating income (loss)	\$ (79,493)	\$ (17,731)	\$ (340)	\$ (97,564)
Adjustments to reconcile operating income to				
Net cash provided by operating activities				
Depreciation	2,229	-	-	2,229
Federal food donation program	15,259	-	-	15,259
(Increase) decrease in other accounts receivable	-	289	-	289
(Increase) decrease in inventory	(1,942)	-	-	(1,942)
Increase (decrease) in accounts payable	1,823	-	-	1,823
Increase (decrease) in unearned revenues	-	-	6,225	6,225
Net cash provided by (used for) operating activities	<u>\$ (62,124)</u>	<u>\$ (17,442)</u>	<u>\$ 5,885</u>	<u>\$ (73,681)</u>

See independent auditors' report.



## **FIDUCIARY FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Schedule of Net Position**  
**June 30, 2016**

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 190,625	\$ 31,197	\$ 61,326	\$ 283,148
Due from other funds	8,938	-	-	8,938
<b>Total assets</b>	<b><u>\$ 199,563</u></b>	<b><u>\$ 31,197</u></b>	<b><u>\$ 61,326</u></b>	<b><u>\$ 292,086</u></b>
<b>Liabilities</b>				
Due to other funds	\$ -	\$ -	\$ 9,204	\$ 9,204
Due to students groups	-	31,197	-	31,197
Payroll deductions & withholdings	-	-	52,122	52,122
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>31,197</u></b>	<b><u>61,326</u></b>	<b><u>92,523</u></b>
<b>Net position</b>				
Held in Trust for unemployment claims & other purposes	<b><u>\$ 199,563</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>\$ 199,563</u></b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Changes in Fiduciary Net Position**  
**Unemployment Compensation Fund**  
**For the Fiscal Year Ended June 30, 2016**

Additions	
Employee contributions	\$ 8,938
Investment earnings - interest	<u>286</u>
Change in net position	9,224
Net position - beginning of the year	<u>190,339</u>
Net position - end of the year	<u><u>\$ 199,563</u></u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Changes in Assets and Liabilities**  
**June 30, 2016**

	<u>Balance</u> 07/01/15	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 06/30/16
Assets				
Cash and cash equivalents	\$ 32,034	\$ 26,223	\$ 27,060	\$ 31,197
Total assets	<u>\$ 32,034</u>	<u>\$ 26,223</u>	<u>\$ 27,060</u>	<u>\$ 31,197</u>
Liabilities				
Due to student groups	\$ 32,034	\$ 26,223	\$ 27,060	\$ 31,197
Total liabilities	<u>\$ 32,034</u>	<u>\$ 26,223</u>	<u>\$ 27,060</u>	<u>\$ 31,197</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Changes in Assets and Liabilities**  
**June 30, 2016**

	Balance 07/01/15	Additions	Deletions	Balance 06/30/16
<b>Assets</b>				
Cash and cash equivalents	\$ 50,929	\$ 6,636,853	\$ 6,626,456	\$ 61,326
<b>Total assets</b>	<u>\$ 50,929</u>	<u>\$ 6,636,853</u>	<u>\$ 6,626,456</u>	<u>\$ 61,326</u>
<b>Liabilities</b>				
Due to other funds	\$ 1,416	\$ 9,204	\$ 1,416	\$ 9,204
Payroll deductions and withholdings	49,513	2,957,868	2,955,259	52,122
Net payroll	<u>-</u>	<u>3,669,781</u>	<u>3,669,781</u>	<u>-</u>
<b>Total liabilities</b>	<u>\$ 50,929</u>	<u>\$ 6,636,853</u>	<u>\$ 6,626,456</u>	<u>\$ 61,326</u>

See independent auditors' report.

## **LONG-TERM DEBT SCHEDULES**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2016**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/2015	Issued	Retired	Balance 06/30/2016
			Date	Amount					
Comprehensive Facility Upgrades at the Elementary School	07/09/2014	\$ 6,685,000	07/15/2016	\$ 245,000	2.250%	\$ -	\$ -	\$ -	\$ -
			07/15/2017	255,000	0.000%	-	-	-	-
			07/15/2018	265,000	2.500%	-	-	-	-
			07/15/2019	275,000	0.000%	-	-	-	-
			07/15/2020	285,000	0.000%	-	-	-	-
			07/15/2021	300,000	0.000%	-	-	-	-
			07/15/2022	310,000	3.000%	-	-	-	-
			07/15/2023	325,000	0.000%	-	-	-	-
			07/15/2024	335,000	0.000%	-	-	-	-
			07/15/2025	350,000	0.000%	-	-	-	-
			07/15/2026	365,000	0.000%	-	-	-	-
			07/15/2027	375,000	0.000%	-	-	-	-
			07/15/2028	400,000	0.000%	-	-	-	-
			07/15/2029	400,000	0.000%	-	-	-	-
			07/15/2030	400,000	3.125%	-	-	-	-
			07/15/2031	400,000	3.250%	-	-	-	-
			07/15/2032	400,000	0.000%	-	-	-	-
07/15/2033	400,000	3.500%	-	-	-	-			
07/15/2034	400,000	0.000%	-	-	-	-			
					6,685,000	-	200,000	6,485,000	
					<u>\$ 6,685,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 6,485,000</u>	

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources					
Local tax levy	\$ 302,237	\$ -	\$ 302,237	\$ 302,237	\$ -
State sources					
Debt service aid type II	181,601	-	181,601	181,601	-
Total revenues	<u>483,838</u>	<u>-</u>	<u>483,838</u>	<u>483,838</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular debt service					
Redemption of principal	200,000	-	200,000	200,000	-
Interest	283,839	-	283,839	283,839	-
Total expenditures	<u>483,839</u>	<u>-</u>	<u>483,839</u>	<u>483,839</u>	<u>-</u>
Excess (deficiency) of revenues					
Over (under) expenditures	(1)	-	(1)	(1)	-
Fund balance, July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statistical Section J Series**

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These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
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These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
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<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
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These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Government activities</b>										
Net investment in capital assets	\$ 1,960,067	\$ 1,978,629	\$ 2,401,972	\$ 2,594,886	\$ 3,266,569	\$ 3,505,421	\$ 3,927,154	\$ 4,194,470	\$ 4,454,564	\$ 4,611,260
Restricted	512,919	545,336	638,152	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189	1,357,097
Unrestricted	275,850	41,016	(104,690)	(296,557)	(239,689)	(85,545)	(157,168)	(1,535,244)	(1,686,960)	(1,763,170)
Total governmental activities	<u>\$ 2,748,836</u>	<u>\$ 2,564,981</u>	<u>\$ 2,935,434</u>	<u>\$ 2,931,432</u>	<u>\$ 3,660,847</u>	<u>\$ 4,359,370</u>	<u>\$ 4,953,566</u>	<u>\$ 3,914,300</u>	<u>\$ 4,048,793</u>	<u>\$ 4,205,187</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 5,841	\$ 19,268	\$ 17,354	\$ 15,439	\$ 13,525	\$ 11,610	\$ 9,695	\$ 7,781	\$ 5,866	\$ 19,434
Unrestricted	17,131	9,965	27,449	25,430	40,163	66,219	82,755	120,820	109,193	121,313
Total business-type activities	<u>\$ 22,972</u>	<u>\$ 29,233</u>	<u>\$ 44,803</u>	<u>\$ 40,869</u>	<u>\$ 53,688</u>	<u>\$ 77,829</u>	<u>\$ 92,450</u>	<u>\$ 128,601</u>	<u>\$ 115,059</u>	<u>\$ 140,747</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 1,965,908	\$ 1,997,897	\$ 2,419,326	\$ 2,610,325	\$ 3,280,094	\$ 3,517,031	\$ 3,936,849	\$ 4,202,251	\$ 4,460,430	\$ 4,630,694
Restricted	512,919	545,336	638,152	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189	1,357,097
Unrestricted	292,981	50,981	(77,241)	(271,127)	(199,526)	(19,326)	(74,413)	(1,414,424)	(1,577,767)	(1,641,857)
Total district-wide	<u>\$ 2,771,808</u>	<u>\$ 2,594,214</u>	<u>\$ 2,980,237</u>	<u>\$ 2,972,301</u>	<u>\$ 3,714,535</u>	<u>\$ 4,437,199</u>	<u>\$ 5,046,016</u>	<u>\$ 4,042,901</u>	<u>\$ 4,163,852</u>	<u>\$ 4,345,934</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,148,539	\$ 4,147,466	\$ 4,293,622	\$ 4,357,749	\$ 3,982,469	\$ 4,273,829	\$ 4,498,884	\$ 4,751,964	\$ 5,492,303	\$ 6,142,056
Special education	1,233,506	1,343,184	1,332,142	1,437,322	1,309,437	1,402,918	1,483,278	1,409,098	1,692,648	1,936,241
Other special education	327,209	374,427	271,390	309,366	359,138	408,872	397,791	383,924	439,260	444,814
Other instruction							517			
Support services										
Tuition	173,486	82,815	114,954	232,690	306,557	46,951	1,982	113,700	197,323	267,121
Student & instruction related services	1,110,024	1,177,123	1,080,325	1,161,165	1,095,002	1,236,731	1,260,806	1,290,658	1,475,824	1,454,791
General & business administrative services	540,260	678,334	553,615	559,412	583,913	569,400	594,934	603,309	828,075	841,402
School administration	219,927	232,502	217,405	234,180	211,304	209,801	223,682	221,010	252,182	310,631
Plant operations & maintenance	579,489	689,270	642,171	674,921	568,853	595,046	595,477	690,177	663,945	684,436
Pupil transportation	531,289	579,881	577,866	640,255	559,630	529,235	518,101	589,355	662,703	630,343
Special schools	5,340	35,207	10,089	17,137						
Transfers to charter schools	8,609	9,311		3,576	9,219	54,501	66,778	16,516	16,546	-
Interest on long-term debt	166,899	75,721	94,485	78,301	65,867	52,529	40,534	27,636	185,288	202,282
Total governmental activities expenses	<u>9,044,577</u>	<u>9,425,241</u>	<u>9,188,064</u>	<u>9,706,074</u>	<u>9,051,389</u>	<u>9,379,813</u>	<u>9,682,764</u>	<u>10,097,347</u>	<u>11,906,097</u>	<u>12,914,117</u>
Business-type activities										
Food services	176,926	182,330	170,316	202,312	183,609	195,341	196,039	200,386	221,620	211,802
Before & after school child care	71,657	95,259	95,188	98,518	94,688	100,893	109,435	108,512	181,892	192,505
Summer recreation program								15,615	17,176	12,160
Total business-type activities	<u>248,583</u>	<u>277,589</u>	<u>265,504</u>	<u>300,830</u>	<u>278,297</u>	<u>296,234</u>	<u>305,474</u>	<u>324,513</u>	<u>420,688</u>	<u>416,467</u>
Total district expenses	<u>\$ 9,293,160</u>	<u>\$ 9,702,830</u>	<u>\$ 9,453,568</u>	<u>\$ 10,006,904</u>	<u>\$ 9,329,686</u>	<u>\$ 9,676,047</u>	<u>\$ 9,988,238</u>	<u>\$ 10,421,860</u>	<u>\$ 12,326,785</u>	<u>\$ 13,330,584</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ -	\$ -	\$ 15,200	\$ 12,900	\$ 15,200	\$ 14,550	\$ 17,463	\$ 22,952	\$ 9,381	\$ 16,742
Special education instruction	31,410	27,804	26,677	55,117	27,443	-	28,194	34,726	35,607	36,634
Student & instruction related services	-	6,602	13,377	6,313	3,136	-	-	252	188	210
General & business administrative services	-	160	-	-	-	-	-	1,416	1,150	791
Plant operations & maintenance	14,920	15,771	8,789	5,432	222	2,838	182	3,467	1,803	1,063
Pupil transportation	45,220	46,163	14,074	154,183	116,207	157,737	153,748	195,698	203,547	184,786
Special schools	-	14,934	7,215	9,635	-	-	-	-	-	-
Operating grants & contributions	373,260	338,608	321,155	326,086	396,710	306,644	294,775	358,956	375,928	324,684
Capital grants & contributions	-	-	-	-	195,691	-	-	-	-	-
Total governmental activities program revenues	464,810	450,042	406,487	569,666	754,609	481,769	494,362	617,467	627,604	564,910
Business-type activities										
Charges for services										
Food service	125,402	125,365	125,546	116,609	109,843	114,379	100,077	103,028	118,658	132,309
Before & after school child care	73,685	95,274	94,026	98,353	103,981	111,459	125,100	143,458	163,609	174,774
Summer recreation program	-	-	-	-	-	-	-	16,099	17,032	11,820
Operating grants & contributions	58,730	62,714	61,384	81,398	77,201	94,187	94,822	98,039	107,804	123,179
Total business-type activities program revenues	257,817	283,353	280,956	296,360	291,025	320,025	319,999	360,624	407,103	442,082
Total district-program revenues	\$722,627	\$733,395	\$687,443	\$866,026	\$1,045,634	\$801,794	\$814,361	\$978,091	\$1,034,707	\$ 1,006,992
Net (expense) revenues										
Governmental activities	\$ (8,579,767)	\$ (8,975,199)	\$ (8,781,577)	\$ (9,136,408)	\$ (8,296,780)	\$ (8,898,044)	\$ (9,188,402)	\$ (9,479,880)	\$ (11,278,493)	\$ (12,349,207)
Business-type activities	9,234	5,764	15,452	(4,470)	12,728	23,791	14,525	36,111	(13,585)	25,615
Total district-wide net expenses	\$ (8,570,533)	\$ (8,969,435)	\$ (8,766,125)	\$ (9,140,878)	\$ (8,284,052)	\$ (8,874,253)	\$ (9,173,877)	\$ (9,443,769)	\$ (11,292,078)	\$ (12,323,592)

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 4,469,733	\$ 4,469,733	\$ 4,626,544	\$ 4,626,544	\$ 4,771,606	\$ 4,867,038	\$ 4,867,038	\$ 4,927,038	\$ 4,927,038	\$ 5,268,633
Taxes levied for debt service	333,504	328,248	347,102	212,565	343,226	344,783	337,922	342,892	343,200	302,237
Unrestricted grants & contributions	3,841,904	4,067,587	4,159,141	4,311,169	3,995,416	4,357,864	4,590,032	4,587,705	6,107,203	6,905,423
Investment earnings	57,778	50,791	24,744	9,168	4,170	4,733	3,656	3,140	11,596	7,945
Miscellaneous income	10,152	6,385	24,499	23,223	11,777	37,149	23,882	8,040	23,949	21,363
Transfers in (out)	(20,000)	(54,700)	(30,000)	(55,000)	(100,000)	(15,000)	-	-	-	-
Special item-proceeds on disposition of assets	-	(76,700)	-	-	-	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	(13,762)	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>8,693,071</b>	<b>8,791,344</b>	<b>9,152,030</b>	<b>9,113,907</b>	<b>9,026,195</b>	<b>9,596,567</b>	<b>9,822,530</b>	<b>9,868,815</b>	<b>11,412,986</b>	<b>12,505,601</b>
Business-type activities										
Investment earnings	103	10	-	144	91	99	62	40	43	73
Miscellaneous income	-	487	118	392	-	251	34	-	-	-
<b>Total business-type activities</b>	<b>103</b>	<b>497</b>	<b>118</b>	<b>536</b>	<b>91</b>	<b>350</b>	<b>96</b>	<b>40</b>	<b>43</b>	<b>73</b>
<b>Total district-wide</b>	<b>\$ 8,693,174</b>	<b>\$ 8,791,841</b>	<b>\$ 9,152,148</b>	<b>\$ 9,114,443</b>	<b>\$ 9,026,286</b>	<b>\$ 9,596,917</b>	<b>\$ 9,822,626</b>	<b>\$ 9,868,855</b>	<b>\$ 11,413,029</b>	<b>\$ 12,505,674</b>
Change in net position										
Governmental activities	\$ 113,304	\$ (183,855)	\$ 370,453	\$ (22,501)	\$ 729,415	\$ 698,523	\$ 634,128	\$ 388,935	\$ 134,493	\$ 156,394
Business-type activities	9,337	6,261	15,570	(3,934)	12,819	24,141	14,621	36,151	(13,542)	25,688
<b>Total district</b>	<b>\$ 122,641</b>	<b>\$ (177,594)</b>	<b>\$ 386,023</b>	<b>\$ (26,435)</b>	<b>\$ 742,234</b>	<b>\$ 722,664</b>	<b>\$ 648,749</b>	<b>\$ 425,086</b>	<b>\$ 120,951</b>	<b>\$ 182,082</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Restricted	\$ 71,788	\$ 96,467	\$ 74,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	272,529	305,773	524,699	278,353	577,188	939,494	1,183,489	1,254,983	1,281,188	1,357,097
Assigned	296,773		94,182	22,696	28,689	282,412	313,692	325,932	446,528	321,385
Unassigned	118,393	106,372	(96,812)	(96,299)	(21,602)	(80,404)	(97,079)	(86,459)	(82,951)	(62,332)
Total general fund	<u>\$ 759,483</u>	<u>\$ 508,612</u>	<u>\$ 596,558</u>	<u>\$ 204,750</u>	<u>\$ 584,275</u>	<u>\$ 1,141,502</u>	<u>\$ 1,400,102</u>	<u>\$ 1,494,456</u>	<u>\$ 1,644,765</u>	<u>\$ 1,616,150</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 232,763	\$ 250,000	\$ -	\$ 354,750	\$ 56,779	\$ -	\$ -	\$ -	\$ 3,215,657	\$ 163,433
Assigned, Reported In										
Capital Projects Fund	-	-	-	-	-	-	-	-	2,339,764	1,847,929
Debt Service Fund	7,627	239,563	113,453	-	1	1	91	91	1	-
Unassigned, Reported In										
Special Revenue Fund	(999)	(2,624)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 239,391</u>	<u>\$ 486,939</u>	<u>\$ 113,453</u>	<u>\$ 354,750</u>	<u>\$ 56,780</u>	<u>\$ 1</u>	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 5,555,422</u>	<u>\$ 2,011,362</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax levy	\$ 4,803,237	\$ 4,797,981	\$ 4,973,646	\$ 4,839,109	\$ 5,114,832	\$ 5,211,821	\$ 5,204,960	\$ 5,269,930	\$ 5,270,238	\$ 5,570,870
Tuition charges	31,410	27,804	48,694	77,320	42,468	14,550	44,194	50,786	44,247	51,834
Interest earnings	57,778	50,791	24,744	9,168	4,170	4,733	3,656	3,140	11,596	7,945
Miscellaneous	28,055	21,349	29,326	23,264	7,629	34,384	21,029	5,373	20,151	16,902
State sources	3,857,320	4,109,823	4,149,294	3,814,254	3,978,367	4,217,382	4,575,602	4,569,325	4,708,813	5,087,754
State sources - capital projects	-	-	-	-	195,691	-	-	-	-	-
Federal sources	351,806	291,632	330,203	821,007	413,395	445,963	307,546	375,991	408,834	333,942
<b>Total revenues</b>	<b>9,129,606</b>	<b>9,299,380</b>	<b>9,555,907</b>	<b>9,584,122</b>	<b>9,756,552</b>	<b>9,928,833</b>	<b>10,156,987</b>	<b>10,274,545</b>	<b>10,463,879</b>	<b>11,069,247</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	2,804,583	2,776,090	3,020,603	3,010,938	2,722,072	2,891,836	2,970,429	3,294,089	3,169,239	3,442,085
Special education instruction	840,350	888,290	877,154	904,573	863,440	905,969	913,914	897,417	958,384	1,044,988
Other special instruction	147,215	163,583	149,217	167,407	184,518	195,821	198,995	205,719	207,966	202,036
Other instruction							500			
<b>Support services</b>										
Tuition	20,691	-	-	175,109	94,126	-	-	25,986	31,743	114,762
Student & inst related services	743,935	777,621	717,752	750,829	698,928	805,899	783,559	828,927	811,811	852,639
General administration	261,791	332,044	260,898	256,256	265,495	248,726	255,185	277,546	278,043	293,201
School administration services	152,247	160,795	151,466	162,033	144,925	144,256	151,528	151,676	151,930	175,650
Central services	121,538	134,787	135,887	137,055	141,356	151,157	165,927	159,576	188,370	171,500
Plant operations & maintenance	492,421	598,927	543,483	566,031	465,284	498,437	486,432	576,612	547,212	547,386
Pupil transportation	486,069	530,730	560,803	485,637	442,890	371,014	363,734	390,111	456,563	442,351
Employee benefits	1,284,771	1,393,991	1,487,436	1,610,116	1,580,510	1,564,070	1,598,049	1,594,236	1,622,652	1,632,890
On-behalf TPAF pension & social security contribution	884,345	929,440	627,266	657,061	639,055	790,537	972,745	886,735	1,004,841	1,177,871
Capital outlay	42,863	-	13,302	27,467	2,590	52,457	250,622	83,620	59,463	189,056
Special school	5,340	14,306	7,155	11,990	-	-	-	-	-	-
Transfer of funds to charter schools	8,609	9,311	-	3,576	9,219	54,501	66,778	16,516	16,546	-
Special revenue funds	373,260	340,233	318,531	326,086	396,710	306,644	294,775	358,956	375,928	324,684
Capital projects	6,110	115,676	325,000	-	493,662	-	-	-	1,246,139	3,544,059
<b>Debt service</b>										
Principal	264,560	134,901	515,000	345,000	360,000	375,000	380,000	400,000	415,000	200,000
Interest & other charges	166,695	93,155	100,494	82,469	70,217	57,061	45,125	32,469	17,969	286,764
<b>Total expenditures</b>	<b>9,107,393</b>	<b>9,393,880</b>	<b>9,811,447</b>	<b>9,679,633</b>	<b>9,574,997</b>	<b>9,413,385</b>	<b>9,898,297</b>	<b>10,180,191</b>	<b>11,559,799</b>	<b>14,641,922</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ 22,213	\$ (94,500)	\$ (255,540)	\$ (95,511)	\$ 181,555	\$ 515,448	\$ 258,690	\$ 94,354	\$ (1,095,920)	\$ (3,572,675)
Other financing sources (uses)										
Proceeds from new bond issue	-	250,000	-	-	-	-	-	-	6,685,000	-
Proceeds from refunding bond issue	-	2,540,000	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	(2,676,700)	-	-	-	-	-	-	-	-
Premium on bond issue	-	32,577	-	-	-	-	-	-	116,560	-
Transfers in (out)	(20,000)	(54,700)	(30,000)	(55,000)	(100,000)	(15,000)	-	-	-	-
Total other financing sources (uses)	(20,000)	91,177	(30,000)	(55,000)	(100,000)	(15,000)	-	-	6,801,560	-
Net change in fund balances	\$ 2,213	\$ (3,323)	\$ (285,540)	\$ (150,511)	\$ 81,555	\$ 500,448	\$ 258,690	\$ 94,354	\$ 5,705,640	\$ (3,572,675)
Debt service as a percentage of non-capital expenditures	5.00%	2.52%	6.95%	4.63%	4.97%	4.84%	4.61%	4.48%	4.41%	4.67%

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund - Other Local Revenues by Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interest income	\$ 47,192	\$ 34,629	\$ 24,744	\$ 9,168	\$ 4,170	\$ 4,733	\$ 3,656	\$ 3,140	\$ 11,596	\$ 7,945
Tuition	31,410	27,804	48,694	77,320	42,468	14,550	44,194	50,786	44,247	51,834
Payroll balances transferred	-	-	-	-	-	-	-	-	228	-
Miscellaneous refunds	-	84	133	-	-	-	-	3,425	50	197
Prior year accounts payable canceled	-	-	-	-	-	-	-	-	-	2,691
Prior year refunds	4,703	1,552	19,640	10,077	6,054	5,676	9,823	-	9,002	12,385
Rentals	11,865	12,320	8,540	2,559	-	584	-	500	269	-
Miscellaneous other	-	1,327	73	54	4	4	3	103	-	262
Interlocal agreement for technology services	5,449	-	-	-	-	-	-	-	-	-
Vendor rebates	-	-	-	4,245	-	-	-	-	-	-
Donations	-	-	-	4,000	1,050	26,957	9,544	-	1,250	-
Outstanding checks voided	-	1,326	141	335	157	-	-	-	4,342	-
<b>Annual totals</b>	<b>\$ 100,619</b>	<b>\$ 79,042</b>	<b>\$ 101,965</b>	<b>\$ 107,758</b>	<b>\$ 53,903</b>	<b>\$ 52,504</b>	<b>\$ 67,220</b>	<b>\$ 57,954</b>	<b>\$ 70,984</b>	<b>\$ 75,314</b>

Source: District Records

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 13,502,500	\$ 15,458,200	\$ 13,896,400	\$ 12,975,500	\$ 12,083,200	\$ 11,755,100	\$ 11,751,900	\$ 10,220,500	\$ 10,653,600	\$ 9,501,000
Residential	429,716,900	431,684,500	431,329,200	430,605,100	430,604,600	425,685,800	424,374,700	404,138,600	404,308,500	408,991,800
Farm regular	50,595,400	50,829,400	51,820,800	51,652,000	51,652,000	55,172,200	54,693,000	54,345,900	54,221,800	52,751,300
Q farm	2,751,200	2,668,700	3,612,000	2,903,275	2,959,050	2,943,150	2,782,050	3,544,000	3,476,790	4,246,265
Commercial	89,207,400	94,972,200	94,831,500	95,113,500	95,234,500	95,234,500	90,238,000	108,831,100	108,509,200	116,176,000
Industrial	16,054,300	16,094,300	16,094,300	16,100,300	16,100,300	16,099,500	16,099,500	17,129,400	17,493,500	17,323,500
Apartment	49,799,900	49,799,900	49,799,900	40,656,000	40,656,000	40,656,000	40,656,000	66,001,000	66,001,000	66,001,000
<b>Total assessed value</b>	<b>651,627,600</b>	<b>661,507,200</b>	<b>661,384,100</b>	<b>650,005,675</b>	<b>649,289,650</b>	<b>647,546,250</b>	<b>640,595,150</b>	<b>664,210,500</b>	<b>664,664,390</b>	<b>674,990,865</b>
Public utilities (a)	1,333,868	1,304,575	1,335,310	1,434,922	1,262,054	1,346,173	1,315,776	1,017,159	954,436	862,441
<b>Net valuation taxable</b>	<b>\$ 652,961,468</b>	<b>\$ 662,811,775</b>	<b>\$ 662,719,410</b>	<b>\$ 651,440,597</b>	<b>\$ 650,551,704</b>	<b>\$ 648,892,423</b>	<b>\$ 641,910,926</b>	<b>\$ 665,227,659</b>	<b>\$ 665,618,826</b>	<b>\$ 675,853,306</b>
Estimated actual county equalized value	\$ 874,462,928	\$ 947,686,266	\$ 973,509,210	\$ 889,703,083	\$ 835,647,661	\$ 763,942,104	\$ 724,259,197	\$ 683,265,878	\$ 691,839,545	\$ 713,904,411
Percentage of net valuation to estimated actual equalized value	74.67%	69.94%	68.08%	73.22%	77.85%	84.94%	88.63%	97.36%	96.21%	94.67%
<b>Total direct school tax rate (b)</b>	<b>\$ 0.74</b>	<b>\$ 0.75</b>	<b>\$ 0.73</b>	<b>\$ 0.78</b>	<b>\$ 0.80</b>	<b>\$ 0.80</b>	<b>\$ 0.82</b>	<b>\$ 0.79</b>	<b>\$ 0.84</b>	<b>\$ 0.83</b>

\*

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 and messenger system companies

(b) Tax rates are per \$100

\* Revalued/Reassessed

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic	General	(From J-6)		Municipality	County	
	Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate				
2007	\$ 0.69	\$ 0.05	\$ 0.74	\$ 0.87	\$ 0.35	\$ 0.82	\$ 2.78
2008	0.70	0.05	0.75	0.86	0.39	0.87	2.87
2009	0.70	0.03	0.73	0.91	0.45	0.89	2.98
2010	0.73	0.05	0.78	0.89	0.52	0.84	3.03
2011	0.75	0.05	0.80	0.90	0.56	0.81	3.07
2012	0.75	0.05	0.80	0.90	0.58	0.80	3.08
2013	0.77	0.05	0.82	0.92	0.59	0.81	3.14
2014	* 0.74	0.05	0.79	0.87	0.61	0.78	3.05
2015	0.79	0.05	0.84	0.89	0.61	0.81	3.15
2016	0.79	0.04	0.83	0.96	0.62	0.81	3.22

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget 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.

\* Revalued/Reassessed

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Principal Property Taxpayers,**  
**Current Year and Nine Years Ago**

	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Plaza LLC	\$ 68,981,700	1	10.21%	\$ 21,999,800	3	3.37%
Green Eagle Property Res. L.P.	33,190,600	2	4.91%	23,000,000	2	3.52%
Middlebury Associates	18,839,000	3	2.79%	14,000,000	5	2.14%
Mansfield Plaza Associates LLC	15,033,000	4	2.22%	14,149,800	4	2.17%
NYK Services Center	5,891,300	5	0.87%	3,605,800	7	0.55%
Borealis Compounds LLC	5,751,400	6	0.85%	6,553,100	6	1.00%
WH Realty I LLC	4,405,000	7	0.65%	-	-	0.00%
The Shoppes at Mansfield LLC	3,719,300	8	0.55%	-	-	0.00%
Walgreen Company	3,486,500	9	0.52%	-	-	0.00%
Mansfield Village	-	-	0.00%	32,248,900	1	4.94%
Sarva Mangal LLC	-	-	0.00%	3,077,900	8	0.47%
Eden Mansfield LLC	-	-	0.00%	2,667,600	9	0.41%
Mansfield Self Storage	-	-	0.00%	2,309,200	10	0.35%
	<u>\$ 159,297,800</u>		<u>23.57%</u>	<u>\$ 123,612,100</u>		<u>18.93%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2006	\$ 17,954,283	\$ 17,544,317	97.71%
2007	18,365,546	17,972,662	97.86%
2008	19,109,031	18,564,828	97.15%
2009	19,752,369	19,164,940	97.02%
2010	19,759,480	19,238,201	97.36%
2011	20,004,296	19,516,406	97.56%
2012	20,010,651	19,305,229	96.47%
2013	20,176,996	19,633,194	97.30%
2014	20,312,252	19,783,910	97.39%
2015	21,067,968	20,434,860	96.99%

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.

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	\$ 2,735,000	\$ -	\$ -	\$ -	\$ -	\$ 2,735,000	0.84%	\$ 337
2008	2,790,000	-	-	-	-	2,790,000	0.82%	344
2009	2,275,000	-	-	-	-	2,275,000	0.64%	281
2010	1,930,000	-	-	-	-	1,930,000	0.59%	250
2011	1,570,000	-	-	-	-	1,570,000	0.47%	205
2012	1,195,000	-	-	-	-	1,195,000	0.35%	157
2013	815,000	-	-	-	-	815,000	0.23%	108
2014	415,000	-	-	-	-	415,000	0.12%	55
2015	6,685,000	-	-	-	-	6,685,000	1.83%	891
2016	6,485,000	-	-	-	-	6,485,000	N/A	864

NOTES: (1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- (a) See Exhibit J-14 for personal income and population data.  
 These ratios are calculated using personal income and population for the prior calendar year.
- (b) Represents lease project obligations until fiscal year ending June 30, 2007 and bond issuances in fiscal years ending June 30, 2007 and June 30, 2016

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2007	\$ 2,735,000		\$ 2,735,000	0.42%	\$ 337
2008	2,790,000		2,790,000	0.42%	344
2009	2,275,000		2,275,000	0.34%	281
2010	1,930,000		1,930,000	0.30%	250
2011	1,570,000		1,570,000	0.24%	205
2012	1,195,000		1,195,000	0.18%	157
2013	815,000		815,000	0.13%	108
2014	415,000		415,000	0.06%	55
2015	6,685,000		6,685,000	1.00%	891
2016	6,485,000		6,485,000	0.96%	864

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

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.
- (c) Represents lease project obligations until fiscal year ending June 30, 2007 and bond issuances in fiscal years ending June 30, 2007 and June 30, 2015.

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2015**

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental unit			
Debt repaid with property taxes			
Municipality	\$ 2,159,910	100.00	\$ 2,159,910
Regional High School	20,144,000	30.67	6,177,530
County general obligation debt	10,062,516	6.46	<u>650,363</u>
Subtotal, overlapping debt			8,987,803
School district direct debt			<u>6,485,000</u>
Total direct and overlapping debt			<u><u>\$ 15,472,803</u></u>

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

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

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

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal debt margin calculation for fiscal year 2016

	Equalized valuation basis
	2015      \$ 702,085,550
	2014      690,375,741
	2013      674,310,684
	\$ 2,066,771,975
Average equalized valuation of taxable property	\$ 688,923,992
Debt limit (2.5% of average equalization value)	\$ 17,223,100
Total net debt applicable to limit	6,485,350
Legal debt margin	\$ 10,737,750

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 20,855,329	\$ 19,416,446	\$ 18,077,816	\$ 17,460,866	\$ 17,223,100
Total net debt applicable	1,195,000	815,000	7,100,350	6,685,350	6,485,350
Legal debt margin	\$ 19,660,329	\$ 18,601,446	\$ 10,977,466	\$ 10,775,516	\$ 10,737,750
Total net debt applicable to the limit as a percentage of debt limit	5.73%	4.20%	39.28%	38.29%	37.65%

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 19,742,724	\$ 21,625,565	\$ 23,023,989	\$ 23,374,421	\$ 22,568,180
Total net debt applicable	2,735,000	2,790,000	2,275,000	1,930,000	1,570,000
Legal debt margin	\$ 17,007,724	\$ 18,835,565	\$ 20,748,989	\$ 21,444,421	\$ 20,998,180
Total net debt applicable to the limit as a percentage of debt limit	13.85%	12.90%	9.88%	8.26%	6.96%

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

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2007	8,124	\$ 340,574,328	\$ 41,922	3.9%
2008	8,120	356,118,840	43,857	5.2%
2009	8,089	345,343,677	42,693	9.2%
2010	7,712	333,058,144	43,187	9.5%
2011	7,658	343,974,386	44,917	8.8%
2012	7,593	350,583,996	46,172	8.6%
2013	7,517	349,502,915	46,495	6.9%
2014	7,512	365,421,240	48,645	5.4%
2015	7,502	N/A	N/A	4.8%
2016	7,502	N/A	N/A	N/A

Sources:

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Principal Employers**  
**Current Year and Nine Years Ago**

2016

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2007

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Full Time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Instruction										
Regular	48.3	48.0	44.0	46.0	42.1	42.1	42.1	44.2	44.2	44.2
Special education	12.5	11.5	13.5	14.0	12.0	12.0	12.0	12.0	12.0	15.0
Other special education	9.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Other instruction	4.5	4.5	8.5	8.5	3.0	3.0	3.0	3.0	3.0	3.0
Support services										
Student and instruction related services	10.1	6.6	6.0	6.0	7.4	7.5	7.5	7.5	7.5	7.5
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration services	2.0	2.0	2.0	2.0	2.8	2.8	2.8	2.8	2.8	2.8
Central services	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.5
Administrative information technology	1.0	1.0	1.0	1.0	-	-	0.5	0.5	0.5	0.5
Plant operations and maintenance	6.5	6.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Child care	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total	<u>99.4</u>	<u>94.6</u>	<u>93.5</u>	<u>96.0</u>	<u>85.8</u>	<u>85.9</u>	<u>85.9</u>	<u>88.0</u>	<u>88.0</u>	<u>91.0</u>

Source: District Personnel Records

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff ( b)	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	703	\$ 8,627,165	\$ 12,272	7.65%	65	1 to 10.82	706.3	675.5	0.93%	95.64%
2008	707	9,050,148	12,801	4.31%	65	1 to 10.88	715.6	685.4	1.32%	95.78%
2009	697	8,857,651	12,708	-0.72%	65	1 to 10.81	690.2	656.0	-3.55%	95.04%
2010	723	9,224,697	12,759	0.40%	67	1 to 10.79	722.9	691.2	4.74%	95.61%
2011	695	8,648,528	12,444	-2.47%	57	1 to 12.20	695.8	659.9	-3.75%	94.84%
2012	717	8,928,867	12,453	0.07%	57	1 to 12.53	717.8	688.0	3.16%	95.85%
2013	705	9,222,550	13,082	5.05%	57	1 to 12.33	703.9	670.5	-1.94%	95.26%
2014	705	9,664,102	13,708	4.79%	57	1 to 12.40	708.1	676.0	0.60%	95.46%
2015	703	9,821,228	13,970	1.91%	57	1 to 12.33	705.6	672.9	-0.35%	95.37%
2016	680	10,422,043	15,327	9.71%	57	1 to 11.93	682.6	652.9	-3.26%	95.65%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

See independent auditors' reports.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
School Building Information  
Last Ten Fiscal Years**

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mansfield Township School (1964)										
Square feet	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Capacity (students)	835	835	835	835	835	835	835	835	835	835
Enrollment	698	703	689	710	683	721	706	708	696	660

Number of Schools at June 30, 2016

Elementary = 1

Source: District Facilities Office

N/A = Not Available

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

See independent auditors' reports.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Required Maintenance**  
**Last Ten Fiscal Years**

Undistributed Expenditures - Required Maintenance for School Facilities

* School facilities	Mansfield Township Elementary School	Total
<u>Fiscal Year Ending</u>	<u>School</u>	<u>Total</u>
2007	\$ 57,064	\$ 57,064
2008	79,318	79,318
2009	69,706	69,706
2010	90,010	90,010
2011	21,634	21,634
2012	72,121	72,121
2013	34,417	34,417
2014	50,002	50,002
2015	67,363	67,363
2016	47,496	47,496
Total school facilities	<u>\$ 589,131</u>	<u>\$ 589,131</u>

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

Source: District records

See independent auditors' reports.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2016**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy-NJ Schools Insurance Group:		
Property-blanket building & contents (fund limit)	\$ 400,000,000	\$ 5,000
Accounts receivable	250,000	5,000
Automobile physical damage	In blanket limit	5,000
Electronic data processing equipment	100,000	1,000
Comprehensive general liability	11,000,000	-
Automobile liability	11,000,000	-
Employee benefit liability	11,000,000	1,000
Blanket employee dishonesty	50,000	500
School Board Legal Liability-NJ Schools Insurance Group:		
Policy limit	11,000,000	5,000
Worker's Compensation-NJ Schools Insurance Group:		
Injury by accident per accident	5,000,000	-
Injury by disease per employee	5,000,000	-
Injury by disease policy limit	5,000,000	-
Environmental Impairment Liability-NJ Schools Insurance Group through Zurich Insurance Company:		
Per incident	1,000,000	10,000
Fund aggregate limit	25,000,000	-
Public Employees' Faithful Performance-Selective Insurance Company:		
Treasurer's bond	195,000	-
Board Secretary's bond	85,000	-

Source: District records

See independent auditors' reports.





Bedard, Kurowicki & Co.  
Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance With  
Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Mansfield Township School District, County of Warren, the State of New Jersey, (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2016.

**Internal Control over Financial Reporting**

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

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

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


### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **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 audit requirements as prescribed by 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.

*Bedard, Kurowicki & Co.*  
**BEDARD, KUROWICKI & CO., CPA'S, PC**

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

November 10, 2016  
Flemington, New Jersey



Bedard, Kurowicki & Co.  
Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey  
OMB Circular Letter 15-08**

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

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

We have audited the Mansfield Township School District's, (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular Letter 15-08 that could have a direct and material effect on each of the District's major federal and New Jersey programs for the year ended June 30, 2016. Mansfield Township School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal and New Jersey programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and OMB 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 federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

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


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

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

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

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

*Bedard, Kurowicki & Co.*  
**BEDARD, KUROWICKI & CO., CPA'S, PC**

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

November 10, 2016  
Flemington, New Jersey

**Mansfield Township School District  
Schedule of Expenditures of Federal Awards - Schedule A  
For the Fiscal Year Ended June 30, 2016**

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant		Balance 06/30/15	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2016		
	CFDA Number				Period From	Period To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Health and Human Services															
General Fund															
Medical Assistance Program	93.778	1605NJ5MAP	N/A	\$ 10,625	07/01/15	06/30/16	\$ -	\$ -	\$ 10,625	\$ 10,625	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education passed through State Department of Education															
Special Revenue Fund															
NCLB Title I A	84.010A	S010S150030	NCLB-297016	90,658	07/01/15	06/30/16	-	-	30,000	74,574	-	-	(44,574)	-	-
NCLB Title I A	84.010A	S010S150030	NCLB-297015	85,187	07/01/14	06/30/15	(15,600)	-	15,600	-	-	-	-	-	-
NCLB Title II A	84.367A	S367A150029	NCLB-297016	28,437	07/01/15	06/30/16	-	-	24,747	25,922	-	-	(1,175)	-	-
NCLB Title II A	84.367A	S367A150029	NCLB-297015	28,300	07/01/14	06/30/15	(5,460)	-	5,460	-	-	-	-	-	-
NCLB Title III	84.365A	S365A150030	NCLB-297016	12,483	07/01/15	06/30/16	-	-	9,356	12,483	-	-	(3,127)	-	-
NCLB Title III	84.365A	S365A150030	NCLB-297015	13,042	07/01/14	06/30/15	(350)	(1,203)	1,553	-	-	-	-	-	-
NCLB Title III - carryover	84.365A	S365A150030	NCLB-297015	13,042	07/01/14	06/30/15	-	1,203	-	1,203	-	-	-	-	-
IDEA basic	84.027	H027A150100	IDEA-297016	180,739	07/01/15	06/30/16	-	-	175,653	180,739	-	-	(5,086)	-	-
IDEA basic	84.027	H027A150100	IDEA-297015	174,407	07/01/14	06/30/15	(27,451)	(3,892)	48,892	17,549	-	-	-	-	-
IDEA basic - carryover	84.027	H027A150100	IDEA-297015	174,407	07/01/14	06/30/15	-	3,892	-	3,892	-	-	-	-	-
IDEA preschool	84.173	H173S150114	IDEA-297016	7,170	07/01/15	06/30/16	-	-	6,401	7,170	-	-	(769)	-	-
Total Special Revenue Fund							(48,861)	-	317,662	323,532	-	-	(54,731)	-	-
U.S. Department of Agriculture passed through State Department of Agriculture															
Enterprise Fund															
Child Nutrition Center															
National School Lunch Program															
Food donation program	10.555	1616NJ304N1099	N/A	13,931	07/01/14	06/30/15	294	-	-	294	-	-	-	-	-
National School Lunch Program															
Food donation program	10.555	1616NJ304N1099	N/A	16,115	07/01/15	06/30/16	-	-	16,115	14,965	-	-	-	1,150	-
National School Lunch Program															
Breakfast program	10.555	1616NJ304N1099	N/A	1,445	07/01/14	06/30/15	(225)	-	225	-	-	-	-	-	-
National School Lunch Program															
Breakfast program	10.555	1616NJ304N1099	N/A	7,153	07/01/15	06/30/16	-	-	6,768	7,153	-	-	(385)	-	-
National School Lunch Program															
Lunch program	10.555	1616NJ304N1099	N/A	88,076	07/01/14	06/30/15	(6,920)	-	6,920	-	-	-	-	-	-
National School Lunch Program															
Lunch program	10.555	1616NJ304N1099	N/A	96,729	07/01/15	06/30/16	-	-	92,001	96,729	-	-	(4,728)	-	-
National School Lunch Program															
Child and adult care food program	10.555	1616NJ304N1099	N/A	1,342	07/01/14	06/30/15	(129)	-	129	-	-	-	-	-	-
National School Lunch Program															
Child and adult care food program	10.558	1616NJ304N2020	N/A	1,204	07/01/15	06/30/16	-	-	1,147	1,204	-	-	(57)	-	-
Total Enterprise Fund							(6,980)	-	123,305	120,345	-	-	(5,170)	1,150	-
Total Federal Financial Assistance							\$ (55,841)	\$ -	\$ 451,592	\$ 454,502	\$ -	\$ -	\$ (59,901)	\$ 1,150	\$ -

See independent auditors' report.

**Mansfield Township School District  
Schedule of Expenditures of State Awards - Schedule A  
For the Fiscal Year Ended June 30, 2016**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2016			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Equalization aid	16-495-034-5120-078	#####	07/01/15	06/30/16	\$ -	\$ -	\$2,664,594	\$2,943,686	\$ -	\$ -	\$ -	\$ -	\$(279,092)	\$2,943,686
Special Education Categorical aid	16-495-034-5120-089	391,733	07/01/15	06/30/16	-	-	354,592	391,733	-	-	-	-	(37,141)	391,733
Transportation aid	16-495-034-5120-014	112,510	07/01/15	06/30/16	-	-	101,843	112,510	-	-	-	-	(10,667)	112,510
Security aid	16-495-034-5120-084	83,654	07/01/15	06/30/16	-	-	75,723	83,654	-	-	-	-	(7,931)	83,654
Under Adequacy aid	16-495-034-5120-096	19,421	07/01/15	06/30/16	-	-	17,579	19,421	-	-	-	-	(1,842)	19,421
Per Pupil Growth aid	16-495-034-5120-097	7,110	07/01/15	06/30/16	-	-	6,436	7,110	-	-	-	-	(674)	7,110
PARCC Readiness aid	16-495-034-5120-098	7,110	07/01/15	06/30/16	-	-	6,436	7,110	-	-	-	-	(674)	7,110
Extraordinary Special Education costs aid	16-495-034-5120-044	24,042	07/01/15	06/30/16	-	-	-	24,042	-	(24,042)	-	-	-	24,042
Extraordinary Special Education costs aid	15-495-034-5120-044	20,107	07/01/14	06/30/15	(20,107)	-	20,107	-	-	-	-	-	-	20,107
Non-public Transportation aid	16-495-034-5120-014	1,907	07/01/15	06/30/16	-	-	-	1,907	-	(1,907)	-	-	-	1,907
Non-public Transportation aid	15-495-034-5120-014	2,777	07/01/14	06/30/15	(2,777)	-	2,777	-	-	-	-	-	-	2,777
Payment for Institutionalized Children- Unknown District of Residence	16-495-034-5120-005	119,801	07/01/15	06/30/16	-	-	4,429	119,801	-	(115,372)	-	-	-	119,801
Reimbursed TPAF Social Security Contribution	15-495-034-5094-003	349,816	07/01/14	06/30/15	(17,465)	-	17,465	-	-	-	-	-	-	349,816
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	356,246	07/01/15	06/30/16	-	-	321,215	356,246	-	(35,031)	-	-	-	356,246
On-Behalf TPAF Pension Contribution- Post Retirement Medical	16-495-034-5094-001	446,578	07/01/15	06/30/16	-	-	446,578	446,578	-	-	-	-	-	446,578
On-Behalf TPAF Pension Contribution- Non Contributory Group Insurance	16-495-034-5094-004	17,796	07/01/15	06/30/16	-	-	17,796	17,796	-	-	-	-	-	17,796
On-Behalf TPAF Pension Contribution- Normal Cost and Accrued Liability	16-495-034-5094-002	357,251	07/01/15	06/30/16	-	-	357,251	357,251	-	-	-	-	-	357,251
Total General Fund					<u>(40,349)</u>	<u>-</u>	<u>4,414,821</u>	<u>4,888,845</u>	<u>-</u>	<u>(176,352)</u>	<u>-</u>	<u>-</u>	<u>(338,021)</u>	<u>5,261,545</u>
Debt Service Fund:														
Debt service aid-state support	16-495-034-5120-017	181,601	07/01/15	06/30/16	-	-	181,601	181,601	-	-	-	-	-	181,601
Total Debt Service Fund					<u>-</u>	<u>-</u>	<u>181,601</u>	<u>181,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,601</u>
State Department of Agriculture														
Enterprise Fund														
State School Lunch program	15-100-010-3350-023	2,841	07/01/14	06/30/15	(299)	-	299	-	-	-	-	-	-	-
State School Lunch program	16-100-010-3350-023	2,834	07/01/15	06/30/16	-	-	2,695	2,834	-	(139)	-	-	-	-
Total Enterprise Fund					<u>(299)</u>	<u>-</u>	<u>2,994</u>	<u>2,834</u>	<u>-</u>	<u>(139)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total State Financial Assistance					<u>\$ (40,648)</u>	<u>\$ -</u>	<u>\$4,599,416</u>	<u>5,073,280</u>	<u>\$ -</u>	<u>\$ (176,491)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(338,021)</u>	<u>\$5,443,146</u>
Less: On behalf TPAF Pension System contributions								<u>(821,625)</u>						
Total for State financial assistance - major program determination								<u>\$4,251,655</u>						

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedule of Awards and Financial Assistance**  
**June 30, 2016**

Note 1 - General

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

Note 2 - Basis of accounting

The accompanying Schedules of Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

Note 3 - Relationship of financial statements

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

The General Fund is presented in the accompanying Schedules on the Modified Accrual Basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch. 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the Grant Accounting Budgetary Basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$17,308 for the General Fund and (\$215) for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

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

	Local	Federal	State	Total
General Fund	\$ -	\$ 10,625	\$ 4,906,153	\$ 4,916,778
Special Revenue Fund	1,367	323,317	-	324,684
Debt Service Fund	-	-	181,601	181,601
Food Service Fund	-	120,345	2,834	123,179
<b>Total</b>	<b>\$ 1,367</b>	<b>\$ 454,287</b>	<b>\$ 5,090,588</b>	<b>\$ 5,546,242</b>



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedule of Awards and Financial Assistance**  
**June 30, 2016**

Note 4 - Relationship to Federal and State financial reports  
Amounts reported in the accompanying schedules agree with the amounts reported in the related Federal and State financial reports.

Note 5 - Other  
Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2016**

State Awards (continued)

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

Internal Control Over Major Programs:

- |  |       |     |       |   |    |
|--|-------|-----|-------|---|----|
| 1. Material weakness(es) identified?   | _____ | Yes | _____ | X | No |
| 2. Reportable conditions identified that are not considered to be material weaknesses? | _____ | Yes | _____ | X | No |

Any Audit Findings Disclosed that are Required to be Reported in Accordance with NJ OMB Circular Letter 15-08?	_____	Yes	_____	X	No
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Identification of Major Programs:

GMIS Numbers	Amount	Name of State Program
16-495-034-5120-078	\$ 2,943,686	Equalization Aid
16-495-034-5094-003	356,246	Social Security Aid

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2016.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the year ended June 30, 2016.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2016**

Schedule of Prior Year Findings and Questioned Costs

There were no prior year findings or questioned costs.