

**Mantua Township School  
Board of Education  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016**

**MANTUA TOWNSHIP SCHOOL DISTRICT**

**MANTUA, NEW JERSEY**

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

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

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

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

Prepared by:

**Mantua Township School  
Board of Education Administration**

## OUTLINE OF CAFR

|   | <b>Page</b> |
|---|-------------|
| <b>INTRODUCTORY SECTION</b>   |             |
| Letter of Transmittal   | 1           |
| Organizational Chart  | 2-5         |
| Roster of Officials   | 6           |
| Consultants and Advisors  | 7           |
|   | 8           |
| <b>FINANCIAL SECTION</b>  |             |
|   | 9           |
| <b>Independent Auditor's Report</b>   | 10-12       |
| <b>Required Supplementary Information – Part I</b>  | 13          |
| <b>Management's Discussion and Analysis</b>   | 14-23       |
| <b>Basic Financial Statements</b>   | 24          |
| A. District-Wide Financial Statements:  | 25          |
| A-1 Statement of Net Position   | 26          |
| A-2 Statement of Activities   | 27          |
| B. Fund Financial Statements:   | 28          |
| Governmental Funds:   |             |
| B-1 Balance Sheet   | 29-30       |
| B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances   | 31          |
| B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 32          |
| Proprietary Funds:  |             |
| B-4 Statement of Net Position   | 33          |
| B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position   | 34          |
| B-6 Statement of Cash Flows   | 35          |
| Fiduciary Funds:  |             |
| B-7 Statement of Fiduciary Net Position   | 36          |
| B-8 Statement of Changes in Fiduciary Net Position  | 37          |
| <b>Notes to the Financial Statements</b>  | 38-60       |
| <b>Required Supplementary Information – Part II</b>   | 61          |
| C. Budgetary Comparison Schedules:  | 62          |
| C-1 Budgetary Comparison Schedule - General Fund  | 63-70       |
| C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual <b>(if applicable)</b>                       | N/A         |
| C-1b Community Development Block Grant - Budget and Actual <b>(if applicable)</b>   | N/A         |
| C-2 Budgetary Comparison Schedule - Special Revenue Fund  | 71          |
| <b>Notes to the Required Supplementary Information – Part II</b>  | 72          |
| C-3 Budget-to-GAAP Reconciliation – Note to RSI   | 73          |

|   | <b>Page</b>  |
|---|--------------|
| <b>Required Supplementary Information – Part III</b>  | <b>74</b>    |
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)                                     | 75           |
| L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability - PERS                      | 76           |
| L-2 Schedule of District Contributions - PERS   | 77           |
| L-3 Schedule of the District’s Proportionate Share of Net Pension Liability - TPAF                          | 78           |
| <b>Notes to the Required Supplementary Information – Part III</b>   | <b>79-80</b> |
| <b>Other Supplementary Information</b>  | <b>81</b>    |
| D. School Based Budget Schedules (if applicable):   | N/A          |
| D-1 Combining Balance Sheet   | N/A          |
| D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual                    | N/A          |
| D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual                            | N/A          |
| E. Special Revenue Fund:  | 82           |
| E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis                               | 83-85        |
| E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis                                   | N/A          |
| F. Capital Projects Fund:   | N/A          |
| F-1 Summary Schedule of Project Expenditures  | N/A          |
| F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis               | N/A          |
| F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis | N/A          |
| G. Proprietary Funds:   | 86           |
| Enterprise Fund:  |              |
| G-1 Combining Schedule of Net Position  | 87           |
| G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position                              | 88           |
| G-3 Combining Schedule of Cash Flows  | 89           |
| Internal Service Fund:  |              |
| G-4 Combining Schedule of Net Position  | 90           |
| G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position                              | 91           |
| G-6 Combining Schedule of Cash Flows  | 92           |

|   | <b>Page</b> |
|---|-------------|
| H. Fiduciary Funds:   | 93          |
| H-1 Combining Statement of Fiduciary Net Position   | 94          |
| H-2 Combining Statement of Changes in Fiduciary Net Position  | 95          |
| H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements   | 95          |
| H-4 Payroll Agency Fund Schedule of Receipts and Disbursements  | 96          |
| I. Long-Term Debt:  | 97          |
| I-1 Schedule of Serial Bonds  | 98          |
| I-2 Schedule of Obligations Under Capital Leases  | N/A         |
| I-3 Budgetary Comparison Schedule Debt Service Fund   | 99          |
| <b>STATISTICAL SECTION (Unaudited)</b>  | <b>100</b>  |
| <b>Introduction to the Statistical Section</b>  | <b>101</b>  |
| <b>Financial Trends</b>   |             |
| J-1 Net Position By Component   | 102         |
| J-2 Changes in Net Assets/Net Position  | 103-104     |
| J-3 Fund Balances - Governmental Funds  | 105         |
| J-4 Changes in Fund Balances - Governmental Funds   | 106-107     |
| J-5 General Fund Other Local Revenue by Source  | 108         |
| <b>Revenue Capacity</b>   |             |
| J-6 Assessed Value and Estimated Actual Value of Taxable Property   | 109         |
| J-7 Direct and Overlapping Property Tax Rates   | 110         |
| J-8 Principal Property Taxpayers  | 111         |
| J-9 Property Tax Levies and Collections   | 112         |
| <b>Debt Capacity</b>  |             |
| J-10 Ratios of Outstanding Debt by Type   | 113         |
| J-11 Ratios of General Bonded Debt Outstanding  | 114         |
| J-12 Direct and Overlapping Governmental Activities Debt  | 115         |
| J-13 Legal Debt Margin Information  | 116         |
| <b>Demographic and Economic Information</b>   |             |
| J-14 Demographic and Economic Statistics  | 117         |
| J-15 Principal Employers  | 118         |
| <b>Operating Information</b>  |             |
| J-16 Full-time Equivalent District Employees by Function/Program  | 119         |
| J-17 Operating Statistics   | 120         |
| J-18 School Building Information  | 121         |
| J-19 Schedule of Required Maintenance Expenditures by School Facility   | 122         |
| J-20 Insurance Schedule   | 123         |
| J-21 Charter School Performance Framework, Financial Performance,<br>Fiscal Ratios/Renaissance School Project Framework, Financial<br>Performance Fiscal Ratios | N/A         |

## SINGLE AUDIT SECTION

Page  
124

|     |   |         |
|-----|---|---------|
| K-1 | Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>   | 125-126 |
| K-2 | Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance required by <i>Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)</i> , and New Jersey OMB's Circular 15-08 | 127-129 |
| K-3 | Schedule of Expenditures of Federal Awards - Schedule A   | 130     |
| K-4 | Schedule of Expenditures of State Financial Assistance - Schedule B   | 131     |
| K-5 | Notes to the Schedules of Awards and Financial Assistance   | 132-133 |
| K-6 | Schedule of Findings and Questioned Costs   | 134-135 |
| K-7 | Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management   | 136     |

## **INTRODUCTORY SECTION**



# MANTUA TOWNSHIP PUBLIC SCHOOLS

DR. H. SIMMERMAN ADMINISTRATION BUILDING

684 MAIN STREET

SEWELL, NJ 08080

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

**Michelle H. Daminger**  
*Board Secretary*

**Dr. Robert Fisicaro**  
*Superintendent*

**Theresa Labbree**  
*Supervisor of Curriculum*

September 12, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Township of Mantua School District (District) for the fiscal year ended June 30, 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 under the new Governmental Accounting Standards Board Statement No. 34, the Independent Auditor's Report, Management Discussion and Analysis (MD&A), and the basic financial statements including the District-wide statements, fund statements, notes to the financial statements, required supplementary information other than MD&A including budgetary comparison schedules, and other supplementary information. The statistical tables include selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 15-08, "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:** The Township of Mantua School District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Township of Mantua Board of Education and all its schools constitute the District's reporting entity.

For the 2015/2016 school year, the District's three elementary schools were organized as follows:

- Centre City                    K-3 with special education programs for learning and/or language disability, multiple disability, and preschool disability pupils. A resource room for supplemental special education services is also available.
  
- J. Mason Tomlin            4-6 with special education programs for learning and/or language disability, and multiple disability pupils. A resource room for supplemental special education services is also available.
  
- Sewell                            K-3 with a resource room for offering special education supplementary services and special education program for multiple disability pupils.

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

**Average Daily Enrollment**

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2015-2016          | 1,243                     | -2.12%                |
| 2014-2015          | 1,270                     | -3.24%                |
| 2013-2014          | 1,312                     | -1.51%                |
| 2012-2013          | 1,332                     | -4.34%                |
| 2011-2012          | 1,393                     | -2.62%                |
| 2010-2011          | 1,430                     | -4.86%                |
| 2009-2010          | 1,503                     | -3.84%                |
| 2008-2009          | 1,563                     | 1.30%                 |
| 2007-2008          | 1,543                     | .19%                  |
| 2006-2007          | 1,540                     | -1.66%                |

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

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

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

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

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

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

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

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

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

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

**6. DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues included \$3,575,000 of general obligation bonds. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements include renovations and additions to the various schools and the purchase of furniture, fixtures, and equipment for the additions.

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

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

**9. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Petroni & Associates LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, and the *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

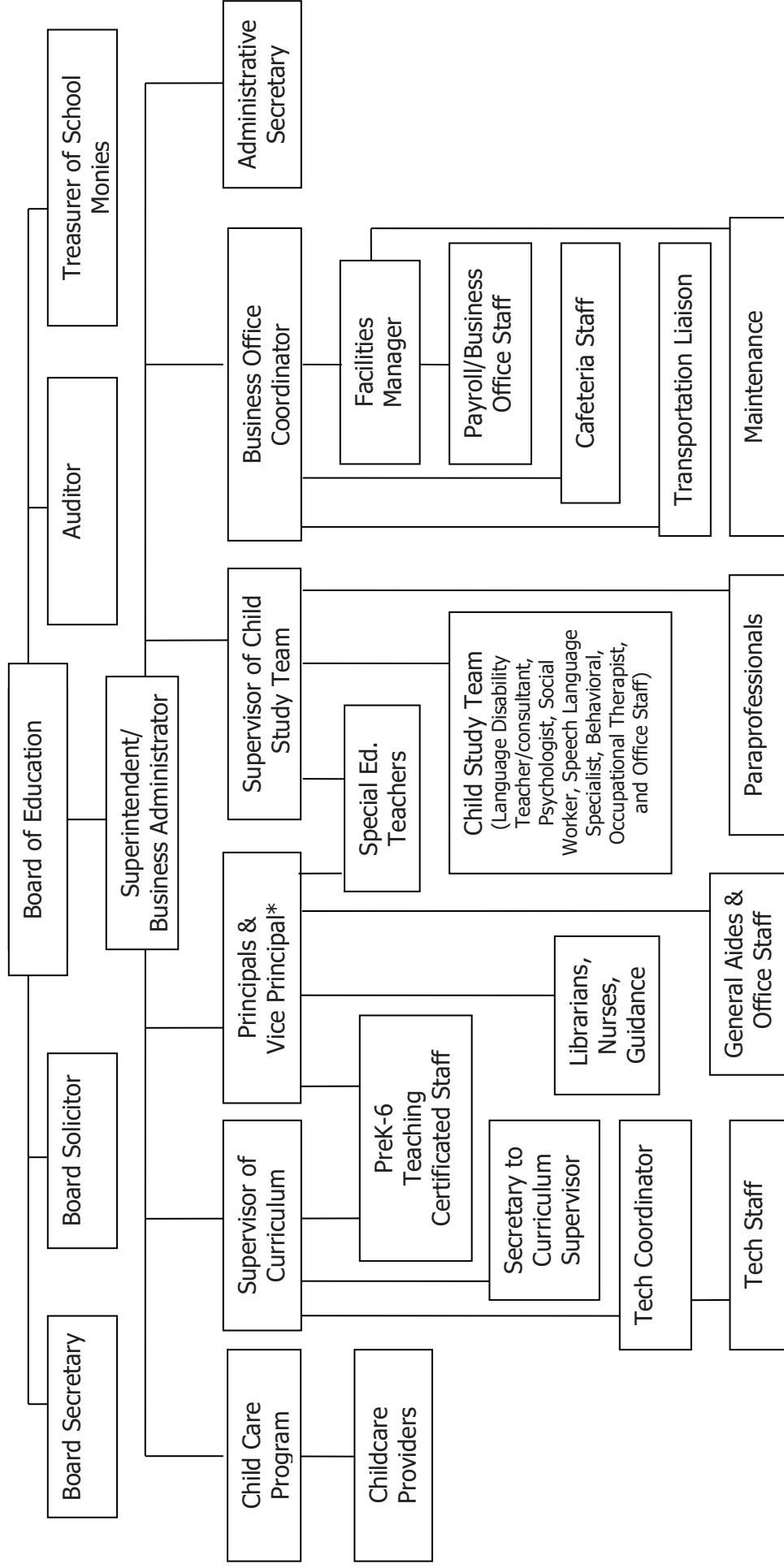
Respectfully submitted,

Dr. Robert Fisicaro  
Dr. Robert Fisicaro  
Superintendent

Michelle H. Daminger  
Michelle H. Daminger  
Board Secretary

# MANTUA TOWNSHIP BOARD OF EDUCATION

## ORGANIZATIONAL CHART



\*Centre City and JMT Schools

**MANTUA TOWNSHIP BOARD OF EDUCATION**  
Mantua, New Jersey

**ROSTER OF OFFICIALS**  
June 30, 2016

**Board of Education Members**

| <u>Board Member</u> | <u>Office Held</u> | <u>Term Date</u> |
|---------------------|--------------------|------------------|
| Thomas D. Gregg     | President          | 2018             |
| Bonnie Nuss         | Vice President     | 2017             |
| Fran Adler          | Board Member       | 2016             |
| Richard Chrono      | Board Member       | 2018             |
| Mario DiLisciandro  | Board Member       | 2016             |
| James Hochberg      | Board Member       | 2017             |
| Robert Johnson      | Board Member       | 2016             |
| Mary Porter         | Board Member       | 2017             |
| Stephen Reiners     | Board Member       | 2018             |

OTHER OFFICIALS

Dr. Robert Fisicaro, Superintendent/Business Administrator

Michelle H. Daminger, Board Secretary

Frank P. Cavallo Jr., Solicitor

**MANTUA TOWNSHIP BOARD OF EDUCATION**  
**Mantua, New Jersey**

**CONSULTANTS AND ADVISORS**

**Auditor**

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

Contact: Nick Petroni  
Certified Public Accountant

**Solicitor**

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

Contact: Frank P. Cavallo, Jr.

**Depository**

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

## **FINANCIAL SECTION**



# PETRONI & ASSOCIATES LLC

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

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

*Nick L. Petroni, CPA, RMA*

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mantua Township School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 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 due to fraud or error.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

#### *Other Information*

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

The combining and individual non-major fund financial statements, schedule of expenditures of Federal and State Awards, is the responsibility of management and was derived from and

relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2016, on our consideration of the Mantua Township Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Mantua Township Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



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

September 12, 2016

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

This section of the Mantua Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this Report and the District's financial statements, which immediately follows this Section.

### **Overview of the Financial Statements**

This Annual Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

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

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

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

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

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

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

**District-wide Financial Statements**

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

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

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

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

- **Governmental Activities** - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- **Business-type Activities** - The District charges fees to help it cover the costs of certain services it provides. The District's food service program and child care program would be included here.

**Fund Financial Statements**

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

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

The District has four kinds of funds:

- **Governmental Funds** - Most of the District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the Governmental Funds statements explains the relationship (or differences) between them.

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

**Fund Financial Statements (Continued)**

- **Proprietary Funds** - Services for which the District charges a fee are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way as the District-wide statements. In fact, the District's *Enterprise Funds* (one type of Proprietary Fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
  
- **Internal Service Funds** - (the other kind of Proprietary Fund) are optional and utilized to report activities that provide supplies and services for other District programs and activities and for other districts.
  
- **Fiduciary Funds** - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Student Activity Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

**Notes to the Financial Statements**

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



Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

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

**Net Position**

|                                       | FY 2016              |                   | FY 2015             |                   | Total                |                     |
|---------------------------------------|----------------------|-------------------|---------------------|-------------------|----------------------|---------------------|
|                                       | Governmental         | Business-<br>Type | Governmental        | Business-<br>Type | FY 2016              | FY 2015             |
| <b>Assets</b>                         |                      |                   |                     |                   |                      |                     |
| Current and other assets              | \$ 1,385,582         | \$ 388,628        | \$ 1,180,213        | \$ 287,785        | \$ 1,774,210         | \$ 1,467,998        |
| Capital assets                        | 19,493,398           | 4,626             | 20,044,950          | 1,714             | 19,498,024           | 20,046,664          |
| Total assets                          | <u>20,878,980</u>    | <u>393,254</u>    | <u>21,225,163</u>   | <u>289,499</u>    | <u>21,272,234</u>    | <u>21,514,662</u>   |
| <b>Deferred Outflows of Resources</b> |                      |                   |                     |                   |                      |                     |
| Loss on refunding issue               | 36,027               |                   |                     |                   | 36,027               |                     |
| Deferred outflows related to pension  | 1,586,324            |                   | 737,677             |                   | 1,586,324            | 737,677             |
| Total deferred outflows of resources  | <u>1,622,351</u>     |                   | <u>737,677</u>      |                   | <u>1,622,351</u>     | <u>737,677</u>      |
| <b>Liabilities</b>                    |                      |                   |                     |                   |                      |                     |
| Noncurrent liabilities                | 4,566,992            | 36,248            | 5,634,456           | 39,218            | 4,603,240            | 5,673,674           |
| Other liabilities                     | 261,832              | 36,905            | 421,386             | 19,907            | 298,737              | 441,293             |
| Net pension liability                 | 6,034,577            |                   | 6,034,577           |                   | 6,034,577            |                     |
| Total liabilities                     | <u>10,863,401</u>    | <u>73,153</u>     | <u>12,090,419</u>   | <u>59,125</u>     | <u>10,936,554</u>    | <u>6,114,967</u>    |
| <b>Deferred Inflows of Resources</b>  |                      |                   |                     |                   |                      |                     |
| Deferred inflows related to pension   | <u>30,382</u>        |                   | <u>359,628</u>      |                   | <u>30,382</u>        | <u>359,628</u>      |
| <b>Net position</b>                   |                      |                   |                     |                   |                      |                     |
| Invested in capital assets            |                      |                   |                     |                   |                      |                     |
| Net of related debt                   | 15,744,806           | 4,626             | 15,278,865          | 1,714             | 15,749,432           | 15,280,579          |
| Restricted                            | 1,337,538            |                   | 750,814             |                   | 1,337,538            | 750,814             |
| Unrestricted                          | (6,921,781)          | 315,475           | (6,516,886)         | 228,660           | (6,606,306)          | (6,288,226)         |
| Total net position                    | <u>\$ 10,160,563</u> | <u>\$ 320,101</u> | <u>\$ 9,512,793</u> | <u>\$ 230,374</u> | <u>\$ 10,480,664</u> | <u>\$ 9,743,167</u> |

**Net Position** - The District's combined total net position was \$10,480,664 on June 30, 2016, (see Exhibit A-1). Approximately 3.1% of the total net position are from business-type activities, while the balance of the total net position of 96.9% is attributable to governmental activities. There was an increase from the prior year of \$737,497.

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

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

**Changes in Net Position**

|                                       | FY 2016           |                  | FY 2015           |                  | Total             |                   |
|---------------------------------------|-------------------|------------------|-------------------|------------------|-------------------|-------------------|
|                                       | Governmental      | Business-Type    | Governmental      | Business-Type    | FY 2016           | FY 2015           |
| <b>REVENUES:</b>                      |                   |                  |                   |                  |                   |                   |
| Program revenues:                     |                   |                  |                   |                  |                   |                   |
| Charges for services                  | \$ 82,109         | \$ 605,655       | \$ 119,265        | \$ 554,970       | \$ 687,764        | \$ 674,235        |
| Operating grants & contributions      | 657,761           | 146,390          | 647,320           | 139,126          | 804,151           | 786,446           |
| General revenues:                     |                   |                  |                   |                  |                   |                   |
| Property taxes                        | 13,192,753        |                  | 12,983,358        |                  | 13,192,753        | 12,983,358        |
| Grants and entitlements               | 8,736,927         |                  | 8,416,642         |                  | 8,736,927         | 8,416,642         |
| Other                                 | 527,138           |                  | 435,327           |                  | 527,138           | 435,327           |
| Total revenues                        | <u>23,196,688</u> | <u>752,045</u>   | <u>22,601,912</u> | <u>694,096</u>   | <u>23,948,733</u> | <u>23,296,008</u> |
| <b>EXPENSES:</b>                      |                   |                  |                   |                  |                   |                   |
| Instruction                           | 9,379,183         |                  | 9,614,338         |                  | 9,379,183         | 9,614,338         |
| Student support services              | 2,120,664         |                  | 1,959,900         |                  | 2,120,664         | 1,959,900         |
| General administrative services       | 383,830           |                  | 378,003           |                  | 383,830           | 378,003           |
| School administration                 | 714,895           |                  | 714,276           |                  | 714,895           | 714,276           |
| Central services                      | 219,780           |                  | 204,758           |                  | 219,780           | 204,758           |
| Administrative information technology | 168,687           |                  | 123,971           |                  | 168,687           | 123,971           |
| Plant operations & maintenance        | 1,590,091         |                  | 1,736,359         |                  | 1,590,091         | 1,736,359         |
| Pupil transportation                  | 723,337           |                  | 888,883           |                  | 723,337           | 888,883           |
| Employee benefits                     | 6,433,133         |                  | 5,906,225         |                  | 6,433,133         | 5,906,225         |
| Interest on debt                      | 129,457           |                  | 168,557           |                  | 129,457           | 168,557           |
| Unallocated depreciation              | 685,861           |                  | 680,235           |                  | 685,861           | 680,235           |
| Food service                          |                   | 309,950          |                   | 352,372          | 309,950           | 352,372           |
| Childcare                             |                   | 352,368          |                   | 312,397          | 352,368           | 312,397           |
| Total expenses                        | <u>22,548,918</u> | <u>662,318</u>   | <u>22,375,505</u> | <u>664,769</u>   | <u>23,211,236</u> | <u>23,040,274</u> |
| Transfers                             |                   |                  | (4,600)           | 4,600            |                   |                   |
| Increase (decrease) in net position   | <u>\$ 647,770</u> | <u>\$ 89,727</u> | <u>\$ 221,807</u> | <u>\$ 33,927</u> | <u>\$ 737,497</u> | <u>\$ 255,734</u> |

**Changes in Net Position** - The District's total revenues are \$23,948,733 for the fiscal period ended June 30, 2016, (see Exhibit A-2). The revenue breakout for all funds is as follows: property taxes 55.1%, state formula aid 36.5%, state and federal aid for specific programs 3.4%, and the remainder, 5% from miscellaneous resources.

The District's predominant expenses are related to instruction and student support services which is approximately 49.5%. Employee benefits are 27.7%; plant operations and maintenance accounts for 6.9%; transportation expenses accounts for 3.1%; school administration, general administration, central services, and administrative information technology account for 6.4%; interest on debt is .6%; business-type activities account for 2.9%; unallocated depreciation is 3.5% of the District's expenses.

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

**Business-Type Activities**

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

- Business-type activities revenues exceeded expenditures by \$89,727 (see Exhibit B-5).

**Governmental Activities**

Revenues for governmental activities (see Exhibit B-2) were \$23,114,579, while total expenses amounted to \$22,715,398. This resulted in an increase in net position in governmental activities of \$399,181 for fiscal year 2016.

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

|                                       | Total Cost of<br>Services | Net Cost of<br>Services | Total Cost of<br>Services | Net Cost of<br>Services |
|---------------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                                       | FY 2016                   |                         | FY 2015                   |                         |
| Instruction:                          | \$ 9,379,183              | \$ 8,954,014            | \$ 9,614,338              | \$ 9,067,559            |
| Support services:                     |                           |                         |                           |                         |
| Student support services              | 2,120,664                 | 1,868,680               | 1,959,900                 | 1,777,893               |
| School administration                 | 714,895                   | 714,895                 | 714,276                   | 714,276                 |
| General administrative services       | 383,830                   | 383,830                 | 378,003                   | 378,003                 |
| Central services                      | 219,780                   | 219,780                 | 204,758                   | 204,758                 |
| Administration information technology | 168,687                   | 168,687                 | 123,971                   | 123,971                 |
| Plant operations & maintenance        | 1,590,091                 | 1,590,091               | 1,736,359                 | 1,736,359               |
| Pupil transportation                  | 723,337                   | 723,337                 | 888,883                   | 888,883                 |
| Employee benefits                     | 6,433,133                 | 6,370,416               | 5,906,225                 | 5,868,426               |
| Interest on debt                      | 129,457                   | 129,457                 | 168,557                   | 168,557                 |
| Food service                          | 309,950                   | (48,360)                | 352,372                   | 19,378                  |
| Other proprietary funds               | 352,368                   | (41,367)                | 312,397                   | (48,705)                |
| Depreciation                          | 685,861                   | 685,861                 | 680,235                   | 680,235                 |
| Total expenses                        | <u>\$ 23,211,236</u>      | <u>\$ 21,719,321</u>    | <u>\$ 23,040,274</u>      | <u>\$ 21,579,593</u>    |

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

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

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

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

**Governmental Activities (Continued)**

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law. "Other" includes special schools and unallocated depreciation and capital outlay.

**The School District's Funds**

All Governmental Funds (i.e., General Fund, Special Revenue Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,114,579 and expenditures were \$22,715,398 (see Exhibit B-2). The Schedules included in the financial section of this Report demonstrate that the District continues to meet its responsibility for sound financial management.

The following schedules present a summary of the revenues of the Governmental Funds for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

| Revenue         | Amount               | Percent of<br>Total | Increase<br>(Decrease)<br>from 2015 | Percent of<br>Increase<br>(Decrease) |
|-----------------|----------------------|---------------------|-------------------------------------|--------------------------------------|
| Local sources   | \$ 13,732,034        | 59.41%              | \$ 313,349                          | 2.34%                                |
| State sources   | 8,809,540            | 38.11%              | 356,365                             | 3.71%                                |
| Federal sources | 573,005              | 2.48%               | (37,782)                            | 51.30%                               |
|                 | <u>\$ 23,114,579</u> | <u>100.00%</u>      | <u>\$ 631,932</u>                   | 2.81%                                |

The increase in local revenue was due to an increase in tuition revenue for \$62,382 and a tax increase of \$245,021.

The following schedules present a summary of General Fund, Special Revenue Fund, and Debt Service Fund expenditures for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year expenditures.

| Expenditures     | Amount               | Percent of<br>Total | Increase<br>(Decrease)<br>from 2015 | Percent of<br>Increase<br>(Decrease) |
|------------------|----------------------|---------------------|-------------------------------------|--------------------------------------|
| Current expense: |                      |                     |                                     |                                      |
| Instruction      | \$ 9,337,934         | 41.11%              | \$ (257,020)                        | -2.68%                               |
| Undistributed    | 12,179,414           | 53.62%              | 253,182                             | 2.12%                                |
| Capital outlay   | 51,100               | 0.22%               | (47,588)                            | -48.22%                              |
| Debt service:    |                      |                     |                                     |                                      |
| Principal        | 965,000              | 4.25%               | (15,000)                            | -1.53%                               |
| Interest         | 181,950              | 0.80%               | (39,200)                            | -17.73%                              |
|                  | <u>\$ 22,715,398</u> | <u>100.00%</u>      | <u>\$ (105,626)</u>                 | -0.46%                               |

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

**The School District's Funds (Continued)**

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

Instructional expenditures are down \$257,020 over the prior year; employee benefits are up \$287,759 over the prior year. Salaries reflect contractual increases over the prior year based on the union contract.

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

The strong financial performance of the District as a whole is primarily reflected in its Governmental Funds. As the District completed the year, its Governmental Funds reported *combined* fund balances of \$1,101,582 (see Exhibit B-1).

**General Fund Budgetary Highlights**

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

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

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

**Capital Asset and Debt Administration**

**Capital Assets**

The Mantua Township School investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$19,498,024 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and furniture (see table below). More detailed information about capital assets can be found in Note 6 to the financial statements.

**Mantua Township School District's Capital Assets**

|                       | FY 2016              |                 | FY 2015              |                 | Total                |                      |
|-----------------------|----------------------|-----------------|----------------------|-----------------|----------------------|----------------------|
|                       | Governmental         | Business-Type   | Governmental         | Business-Type   | FY 2016              | FY 2015              |
| Land                  | \$ 110,027           |                 | \$ 110,027           |                 | \$ 110,027           | \$ 110,027           |
| Land improvements     | 298,863              |                 | 263,167              |                 | 298,863              | 263,167              |
| Buildings             | 18,392,361           |                 | 18,966,983           |                 | 18,392,361           | 18,966,983           |
| Machinery & equipment | 692,147              | \$ 4,626        | 704,773              | \$ 1,714        | 696,773              | 706,487              |
|                       | <u>\$ 19,493,398</u> | <u>\$ 4,626</u> | <u>\$ 20,044,950</u> | <u>\$ 1,714</u> | <u>\$ 19,498,024</u> | <u>\$ 20,046,664</u> |

**Debt Administration**

At June 30, 2016, the School District had \$4,566,992 of outstanding debt. Of this amount, \$806,265 is for compensated absences, \$185,727 unamortized premium, and \$3,575,000 of serial bonds; for school construction.

Mantua Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016  
Unaudited

**Debt Administration (Continued)**

**Outstanding Debt at June 30**

|                         | FY 2016             | FY 2015             | Percentage<br>Change |
|-------------------------|---------------------|---------------------|----------------------|
| Compensated absences    | \$ 806,265          | \$ 851,583          | -5.32%               |
| Unamortized premium     | 185,727             | 242,873             | -23.53%              |
| Refunding bonds of 2011 | 3,575,000           | 4,540,000           | -21.26%              |
| Total                   | <u>\$ 4,566,992</u> | <u>\$ 5,634,456</u> | -18.95%              |

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

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

- State Formula Aid for the fiscal year 2015-2016 had no increase over the prior year budgeted amount.
- District enrollment decreased in 2015-2016 by 44 students based on the October 15<sup>th</sup> count.
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

**Contacting the District's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**



MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2016

|  | Governmental<br>Activities | Business-type<br>Activities | FY 2016              |
|--|----------------------------|-----------------------------|----------------------|
| <b>ASSETS</b>                                      |                            |                             |                      |
| Cash and cash equivalents                          | \$ 701,143                 | \$ 372,156                  | \$ 1,073,299         |
| Interfund receivable                               | 10,077                     |                             | 10,077               |
| Receivables  | 250,358                    | 8,838                       | 259,196              |
| Inventory  |                            | 7,634                       | 7,634                |
| Restricted assets:                                 |                            |                             |                      |
| Restricted cash and cash equivalents               | 189,912                    |                             | 189,912              |
| Capital reserve account - cash                     | 234,092                    |                             | 234,092              |
| Capital assets:                                    |                            |                             |                      |
| Non-depreciable                                    | 110,027                    |                             | 110,027              |
| Assets net of depreciation                         | 19,383,371                 | 4,626                       | 19,387,997           |
| Total assets                                       | <u>20,878,980</u>          | <u>393,254</u>              | <u>21,272,234</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                            |                             |                      |
| Loss on refunding bond issue                       | 36,027                     |                             | 36,027               |
| Deferred outflows related to pension               | 1,586,324                  |                             | 1,586,324            |
| Total deferred outflows of resources               | <u>1,622,351</u>           |                             | <u>1,622,351</u>     |
| <b>LIABILITIES</b>                                 |                            |                             |                      |
| Accounts payable                                   | 210,561                    | 36,905                      | 247,466              |
| Payable to state government                        | 19,082                     |                             | 19,082               |
| Deferred revenue - local                           | 8,297                      |                             | 8,297                |
| Accrued interest                                   | 23,892                     |                             | 23,892               |
| Noncurrent liabilities:                            |                            |                             |                      |
| Due within one year                                | 990,720                    |                             | 990,720              |
| Due beyond one year                                | 3,576,272                  | 36,248                      | 3,612,520            |
| Net pension liability                              | 7,481,562                  |                             | 7,481,562            |
| Total liabilities                                  | <u>12,310,386</u>          | <u>73,153</u>               | <u>12,383,539</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                            |                             |                      |
| Deferred inflows related to pension                | 30,382                     |                             | 30,382               |
| <b>NET POSITION</b>                                |                            |                             |                      |
| Invested in capital assets,<br>net of related debt | 15,744,806                 | 4,626                       | 15,749,432           |
| Restricted for:                                    |                            |                             |                      |
| Capital projects                                   | 234,092                    |                             | 234,092              |
| Other purposes                                     | 1,103,446                  |                             | 1,103,446            |
| Unrestricted                                       | (6,921,781)                | 315,475                     | (6,606,306)          |
| Total net position                                 | <u>\$ 10,160,563</u>       | <u>\$ 320,101</u>           | <u>\$ 10,480,664</u> |

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2016

| Functions/Programs   | Expenses             | Program Revenues     |                                    | Net (Expense) Revenue and Changes in Net Position |                          | Total                  |
|--|----------------------|----------------------|------------------------------------|---|--------------------------|------------------------|
|  |                      | Charges for Services | Operating Grants and Contributions | Governmental Activities                           | Business-type Activities |                        |
| <b>Governmental activities:</b>  |                      |                      |                                    |   |                          |                        |
| Instruction:   |                      |                      |                                    |   |                          |                        |
| Regular  | \$ 5,335,790         |                      |                                    | \$ (5,335,790)                                    |                          | \$ (5,335,790)         |
| Special education  | 3,022,194            |                      | \$ 425,379                         | (2,596,815)                                       |                          | (2,596,815)            |
| Other special education  | 977,692              |                      |                                    | (977,692)   |                          | (977,692)              |
| Other instruction  | 43,717               |                      |                                    | (43,717)  |                          | (43,717)               |
| Support services:  |                      |                      |                                    |   |                          |                        |
| Student & instructional related services   | 2,120,664            | \$ 82,109            | 169,875                            | (1,868,680)                                       |                          | (1,868,680)            |
| General administrative services  | 383,830              |                      |                                    | (383,830)   |                          | (383,830)              |
| School administrative services   | 714,895              |                      |                                    | (714,895)   |                          | (714,895)              |
| Central services   | 219,780              |                      |                                    | (219,780)   |                          | (219,780)              |
| Administrative information technology  | 168,687              |                      |                                    | (168,687)   |                          | (168,687)              |
| Plant operations & maintenance   | 1,590,091            |                      |                                    | (1,590,091)                                       |                          | (1,590,091)            |
| Pupil transportation   | 723,337              |                      |                                    | (723,337)   |                          | (723,337)              |
| Employee benefits  | 6,433,133            |                      | 62,717                             | (6,370,416)                                       |                          | (6,370,416)            |
| Interest on long-term debt   | 129,457              |                      |                                    | (129,457)   |                          | (129,457)              |
| Unallocated depreciation   | 685,861              |                      |                                    | (685,861)   |                          | (685,861)              |
| <b>Total governmental activities</b>   | <b>22,549,128</b>    | <b>82,109</b>        | <b>657,971</b>                     | <b>(21,809,048)</b>                               |                          | <b>(21,809,048)</b>    |
| <b>Business-type activities:</b>   |                      |                      |                                    |   |                          |                        |
| Food service   | 309,950              | 211,920              | 146,390                            |   | \$ 48,360                | 48,360                 |
| Other activities   | 352,368              | 393,735              |                                    |   | 41,367                   | 41,367                 |
| <b>Total business-type activities</b>  | <b>662,318</b>       | <b>605,655</b>       | <b>146,390</b>                     |   | <b>89,727</b>            | <b>89,727</b>          |
| <b>Total primary government</b>  | <b>\$ 23,211,446</b> | <b>\$ 687,764</b>    | <b>\$ 804,361</b>                  | <b>\$ (21,809,048)</b>                            | <b>\$ 89,727</b>         | <b>\$ (21,719,321)</b> |
| <b>General revenues:</b>   |                      |                      |                                    |   |                          |                        |
| Property taxes, levied for general purpose, net                                  |                      |                      |                                    | \$ 12,438,869                                     |                          | \$ 12,438,869          |
| Taxes levied for debt service  |                      |                      |                                    | 753,884   |                          | 753,884                |
| Federal and state aid not restricted   |                      |                      |                                    | 8,736,927   |                          | 8,736,927              |
| Tuition charges  |                      |                      |                                    | 456,516   |                          | 456,516                |
| Investment earnings  |                      |                      |                                    | 4,600   |                          | 4,600                  |
| Miscellaneous income   |                      |                      |                                    | 66,022  |                          | 66,022                 |
| <b>Total general revenues, special items, extraordinary items, and transfers</b> |                      |                      |                                    | <b>22,456,818</b>                                 |                          | <b>22,456,818</b>      |
| Change in net position   |                      |                      |                                    | 647,770   | \$ 89,727                | 737,497                |
| Net position - beginning   |                      |                      |                                    | 9,512,793   | 230,374                  | 9,743,167              |
| Net position - end   |                      |                      |                                    | <b>\$ 10,160,563</b>                              | <b>\$ 320,101</b>        | <b>\$ 10,480,664</b>   |

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

MANTUA TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2016

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Totals<br>FY 2016 |
|--|---------------------|----------------------------|-------------------------|-------------------|
| <b>ASSETS</b>  |                     |                            |                         |                   |
| Cash and cash equivalents  | \$ 730,366          |                            |                         | \$ 730,366        |
| Interfund receivable   | 10,077              |                            |                         | 10,077            |
| Receivables from other governments   | 97,355              | \$ 153,002                 | \$ 1                    | 250,358           |
| Restricted cash and cash equivalents   | 424,004             |                            |                         | 424,004           |
| Total assets   | <u>\$ 1,261,802</u> | <u>\$ 153,002</u>          | <u>\$ 1</u>             | <u>1,414,805</u>  |
| <b>LIABILITIES AND FUND BALANCES</b>   |                     |                            |                         |                   |
| Liabilities:   |                     |                            |                         |                   |
| Cash overdraft   |                     | \$ 75,282                  | \$ 1                    | 75,283            |
| Accounts payable   | \$ 151,923          | 58,638                     |                         | 210,561           |
| Payable to state government  |                     | 19,082                     |                         | 19,082            |
| Deferred revenue - local   | 8,297               |                            |                         | 8,297             |
| Total liabilities  | <u>160,220</u>      | <u>153,002</u>             | <u>1</u>                | <u>313,223</u>    |
| Fund balances:   |                     |                            |                         |                   |
| Restricted for:  |                     |                            |                         |                   |
| Excess surplus - current year  | 313,850             |                            |                         | 313,850           |
| Excess surplus - prior year designated for<br>subsequent year's expenditures | 313,289             |                            |                         | 313,289           |
| Maintenance reserve  | 189,912             |                            |                         | 189,912           |
| Capital reserve account  | 234,092             |                            |                         | 234,092           |
| Assigned to:   |                     |                            |                         |                   |
| Designated for subsequent year's<br>expenditures                             | 6,096               |                            |                         | 6,096             |
| Other purposes   | 280,299             |                            |                         | 280,299           |
| Unassigned:  |                     |                            |                         |                   |
| General fund   | (235,956)           |                            |                         | (235,956)         |
| Total fund balances  | <u>1,101,582</u>    |                            |                         | <u>1,101,582</u>  |
| Total liabilities and fund balances  | <u>\$ 1,261,802</u> | <u>\$ 153,002</u>          | <u>\$ 1</u>             |                   |

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2016

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

|   |                             |
|---|-----------------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$34,350,015 and the accumulated depreciation is \$14,856,617 (see Note 6).   | \$ 19,493,398               |
| Deferred bond issuance costs are expenses in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Position.   | 36,027                      |
| Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.   | (23,892)                    |
| Net pension liability adjustment for GASB 68 & 71   | (5,925,620)                 |
| Premiums are recorded in Governmental Funds in the year the bonds are issued but are capitalized in the Statement of Net Position. The premium for the 2011 series is \$471,457, the amortization is \$57,146, and the accumulated amortization is \$285,730.                       | (185,727)                   |
| Internal Service Funds are used by management to charge the costs of certain activities, such as related services to other Districts. Assets and liabilities of the Internal Service Fund of \$46,060 are included in the governmental activities in the Statement of Net Position. | 46,060                      |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).  | <u>(4,381,265)</u>          |
| Net position of governmental activities   | <u><u>\$ 10,160,563</u></u> |

See accompanying notes to the basic financial statements.

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

|   | General<br>Fund     | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Totals<br>FY 2016   |
|---|---------------------|----------------------------|-------------------------|---------------------|
| <b>REVENUES:</b>                                  |                     |                            |                         |                     |
| Local tax levy                                    | \$ 12,438,869       |                            | \$ 753,884              | \$ 13,192,753       |
| Tuition charges                                   | 456,516             |                            |                         | 456,516             |
| Interest earned on investments                    | 4,324               |                            |                         | 4,324               |
| Interest earned on capital reserve funds          | 276                 |                            |                         | 276                 |
| Miscellaneous                                     | 66,022              | \$ 12,143                  |                         | 78,165              |
|   | 12,966,007          | 12,143                     | 753,884                 | 13,732,034          |
| State sources                                     | 8,313,347           | 103,337                    | 393,066                 | 8,809,750           |
| Federal sources                                   | 30,514              | 542,491                    |                         | 573,005             |
| Total revenues                                    | 21,309,868          | 657,971                    | 1,146,950               | 23,114,789          |
| <b>EXPENDITURES:</b>                              |                     |                            |                         |                     |
| Current:  |                     |                            |                         |                     |
| Regular instruction                               | 5,355,375           |                            |                         | 5,355,375           |
| Special education instruction                     | 2,597,288           | 425,379                    |                         | 3,022,667           |
| Other special instruction                         | 916,385             |                            |                         | 916,385             |
| Other instruction                                 | 43,717              |                            |                         | 43,717              |
| Support services & undistributed costs:           |                     |                            |                         |                     |
| Student & instruction related services            | 1,943,265           | 169,875                    |                         | 2,113,140           |
| General administrative services                   | 388,853             |                            |                         | 388,853             |
| School administrative services                    | 716,615             |                            |                         | 716,615             |
| Central services                                  | 220,658             |                            |                         | 220,658             |
| Administrative information technology             | 168,124             |                            |                         | 168,124             |
| Plant operations and maintenance                  | 1,675,563           |                            |                         | 1,675,563           |
| Pupil transportation                              | 716,220             |                            |                         | 716,220             |
| Employee benefits                                 | 6,117,524           | 62,717                     |                         | 6,180,241           |
| Debt service:                                     |                     |                            |                         |                     |
| Principal   |                     |                            | 965,000                 | 965,000             |
| Interest and other charges                        |                     |                            | 181,950                 | 181,950             |
| Capital outlay                                    | 51,100              |                            |                         | 51,100              |
| Total expenditures                                | 20,910,687          | 657,971                    | 1,146,950               | 22,715,608          |
| Excess (deficiency) of revenues over expenditures | 399,181             |                            |                         | 399,181             |
| Net change in fund balances                       | 399,181             |                            |                         | 399,181             |
| Fund balance - July 1                             | 702,401             |                            |                         | 702,401             |
| Fund balance - June 30                            | <u>\$ 1,101,582</u> |                            |                         | <u>\$ 1,101,582</u> |

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2016

|   |                  |                   |
|---|------------------|-------------------|
| Total net change in fund balances - Governmental Funds (from B-2)   |                  | \$ 399,181        |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because:  |                  |                   |
| Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.  |                  |                   |
| Capital outlay  | \$ 181,215       |                   |
| Depreciation expense  | <u>(732,767)</u> | (551,552)         |
| Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.   |                  |                   |
| Bond principal payments   |                  | 965,000           |
| Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.  |                  |                   |
| Amortization of bond issuance costs   |                  | (11,086)          |
| Amortization of premiums on bonds   |                  | 57,146            |
| In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.   |                  |                   |
|   |                  | 6,433             |
| Internal Service Funds are used by management to charge costs of certain activities such as related services. The operating income of \$6,422 are included in the governmental activities and statement of net position.  |                  |                   |
|   |                  | 6,422             |
| Pension contributions are reported in Governmental Funds as expenditures. However in the statement of activities, the contributions are adjusted for actuarial valuation adjustments.   |                  |                   |
|   |                  | (269,092)         |
| In the Statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. |                  |                   |
|   |                  | 45,318            |
| Change in net position of governmental activities   |                  | <u>\$ 647,770</u> |

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2016

|  | Business-type Activities -<br>Enterprise Funds |                     |                   | Governmental<br>Activities |
|--|--|---------------------|-------------------|----------------------------|
|  | Food<br>Service                                | Latchkey<br>Program | Totals<br>FY 2016 | Internal<br>Service Fund   |
| <b>ASSETS</b>                                      |  |                     |                   |                            |
| Current assets:                                    |  |                     |                   |                            |
| Cash and cash equivalents                          | \$ 61,070                                      | \$ 311,086          | \$ 372,156        | \$ 46,060                  |
| Accounts receivable                                | 6,259  | 2,579               | 8,838             |                            |
| Inventories  | 7,634  |                     | 7,634             |                            |
| Total current assets                               | <u>74,963</u>                                  | <u>313,665</u>      | <u>388,628</u>    | <u>46,060</u>              |
| Noncurrent assets:                                 |  |                     |                   |                            |
| Furniture, machinery & equipment                   | 396,750  |                     | 396,750           |                            |
| Less: accumulated depreciation                     | <u>(392,124)</u>                               |                     | <u>(392,124)</u>  |                            |
| Total noncurrent assets                            | <u>4,626</u>                                   |                     | <u>4,626</u>      |                            |
| Total assets                                       | <u>79,589</u>                                  | <u>313,665</u>      | <u>393,254</u>    | <u>46,060</u>              |
| <b>LIABILITIES</b>                                 |  |                     |                   |                            |
| Current liabilities:                               |  |                     |                   |                            |
| Accounts payable                                   | 850  | 36,055              | 36,905            |                            |
| Compensated absences                               | 36,248   |                     | 36,248            |                            |
| Total current liabilities                          | <u>37,098</u>                                  | <u>36,055</u>       | <u>73,153</u>     |                            |
| <b>NET POSITION</b>                                |  |                     |                   |                            |
| Invested in capital assets, net of<br>related debt | 4,626  |                     | 4,626             |                            |
| Unrestricted                                       | 37,865   | 277,610             | 315,475           | 46,060                     |
| Total net position                                 | <u>\$ 42,491</u>                               | <u>\$ 277,610</u>   | <u>\$ 320,101</u> | <u>\$ 46,060</u>           |

See accompanying notes to the basic financial statements.



MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2016

|   | Business-type Activities<br>Enterprise Funds |                     |                   | Governmental<br>Activities |
|---|--|---------------------|-------------------|----------------------------|
|   | Food Service<br>Fund                         | Latchkey<br>Program | Totals<br>FY 2016 | Internal<br>Service Fund   |
| <b>OPERATING REVENUES:</b>              |  |                     |                   |                            |
| Local sources:                          |  |                     |                   |                            |
| Daily sales - reimbursable programs:    | \$ 189,713                                   |                     | \$ 189,713        |                            |
| Daily sales special milk                | 6,528  |                     | 6,528             |                            |
| Daily sales - non-reimbursable programs | 15,679                                       |                     | 15,679            |                            |
| Other                                   |  | \$ 393,735          | 393,735           | \$ 82,109                  |
| Total operating revenue                 | 211,920                                      | 393,735             | 605,655           | 82,109                     |
| <b>OPERATING EXPENSES:</b>              |  |                     |                   |                            |
| Salaries                                | 130,492                                      | 284,378             | 414,870           | 75,687                     |
| Employee benefits                       | 9,940  | 20,429              | 30,369            |                            |
| Supplies and materials                  | 7,453  | 45,172              | 52,625            |                            |
| Depreciation                            | 568  |                     | 568               |                            |
| Cost of sales                           | 161,236                                      |                     | 161,236           |                            |
| Miscellaneous other expenses            | 261  | 2,389               | 2,650             |                            |
| Total operating expenses                | 309,950                                      | 352,368             | 662,318           | 75,687                     |
| Operating income (loss)                 | (98,030)                                     | 41,367              | (56,663)          | 6,422                      |
| <b>NON-OPERATING REVENUES:</b>          |  |                     |                   |                            |
| State sources:                          |  |                     |                   |                            |
| National school lunch program - state   | 3,429  |                     | 3,429             |                            |
| Federal sources:                        |  |                     |                   |                            |
| National school lunch program           | 97,751                                       |                     | 97,751            |                            |
| Breakfast program                       | 12,282                                       |                     | 12,282            |                            |
| Special milk program                    | 4,200  |                     | 4,200             |                            |
| Food distribution program               | 28,728                                       |                     | 28,728            |                            |
| Total non-operating revenues (expenses) | 146,390                                      |                     | 146,390           |                            |
| Net income loss                         | 48,360                                       | 41,367              | 89,727            | 14,627                     |
| Total net position - beginning          | (5,869)                                      | 236,243             | 230,374           | 39,638                     |
| Total net position - ending             | \$ 42,491                                    | \$ 277,610          | \$ 320,101        | \$ 46,060                  |

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2016

|   | Business-type Activities<br>Enterprise Funds |                     |                   | Governmental<br>Activities |
|---|--|---------------------|-------------------|----------------------------|
|   | Food Service<br>Fund                         | Latchkey<br>Program | Totals<br>FY 2016 | Internal<br>Service Fund   |
| Cash flows from operating activities:   |  |                     |                   |                            |
| Receipts from customers   | \$ 211,920                                   | \$ 391,356          | \$ 603,276        | \$ 104,355                 |
| Payments to suppliers   | (136,677)                                    | (29,893)            | (166,570)         |                            |
| Payments to employees   | (133,462)                                    | (284,378)           | (417,840)         | (75,687)                   |
| Payments for employee benefits  | (9,940)                                      | (20,429)            | (30,369)          |                            |
| Net cash provided (used) by operating activities  | (68,159)                                     | 56,656              | (11,503)          | 28,668                     |
| Cash flows from non-capital financing activities:   |  |                     |                   |                            |
| Cash received from state & federal reimbursements   | 132,707                                      |                     | 132,707           |                            |
| Net cash provided by non-capital financing activities   | 132,707                                      |                     | 132,707           |                            |
| Cash flows from investing activities:   |  |                     |                   |                            |
| Capital expenditures  | (3,480)                                      |                     | (3,480)           |                            |
| Payments from General Fund  |  |                     |                   |                            |
| Net cash provided by investing activities   | (3,480)                                      |                     | (3,480)           |                            |
| Net increase in cash and cash equivalents   | 61,068                                       | 56,656              | 117,724           | 28,668                     |
| Cash and cash equivalents - July 1  | 2  | 254,430             | 254,432           | 17,392                     |
| Cash and cash equivalents - June 30   | \$ 61,070                                    | \$ 311,086          | \$ 372,156        | \$ 46,060                  |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities:    |  |                     |                   |                            |
| Operating income (loss)   | \$ (98,030)                                  | \$ 41,367           | \$ (56,663)       | \$ 6,422                   |
| Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities: |  |                     |                   |                            |
| Depreciation  | 568  |                     | 568               |                            |
| Food distribution program   | 28,728                                       |                     | 28,728            |                            |
| Change in assets and liabilities:   |  |                     |                   |                            |
| (Increase) decrease in inventory  | 4,215  |                     | 4,215             |                            |
| (Increase) decrease in accounts receivable  |  | (2,379)             | (2,379)           | 22,246                     |
| Increase (decrease) in accounts payable   | (670)  | 17,668              | 16,998            |                            |
| Increase in compensated absences  | (2,970)                                      |                     | (2,970)           |                            |
|   | \$ (68,159)                                  | \$ 56,656           | \$ (11,503)       | \$ 28,668                  |

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016

|                                     | Scholarship<br>Trust Fund | Agency<br>Funds  | Totals<br>FY 2016 |
|-------------------------------------|---------------------------|------------------|-------------------|
| <b>ASSETS</b>                       |                           |                  |                   |
| Current assets:                     |                           |                  |                   |
| Cash and cash equivalents           | \$ 1,268                  | \$ 62,933        | \$ 64,201         |
| Total assets                        | <u>\$ 1,268</u>           | <u>\$ 62,933</u> | <u>64,201</u>     |
| <b>LIABILITIES</b>                  |                           |                  |                   |
| Current liabilities:                |                           |                  |                   |
| Payroll deductions and withholdings |                           | \$ 2,988         | 2,988             |
| Due to student groups               |                           | 49,868           | 49,868            |
| Interfund payable - General Fund    |                           | 10,077           | 10,077            |
| Total current liabilities           |                           | <u>\$ 62,933</u> | <u>62,933</u>     |
| <b>NET POSITION</b>                 |                           |                  |                   |
| Held in trust for scholarships      | <u>\$ 1,268</u>           |                  | <u>\$ 1,268</u>   |

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Year Ended June 30, 2016

|                                  | Scholarship<br>Trust Fund |
|----------------------------------|---------------------------|
| <b>ADDITIONS</b>                 |                           |
| Contributions:                   |                           |
| Other                            | \$ 250                    |
| Investment earnings:             |                           |
| Interest                         | 2                         |
| Total additions                  | 252                       |
| <b>DEDUCTIONS</b>                |                           |
| Scholarship payments             | 200                       |
| Change in net position           | 52                        |
| Net position - beginning of year | 1,216                     |
| Net position - end of year       | \$ 1,268                  |

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**Introduction**

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

The financial statements of the Board of Education of Mantua Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB).

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

**A. Reporting Entity**

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

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

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

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

**B. Government-wide Statements**

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**B. Government-wide Statements (Continued)**

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

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

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

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

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

**C. Fund Financial Statements**

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

The District reports the following Governmental Funds:

**GOVERNMENTAL FUNDS**

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

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

**PROPRIETARY FUNDS**

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

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

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

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

**FIDUCIARY FUNDS**

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



**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**FIDUCIARY FUNDS (CONTINUED)**

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

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

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

**D. Basis of Accounting**

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

Both Governmental and Business-type Activities in the Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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

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

**E. Cash and Cash Equivalents**

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**E. Cash and Cash Equivalents (Continued)**

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

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

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

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks), and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**F. Inventories**

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2016, consisted of the following:

|                    |    |                     |
|--------------------|----|---------------------|
| Food - commodities | \$ | 3,747               |
| Supplies           |    | 1,414               |
| Food               |    | <u>2,473</u>        |
|                    | \$ | <u><u>7,634</u></u> |

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

**G. Capital Assets**

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**G. Capital Assets (Continued)**

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

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

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

**H. Revenues**

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its School District the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**I. Expenditures**

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

**J. Compensated Absences**

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**K. Interfund Receivables/Payables**

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

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

**L. Accrued Salaries and Wages**

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

**M. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund, as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**M. Budgets/Budgetary Control (Continued)**

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

**N. Encumbrances**

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

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

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

**O. Deferred Revenue**

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

**P. Accrued Liabilities and Long-Term Obligations**

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

**Q. Allocation of Indirect Expenses**

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**R. Extraordinary and Special Items**

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

**S. Use of Estimates**

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

**T. Net Position**

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

**U. Fund Balance Reserves**

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

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

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**U. Fund Balance Reserves (Continued)**

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

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

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

**V. Recent Accounting Pronouncements Not Yet Effective**

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

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

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

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

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**V. Recent Accounting Pronouncements Not Yet Effective (Continued)**

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 fiscal periods beginning after December 15, 2015, will not have any effect 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 fiscal periods beginning after June 15, 2016, will not have any effect 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 fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73." This statement, which is effective for fiscal periods beginning after June 15, 2016. Although not determinable, the impact of this statement on the net position of the district is anticipated to not be significant.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2016 and 2015, was \$1,561,504 and \$1,247,107. As of June 30, 2016 and 2015, \$0 of the District's bank balance of \$1,911,460 and \$1,855,290 respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2016 and 2015, the District did not have any investments.

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

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



**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3: INVESTMENTS (CONTINUED)**

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

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2016, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

|             | Governmental<br>Activities | Business-type<br>Activities |
|-------------|----------------------------|-----------------------------|
| State aid   | \$ 34,859                  | \$ 191                      |
| Other       | 59,451                     | 2,579                       |
| Federal aid | 156,048                    | 6,068                       |
|             | \$ 250,358                 | \$ 8,838                    |

**NOTE 5: CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The June 30, 2016, LRFP balance does not exceed the capital reserve balance.

|                                 |            |
|---------------------------------|------------|
| Beginning balance, July 1, 2015 | \$ 183,816 |
| Interest earnings               | 276        |
| Board resolution                | 50,000     |
| Ending balance, June 30, 2016   | \$ 234,092 |

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2016.

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

|   | <u>July 1, 2015</u>  | <u>Additions</u>    | <u>Adjustments</u> | <u>June 30, 2016</u> |
|---|----------------------|---------------------|--------------------|----------------------|
| Governmental activities:                    |                      |                     |                    |                      |
| Capital assets not being depreciated:       |                      |                     |                    |                      |
| Sites (land)                                | \$ 110,027           |                     |                    | \$ 110,027           |
| Total capital assets not being depreciated  | <u>110,027</u>       |                     |                    | <u>110,027</u>       |
| Land improvements                           | 714,565              | \$ 54,065           |                    | 768,630              |
| Building & building improvements            | 31,636,834           | 41,448              |                    | 31,678,282           |
| Machinery & equipment                       | 1,721,397            | 85,702              | \$ 14,023          | 1,793,076            |
| Totals at historical cost                   | <u>34,072,796</u>    | <u>181,215</u>      | <u>14,023</u>      | <u>34,239,988</u>    |
| Less: accumulated depreciation              |                      |                     |                    |                      |
| Land improvements                           | (451,398)            | (18,369)            |                    | (469,767)            |
| Building & building improvements            | (12,669,852)         | (616,070)           |                    | (13,285,922)         |
| Machinery & equipment                       | (1,016,623)          | (98,328)            | 14,023             | (1,100,928)          |
| Total accumulated depreciation              | <u>(14,137,873)</u>  | <u>(732,767)</u>    | <u>14,023</u>      | <u>(14,856,617)</u>  |
| Governmental activities capital assets, net | <u>\$ 20,044,950</u> | <u>\$ (551,552)</u> | <u>None</u>        | <u>\$ 19,493,398</u> |
| Business-type activities:                   |                      |                     |                    |                      |
| Machinery & equipment                       | \$ 393,270           | \$ 3,480            |                    | \$ 396,750           |
| Less: accumulated depreciation              | (391,556)            | (568)               |                    | (392,124)            |
| Business-type capital assets, net           | <u>\$ 1,714</u>      | <u>\$ 2,912</u>     | <u>None</u>        | <u>\$ 4,626</u>      |

Depreciation was charged to the following governmental programs:

|                           |                   |
|---------------------------|-------------------|
| Instruction               | \$ 34,597         |
| Support administration    | 3,201             |
| Transportation            | 7,117             |
| Operation and maintenance | 1,991             |
| Unallocated               | 685,861           |
| Total                     | <u>\$ 732,767</u> |

**NOTE 7: GENERAL LONG-TERM DEBT**

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

Permanently funded debt as of June 30, 2016, consisted of the following:

\$7,580,000 Refunding Bonds of 2011 dated December 8, 2011, payable in annual installments through March 1, 2020. Interest is paid semi-annually at an interest rate from 2.5% to 5%. The remaining balance as of June 30, 2016, was \$3,575,000.

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

**Long-Term Obligation Activity**

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

|                      | Balance<br>July 1, 2015 | Additions        | Deductions          | Balance<br>June 30, 2016 | Due Within<br>One Year |
|----------------------|-------------------------|------------------|---------------------|--------------------------|------------------------|
| Business-type:       |                         |                  |                     |                          |                        |
| Compensated absences | \$ 39,218               |                  | \$ 2,970            | \$ 36,248                |                        |
| Governmental:        |                         |                  |                     |                          |                        |
| Compensated absences | 851,583                 | \$ 33,347        | 78,665              | 806,265                  | \$ 40,720              |
| Unamortized premium  | 242,873                 |                  | 57,146              | 185,727                  |                        |
| Serial bonds payable | 4,540,000               |                  | 965,000             | 3,575,000                | 950,000                |
|                      | <u>\$ 5,634,456</u>     | <u>\$ 33,347</u> | <u>\$ 1,100,811</u> | <u>\$ 4,566,992</u>      | <u>\$ 990,720</u>      |

**Bonds Payable**

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

| Year Ended<br>June 30, | Principal           | Interest          | Total               |
|------------------------|---------------------|-------------------|---------------------|
| 2017                   | \$ 950,000          | \$ 143,350        | \$ 1,093,350        |
| 2018                   | 915,000             | 119,600           | 1,034,600           |
| 2019                   | 895,000             | 83,000            | 978,000             |
| 2020                   | 815,000             | 60,750            | 875,750             |
|                        | <u>\$ 3,575,000</u> | <u>\$ 406,700</u> | <u>\$ 3,981,700</u> |

**Bonds Authorized but Not Issued**

As of June 30, 2016, the Board has \$0 of bonds authorized but not issued.

**Defeased Debt**

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

**Other**

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

**Other (Continued)**

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

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

For the year ended June 30, 2016, it is not necessary for the Board to establish a liability for arbitrage rebate.

**NOTE 8: PENSION FUNDS**

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

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION FUNDS (CONTINUED)**

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for 7.06% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2016, 2015, and 2014, were \$286,535, \$265,710, and \$238,954, respectively, equal to the required contributions and retro adjustments for each year. The School District's contributions for TPAF for the years ending June 30, 2016, 2015, and 2014, were \$1,482,466, \$1,160,541, and \$936,593, respectively, were paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2016, 2015, and 2014; \$668,838, \$651,112, and \$636,251, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the year ended June 30, 2016, 2015, and 2014, were \$13,129,192, \$12,609,275, and \$12,305,045, covered payroll was \$9,256,564, \$8,800,828, and \$8,545,772 for TPAF and \$1,932,632, \$2,069,920, and \$2,267,881 for PERS.

For the year ended June 30, 2016, the District recognized pension expense of \$555,627. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Changes of assumptions   | \$ 768,578                           |                                     |
| Net difference between projected and actual earnings<br>on pension plan investments                              |                                      | \$ 30,382                           |
| Difference between expected and actual experience  | 178,484                              |                                     |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions | 352,727                              |                                     |
| District contributions subsequent to the measurement date  | 286,535                              |                                     |
|  | \$ 1,586,324                         | \$ 30,382                           |

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION FUNDS (CONTINUED)**

\$286,535, 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) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Amount       |
|------------------------|--------------|
| 2017                   | \$ 250,452   |
| 2018                   | 250,452      |
| 2019                   | 250,452      |
| 2020                   | 340,358      |
| 2021                   | 177,693      |
| Thereafter             | 0            |
|                        | \$ 1,269,407 |

Additional information – Collective balances at June 30, 2015 and 2014, are as follows:

|   | June 30, 2015     | June 30, 2014  |
|---|-------------------|----------------|
| Collective deferred outflows of resources | 3,578,755,666     | \$ 952,194,675 |
| Collective deferred inflows of resources  | 993,410,455       | 1,479,224,662  |
| Collective net pension liability          | \$ 22,447,996,119 | 18,722,735,003 |
| District's proportion                     | 0.0333284169%     | 0.0322312771%  |

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The District's contributions to DCRP for the years ending June 30, 2016, 2015, and 2014, were \$19,621, \$15,396, and \$9,981.

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 9: POST-EMPLOYMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

**NOTE 10: DEFERRED COMPENSATION**

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

Lincoln Investment Planning, Inc.

MetLife

**NOTE 11: COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Eligible administrators may bank unused vacation up to the total number of vacation days earned per year. Any unused vacation days which result in an

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: COMPENSATED ABSENCES (CONTINUED)**

employee exceeding the allowable number of banked days on June 30 of any given year will be forfeited. Teachers are entitled to eleven sick days per school year and are permitted to accumulate these days from year to year with no maximum limit. In order to be reimbursed for unused sick time, the teacher must have a minimum of fifty days accumulated at the end of the academic year in which their retirement is executed. Under the current contract, a teacher will only be reimbursed up to a maximum of (\$7,200) 120 days at a rate of \$60 per day. The District uses the vesting method to record the liability.

For the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the governmental fund at June 30, 2016, is \$806,265. The liability for compensated absences in the food service fund at June 30, 2016, is \$36,248.

**NOTE 12: LABOR CONTRACTS**

As of June 30, 2016, there are the following collective bargaining units in the Mantua Township Board of Education. Contracts are continually being negotiated and the following table shows their current status.

|                             | <u>Category</u> | <u>Expiration</u> | <u>Covers</u>  |
|-----------------------------|-----------------|-------------------|--|
| Education Association       | Teachers        | 6/30/2017         | All teachers, teaching assistants, nurses, social workers, etc., excluding administrators  |
| Administrator's Association | Administrators  | 6/30/2017         | Principals, Vice-Principals, supervisor of curriculum, and supervisor of special education |

**NOTE 13: EMPLOYEE BENEFITS**

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

**NOTE 14: RISK MANAGEMENT**

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

**Property and Liability Insurance:**

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2016, the District did not incur claims in excess of their coverage.



**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14: RISK MANAGEMENT (CONTINUED)**

**Property and Liability Insurance (Continued):**

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

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

**NOTE 15: OPERATING LEASES**

The District has commitments to lease copiers under non-cancelable operating leases spanning 48 months. Monthly payments range from \$365 - \$715 per month. Total lease payments made during the year ended June 30, 2016, amounted to \$61,141. Future minimum lease payments are as follows:

| Year Ended | Amount    |
|------------|-----------|
| June 30,   |           |
| 2017       | \$ 56,706 |
| 2018       | 10,638    |
| 2019       | 7,564     |
| 2020       | 526       |
|            | \$ 75,434 |

**NOTE 16: FUND BALANCE APPROPRIATED**

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)**

Specific classifications of fund balance are summarized below:

**Non-Spendable Fund Balance** - The District had no non-spendable fund balance at June 30, 2016.

**Restricted Fund Balance:**

**Capital Reserve Account** - Of the \$234,092 balance in the capital reserve account at June 30, 2016, \$0 has been designated for utilization in the 2016-2017 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

**Maintenance Reserve Account** - Of the \$189,912 balance in the maintenance reserve account at June 30, 2016, \$0 has been designated for utilization in the 2016-2017 budget. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

**Excess Surplus** - At June 30, 2016, excess surplus created in FY 2015 of \$313,289, will be utilized for expenditures in the 2016-2017 budget, while excess surplus created in FY 2016 of \$313,850 is restricted and will be utilized for budget expenditures in 2017-2018.

**Debt Service Fund** - At June 30, 2016, there was \$0 fund balance.

**Committed Fund Balance** - The District had no committed fund balance at June 30, 2016.

**Assigned Fund Balance** - As of June 30, 2016, the District had \$286,395 of assigned fund balance. The balance consisted of \$280,299 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, \$6,096 funds designated for subsequent year's expenditures that the District has appropriated and included as anticipated revenue for the year ending June 30, 2017.

**Unassigned Fund Balance** - At June 30, 2016, the District has (\$235,956) of unassigned fund balance in the General Fund.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016, is \$627,139.

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$235,956 (Exhibit B-1) in the General Fund as of June 30, 2016, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event June state school aid payments are not made until the following

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 18: DEFICIT FUND BALANCES (CONTINUED)**

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

**NOTE 19: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 38.1% of the District's 2015-2016 Governmental Fund revenue, while local tax levy accounted for approximately 57.1%.

**NOTE 20: INTERFUND RECEIVABLES AND PAYABLES**

The interfund balances remaining on the balance sheet at June 30, 2016.

|              | From      | To        |
|--------------|-----------|-----------|
| General fund | \$ 10,077 |           |
| Agency fund  |           | \$ 10,077 |
|              | \$ 10,077 | \$ 10,077 |

**NOTE 21: COMMITMENTS AND CONTINGENCIES**

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

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

**NOTE 22: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2016 and September 12, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

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

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to<br>Actual |
|---|--------------------|---------------------|-------------------|-------------------|--------------------------------|
| REVENUES:   |                    |                     |                   |                   |                                |
| Local sources:  |                    |                     |                   |                   |                                |
| Local tax levy  | \$ 12,437,724      |                     | \$ 12,437,724     | \$ 12,438,869     | (1,145)                        |
| Tuition from individuals  | 275,000            |                     | 275,000           | 310,191           | \$ 35,191                      |
| Tuition from other LEA's within state                           | 80,000             |                     | 80,000            | 141,625           | 61,625                         |
| Tuition other   |                    |                     |                   | 4,700             | 4,700                          |
| Interest on investments   | 5,000              |                     | 5,000             | 4,324             | (676)                          |
| Interest on capital reserve funds                               | 100                |                     | 100               | 276               | 176                            |
| Miscellaneous   | 45,000             |                     | 45,000            | 66,022            | 21,022                         |
| <b>Total - local sources</b>                                    | <b>12,842,824</b>  |                     | <b>12,842,824</b> | <b>12,966,007</b> | <b>120,893</b>                 |
| State sources:  |                    |                     |                   |                   |                                |
| Equalization aid  | 5,286,989          |                     | 5,286,989         | 5,286,989         |                                |
| Special education aid   | 731,840            |                     | 731,840           | 731,840           |                                |
| Security aid  | 24,998             |                     | 24,998            | 24,998            |                                |
| Transportation aid  | 94,099             |                     | 94,099            | 94,099            |                                |
| PARCC readiness aid   | 11,490             |                     | 11,490            | 11,490            |                                |
| Per pupil growth aid  | 11,490             |                     | 11,490            | 11,490            |                                |
| Nonpublic transportation aid                                    |                    |                     |                   | 2,098             | 2,098                          |
| Teachers' pension and annuity fund<br>(on-behalf non-budgeted)  |                    |                     |                   | 676,701           | 676,701                        |
| TPAF post-retirement<br>(on-behalf non-budgeted)                |                    |                     |                   | 805,765           | 805,765                        |
| Reimbursed TPAF social security<br>contributions (non-budgeted) |                    |                     |                   | 668,838           | 668,838                        |
| <b>Total - state sources</b>                                    | <b>6,160,906</b>   |                     | <b>6,160,906</b>  | <b>8,314,308</b>  | <b>2,153,402</b>               |
| Federal sources:  |                    |                     |                   |                   |                                |
| Medicaid reimbursement  | 22,325             |                     | 22,325            | 30,514            | 8,189                          |
| <b>Total - federal sources</b>                                  | <b>22,325</b>      |                     | <b>22,325</b>     | <b>30,514</b>     | <b>8,189</b>                   |
| <b>Total revenues</b>   | <b>19,026,055</b>  |                     | <b>19,026,055</b> | <b>21,310,829</b> | <b>2,282,484</b>               |

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

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to<br>Actual |
|--|--------------------|---------------------|------------------|------------------|--------------------------------|
| <b>EXPENDITURES:</b>                               |                    |                     |                  |                  |                                |
| Current expense:                                   |                    |                     |                  |                  |                                |
| Regular programs - instruction:                    |                    |                     |                  |                  |                                |
| Salaries of teachers:                              |                    |                     |                  |                  |                                |
| Kindergarten                                       | 427,411            | \$ (12,948)         | 414,463          | 414,448          | 15                             |
| Grades 1-5   | 4,078,076          | (88,669)            | 3,989,407        | 3,984,600        | 4,807                          |
| Grades 6-8   | 469,320            | (26,552)            | 442,768          | 442,361          | 407                            |
| Regular programs - home instruction:               |                    |                     |                  |                  |                                |
| Salaries of teachers                               | 5,000              | 110                 | 5,110            | 5,110            |                                |
| Regular programs - undistributed instruction:      |                    |                     |                  |                  |                                |
| Other salaries for instruction                     | 21,052             | 383                 | 21,435           | 21,303           | 132                            |
| Other purchased services (400-500 series)          | 600                | 200                 | 800              | 535              | 265                            |
| General supplies                                   | 343,471            | 143,169             | 486,640          | 454,077          | 32,563                         |
| Textbooks  | 30,348             | 3,147               | 33,495           | 32,941           | 554                            |
| Miscellaneous expenditures                         | 1,500              |                     | 1,500            |                  | 1,500                          |
| <b>Total regular programs</b>                      | <b>5,376,778</b>   | <b>18,840</b>       | <b>5,395,618</b> | <b>5,355,375</b> | <b>40,243</b>                  |
| Learning and/or language disabilities:             |                    |                     |                  |                  |                                |
| Salaries of teachers                               | 279,138            | 11,702              | 290,840          | 290,809          | 31                             |
| Other salaries for instruction                     | 207,019            | (14,279)            | 192,740          | 188,770          | 3,970                          |
| General supplies                                   | 10,900             |                     | 10,900           | 9,324            | 1,576                          |
| <b>Total learning and/or language disabilities</b> | <b>497,057</b>     | <b>(2,577)</b>      | <b>494,480</b>   | <b>488,903</b>   | <b>5,577</b>                   |
| Multiple disabilities:                             |                    |                     |                  |                  |                                |
| Salaries of teachers                               | 52,168             |                     | 52,168           | 50,537           | 1,631                          |
| Other salaries for instruction                     | 99,664             | (16,576)            | 83,088           | 80,312           | 2,776                          |
| General supplies                                   | 5,815              |                     | 5,815            | 1,555            | 4,260                          |
| <b>Total multiple disabilities</b>                 | <b>157,647</b>     | <b>(16,576)</b>     | <b>141,071</b>   | <b>132,404</b>   | <b>8,667</b>                   |
| Resource room:                                     |                    |                     |                  |                  |                                |
| Salaries of teachers                               | 1,354,500          | 97,872              | 1,452,372        | 1,452,371        | 1                              |
| Other salaries for instruction                     | 266,621            | (25,865)            | 240,756          | 240,754          | 2                              |
| General supplies                                   | 5,312              | 238                 | 5,550            | 5,082            | 468                            |
| Textbooks  | 7,500              | (6,610)             | 890              | 888              | 2                              |
| <b>Total resource room</b>                         | <b>1,633,933</b>   | <b>65,635</b>       | <b>1,699,568</b> | <b>1,699,095</b> | <b>473</b>                     |
| Preschool disabilities - part-time:                |                    |                     |                  |                  |                                |
| Salaries of teachers                               | 188,242            | (6,351)             | 181,891          | 181,529          | 362                            |
| Other salaries for instruction                     | 99,309             | (4,230)             | 95,079           | 90,943           | 4,136                          |
| General supplies                                   | 4,500              | 2                   | 4,502            | 4,414            | 88                             |
| <b>Total preschool disabilities - part-time</b>    | <b>292,051</b>     | <b>(10,579)</b>     | <b>281,472</b>   | <b>276,886</b>   | <b>4,586</b>                   |

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

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual    | Variance<br>Final to<br>Actual |
|---|--------------------|---------------------|-----------------|-----------|--------------------------------|
| Home instruction:                               |                    |                     |                 |           |                                |
| Purchased professional - educational services   | 10,000             | (4,908)             | 5,092           |           | 5,092                          |
| Total home instruction                          | 10,000             | (4,908)             | 5,092           |           | 5,092                          |
| Total special education                         | 2,590,688          | 30,995              | 2,621,683       | 2,597,288 | 24,395                         |
| Basic skills/remedial:                          |                    |                     |                 |           |                                |
| Salaries of teachers                            | 869,722            | (59,789)            | 809,933         | 809,259   | 674                            |
| Other salaries for instruction                  | 78,000             | 23,037              | 101,037         | 100,961   | 76                             |
| General supplies                                | 5,827              | 447                 | 6,274           | 6,165     | 109                            |
| Total basic skills/remedial                     | 953,549            | (36,305)            | 917,244         | 916,385   | 859                            |
| Bilingual:                                      |                    |                     |                 |           |                                |
| Salaries of teachers                            | 2,000              |                     | 2,000           | 1,278     | 722                            |
| General supplies                                | 500                |                     | 500             | 128       | 372                            |
| Total bilingual                                 | 2,500              |                     | 2,500           | 1,406     | 1,094                          |
| School sponsored co-curricular activities:      |                    |                     |                 |           |                                |
| Salaries  | 40,000             | 2,312               | 42,312          | 42,311    | 1                              |
| Total school sponsored co-curricular activities | 40,000             | 2,312               | 42,312          | 42,311    | 1                              |
| School sponsored athletics - instruction:       |                    |                     |                 |           |                                |
| Salaries  | 1,000              | (1,000)             |                 |           |                                |
| Total school sponsored athletics - instruction  | 1,000              | (1,000)             |                 |           |                                |
| Total other instructional programs              | 997,049            | (34,993)            | 962,056         | 960,102   | 1,954                          |
| Total - instruction                             | 8,964,515          | 14,842              | 8,979,357       | 8,912,765 | 66,592                         |
| Undistributed expenditures:                     |                    |                     |                 |           |                                |
| Instruction                                     |                    |                     |                 |           |                                |
| Tuition to other LEA's within state-regular     | 17,022             | 17,195              | 34,217          | 34,032    | 185                            |
| Total tuition                                   | 17,022             | 17,195              | 34,217          | 34,032    | 185                            |
| Health services:                                |                    |                     |                 |           |                                |
| Salaries  | 281,455            | (2,454)             | 279,001         | 273,352   | 5,649                          |
| Purchased professional/technical services       | 9,135              | (300)               | 8,835           | 8,761     | 74                             |
| Other purchased services (400-500 series)       | 2,400              | 58                  | 2,458           | 2,457     | 1                              |
| Supplies and materials                          | 19,780             | 1,249               | 21,029          | 20,787    | 242                            |
| Total health services                           | 312,770            | (1,447)             | 311,323         | 305,357   | 5,966                          |



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

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual  | Variance<br>Final to<br>Actual |
|--|--------------------|---------------------|-----------------|---------|--------------------------------|
| Related services:  |                    |                     |                 |         |                                |
| Salaries of teachers   | 425,621            | 12,437              | 438,058         | 438,057 | 1                              |
| General supplies   | 6,750              | (1,088)             | 5,662           | 3,635   | 2,027                          |
| Total related services   | 432,371            | 11,349              | 443,720         | 441,692 | 2,028                          |
| Guidance services:   |                    |                     |                 |         |                                |
| Salaries of other professional staff   | 145,219            | (77)                | 145,142         | 144,458 | 684                            |
| Purchased professional - education services  | 3,500              | 24                  | 3,524           | 3,021   | 503                            |
| Purchased professional - technical services  | 17,500             | 326                 | 17,826          | 17,826  |                                |
| Other purchased services (400-500 series)  | 325                |                     | 325             |         | 325                            |
| Supplies and materials   | 4,320              | (950)               | 3,370           | 2,397   | 973                            |
| Total guidance services  | 170,864            | (677)               | 170,187         | 167,702 | 2,485                          |
| Child study team:  |                    |                     |                 |         |                                |
| Salaries of other professional staff   | 413,886            | (40,655)            | 373,231         | 368,947 | 4,284                          |
| Salaries of secretarial and clerical assistants  | 83,440             | 7,751               | 91,191          | 87,282  | 3,909                          |
| Purchased professional - educational services  | 2,000              | 5,888               | 7,888           | 7,888   |                                |
| Purchased professional - technical services  | 46,182             | 3,050               | 49,232          | 47,160  | 2,072                          |
| Other purchased services (400-500 series)  | 2,500              | (330)               | 2,170           | 1,900   | 270                            |
| Supplies and materials   | 37,699             | (7,615)             | 30,084          | 29,921  | 163                            |
| Other objects  | 1,147              | 295                 | 1,442           | 1,440   | 2                              |
| Total child study team services  | 586,854            | (31,616)            | 555,238         | 544,538 | 10,700                         |
| Improvement of instructional services/<br>other support services - instructional staff:      |                    |                     |                 |         |                                |
| Salaries of supervisors of instruction   | 99,572             | (49,253)            | 50,319          | 50,078  | 241                            |
| Salaries of secretarial and clerical assistants  | 25,585             | 251                 | 25,836          | 25,585  | 251                            |
| Purchased professional - educational services  | 6,400              | (5,763)             | 637             | 475     | 162                            |
| Other purchased services (400-500 series)  | 2,500              | 2,941               | 5,441           | 5,439   | 2                              |
| Supplies and materials   | 11,200             | 6,326               | 17,526          | 17,526  |                                |
| Other objects  | 1,300              | (1,015)             | 285             | 281     | 4                              |
| Total improvement of instructional services/<br>other support services - instructional staff | 146,557            | (46,513)            | 100,044         | 99,384  | 660                            |
| Educational media services/school library:   |                    |                     |                 |         |                                |
| Salaries   | 166,026            | 1,484               | 167,510         | 167,509 | 1                              |
| Other purchased services (400-500 series)  | 3,570              |                     | 3,570           | 3,570   |                                |
| Supplies and materials   | 33,488             | (1,137)             | 32,351          | 30,985  | 1,366                          |
| Total educational media services/school library  | 203,084            | 347                 | 203,431         | 202,064 | 1,367                          |

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

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual         | Variance<br>Final to<br>Actual |
|--|--------------------|---------------------|-----------------|----------------|--------------------------------|
| Instructional staff training:                        |                    |                     |                 |                |                                |
| Salaries of supervisors of instruction               | 50,079             | 1                   | 50,080          | 50,079         | 1                              |
| Salaries of other professional staff                 |                    | 60,623              | 60,623          | 60,623         |                                |
| Salaries of secretarial and clerical assistants      | 25,585             | 1                   | 25,586          | 25,585         | 1                              |
| Purchased professional - educational services        | 2,700              | (965)               | 1,735           | 1,696          | 39                             |
| Purchased professional - technical services          | 2,500              | (2,054)             | 446             |                | 446                            |
| Other purchased services (400-500 series)            | 22,800             | (15,402)            | 7,398           | 7,398          |                                |
| Supplies and materials                               | 4,000              | (885)               | 3,115           | 3,115          |                                |
| <b>Total instructional staff training</b>            | <b>107,664</b>     | <b>41,319</b>       | <b>148,983</b>  | <b>148,496</b> | <b>487</b>                     |
| Support services general administration:             |                    |                     |                 |                |                                |
| Salaries   | 191,974            | 275                 | 192,249         | 191,974        | 275                            |
| Legal services                                       | 15,000             | (8,186)             | 6,814           | 6,195          | 619                            |
| Audit fees   | 15,000             |                     | 15,000          | 14,900         | 100                            |
| Other professional services                          | 16,800             | (7,410)             | 9,390           | 4,681          | 4,709                          |
| Communications/telephone                             | 60,500             | (3,373)             | 57,127          | 54,947         | 2,180                          |
| Other purchased services (400-500 series)            | 79,500             | 270                 | 79,770          | 75,021         | 4,749                          |
| Supplies and materials                               | 25,096             | 9,633               | 34,729          | 27,199         | 7,530                          |
| Miscellaneous expenditures                           | 4,000              | 824                 | 4,824           | 4,781          | 43                             |
| BOE member dues/fees                                 | 9,500              | (198)               | 9,302           | 9,155          | 147                            |
| <b>Total support services general administration</b> | <b>417,370</b>     | <b>(8,165)</b>      | <b>409,205</b>  | <b>388,853</b> | <b>20,352</b>                  |
| Support services school administration:              |                    |                     |                 |                |                                |
| Salaries of principals/assistant principals          | 409,510            | (3,133)             | 406,377         | 404,308        | 2,069                          |
| Salaries of secretarial and clerical assistants      | 233,608            | (1,090)             | 232,518         | 231,693        | 825                            |
| Purchased professional - educational services        | 31,805             | (10,232)            | 21,573          | 21,545         | 28                             |
| Other purchased services (400-500 series)            | 3,075              | (1,869)             | 1,206           | 1,195          | 11                             |
| Supplies and materials                               | 60,666             | 19,966              | 80,632          | 56,047         | 24,585                         |
| Other objects  | 3,225              | (1,397)             | 1,828           | 1,827          | 1                              |
| <b>Total support services school administration</b>  | <b>741,889</b>     | <b>2,245</b>        | <b>744,134</b>  | <b>716,615</b> | <b>27,519</b>                  |
| Central services:                                    |                    |                     |                 |                |                                |
| Salaries   | 175,289            | 14,314              | 189,603         | 183,909        | 5,694                          |
| Purchased technical services                         | 18,100             | 14,530              | 32,630          | 27,019         | 5,611                          |
| Other purchased services (400-500 series)            | 1,500              | (454)               | 1,046           | 630            | 416                            |
| Supplies and materials                               | 7,598              | (1,296)             | 6,302           | 6,027          | 275                            |
| Other objects  | 1,000              | 2,277               | 3,277           | 3,073          | 204                            |
| <b>Total central services</b>                        | <b>203,487</b>     | <b>29,371</b>       | <b>232,858</b>  | <b>220,658</b> | <b>12,200</b>                  |

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

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual    | Variance<br>Final to<br>Actual |
|--|--------------------|---------------------|-----------------|-----------|--------------------------------|
| Administration information technology:                             |                    |                     |                 |           |                                |
| Salaries   | 89,301             | 17,832              | 107,133         | 99,523    | 7,610                          |
| Purchased technical services                                       | 1,000              |                     | 1,000           | 1,000     |                                |
| Other purchased services (400-500 series)                          | 13,500             | 206                 | 13,706          | 13,705    | 1                              |
| Supplies and materials   | 54,983             | (1,086)             | 53,897          | 53,896    | 1                              |
| Other objects  | 1,000              | (1,000)             |                 |           |                                |
| Total administration information technology                        | 159,784            | 15,952              | 175,736         | 168,124   | 7,612                          |
| Required maintenance:  |                    |                     |                 |           |                                |
| Cleaning, repair, and maintenance services                         | 105,881            | 30,454              | 136,335         | 104,927   | 31,408                         |
| General supplies   | 57,870             | 51,270              | 109,140         | 96,595    | 12,545                         |
| Total required maintenance   | 163,751            | 81,724              | 245,475         | 201,522   | 43,953                         |
| Custodial services:  |                    |                     |                 |           |                                |
| Salaries non-instructional aides                                   | 220,801            | (9,222)             | 211,579         | 211,212   | 367                            |
| Other salaries   | 600,673            | 14,039              | 614,712         | 613,103   | 1,609                          |
| Purchased professional - technical services                        | 6,500              | (3,833)             | 2,667           | 1,116     | 1,551                          |
| Cleaning, repair, and maintenance services                         | 44,600             | (36,218)            | 8,382           | 8,381     | 1                              |
| Rental of land, building & other lease purchases                   | 4,000              | 660                 | 4,660           | 4,660     |                                |
| Other purchased property services                                  | 27,000             | 13,541              | 40,541          | 40,541    |                                |
| Insurance  | 100,000            | (6,132)             | 93,868          | 93,643    | 225                            |
| Miscellaneous purchased services                                   | 750                | (440)               | 310             | 310       |                                |
| General supplies   | 50,000             | 1,974               | 51,974          | 15,549    | 36,425                         |
| Natural gas  | 70,000             | (47,303)            | 22,697          | 22,696    | 1                              |
| Electricity  | 432,978            | 13,364              | 446,342         | 446,341   | 1                              |
| Total custodial services   | 1,557,302          | (59,570)            | 1,497,732       | 1,457,552 | 40,180                         |
| Security services:   |                    |                     |                 |           |                                |
| General supplies   |                    | 16,493              | 16,493          | 16,489    | 4                              |
| Total security services  |                    | 16,493              | 16,493          | 16,489    | 4                              |
| Total operation & maintenance of plant services                    | 1,721,053          | 38,647              | 1,759,700       | 1,675,563 | 84,137                         |
| Student transportation services:                                   |                    |                     |                 |           |                                |
| Contracted services (other than between home and school) - vendors | 150,000            | (34,409)            | 115,591         | 78,739    | 36,852                         |
| Contracted services (between home and school ) - joint agreements  | 785,000            | (42,791)            | 742,209         | 587,703   | 154,506                        |
| Contracted services (special education students) - vendors         | 88,261             | (8,773)             | 79,488          | 36,253    | 43,235                         |
| Aid in lieu - nonpublic  | 15,000             |                     | 15,000          | 13,525    | 1,475                          |
| Total student transportation services                              | 1,038,261          | (85,973)            | 952,288         | 716,220   | 236,068                        |

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

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual       | Variance<br>Final to<br>Actual |
|--|--------------------|---------------------|-----------------|--------------|--------------------------------|
| Unallocated benefits:  |                    |                     |                 |              |                                |
| Social security contributions  | 270,000            |                     | 270,000         | 258,301      | 11,699                         |
| Other retirement contributions - PERS  | 310,000            | 6,000               | 316,000         | 313,310      | 2,690                          |
| Unemployment compensation  | 50,000             | 6,201               | 56,201          | 56,200       | 1                              |
| Workers' compensation  | 170,000            | (12,201)            | 157,799         | 148,911      | 8,888                          |
| Health benefits  | 3,182,400          | (126,012)           | 3,056,388       | 3,016,474    | 39,914                         |
| Tuition reimbursement  | 43,000             | 1,753               | 44,753          | 44,752       | 1                              |
| Other employee benefits  | 41,000             | 100,683             | 141,683         | 128,272      | 13,411                         |
| Total unallocated benefits   | 4,066,400          | (23,576)            | 4,042,824       | 3,966,220    | 76,604                         |
| Teachers' pension and annuity fund<br>(on-behalf non-budgeted)   |                    |                     |                 | 676,701      | (676,701)                      |
| TPAF post-retirement<br>(on-behalf non-budgeted)   |                    |                     |                 | 805,765      | (805,765)                      |
| Reimbursed TPAF social security<br>contributions (non-budgeted)  |                    |                     |                 | 668,838      | (668,838)                      |
| Total non-budgeted   |                    |                     |                 | 2,151,304    | (2,151,304)                    |
|  | 10,325,430         | (41,542)            | 10,283,888      | 11,946,822   | (1,662,934)                    |
| Total expenditures - current expense   | 19,289,945         | (26,700)            | 19,263,245      | 20,859,587   | (1,596,342)                    |
| CAPITAL OUTLAY:  |                    |                     |                 |              |                                |
| Equipment:   |                    |                     |                 |              |                                |
| Regular programs - instruction:  |                    |                     |                 |              |                                |
| Care-upkeep grounds  |                    | 26,700              | 26,700          | 26,700       |                                |
| Total equipment  |                    | 26,700              | 26,700          | 26,700       |                                |
| Facilities acquisition and construction services:  |                    |                     |                 |              |                                |
| Construction services  |                    | 25,000              | 25,000          | 24,400       | 600                            |
| Total capital outlay   |                    | 51,700              | 51,700          | 51,100       | 600                            |
| Total expenditures   | 19,289,945         | 25,000              | 19,314,945      | 20,910,687   | (1,595,742)                    |
| Excess (deficiency) of revenues over (under)<br>expenditures   | (263,890)          | (25,000)            | 238,890         | 400,142      | 686,742                        |
| Other financing sources (uses):  |                    |                     |                 |              |                                |
| Transfer from maintenance reserve  |                    | 25,000              | 25,000          |              | 25,000                         |
| Total other financing sources (uses)   |                    | 25,000              | 25,000          |              | 711,742                        |
| Excess (deficiency) of revenues and other<br>financing sources over (under) expenditures<br>and other financing uses | (263,890)          |                     | 263,890         | 400,142      | 711,742                        |
| Fund balances - July 1   | 1,314,682          |                     | 1,314,682       | 1,314,682    |                                |
| Fund balances - June 30  | \$1,050,791        |                     | \$ 1,578,572    | \$ 1,714,824 | \$ 711,742                     |

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

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual                     | Variance<br>Final to<br>Actual |
|--|--------------------|---------------------|-----------------|----------------------------|--------------------------------|
| <b>Recapitulation:</b>   |                    |                     |                 |                            |                                |
| <b>Restricted fund balance:</b>                                |                    |                     |                 |                            |                                |
| Capital reserve  |                    |                     |                 | \$ 234,092                 |                                |
| Maintenance reserve  |                    |                     |                 | 189,912                    |                                |
| Excess surplus - designated for subsequent year's expenditures |                    |                     |                 | 313,289                    |                                |
| Excess surplus - current year                                  |                    |                     |                 | 313,850                    |                                |
| <b>Assigned fund balance:</b>                                  |                    |                     |                 |                            |                                |
| Year-end encumbrances  |                    |                     |                 | 280,299                    |                                |
| Designated for subsequent year's expenditures                  |                    |                     |                 | 6,096                      |                                |
| <b>Unassigned fund balance</b>                                 |                    |                     |                 |                            |                                |
|  |                    |                     |                 | <u>1,714,824</u>           |                                |
| Reconciliation to Governmental Fund statements (GAAP):         |                    |                     |                 |                            |                                |
| Last state aid payment not recognized on GAAP basis            |                    |                     |                 | <u>(613,242)</u>           |                                |
| Fund balance per Governmental Funds (GAAP)                     |                    |                     |                 | <u><u>\$ 1,101,582</u></u> |                                |

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

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| <b>REVENUES:</b>                              |                    |                     |                   |                   |                             |
| Federal sources                               | \$ 387,071         | \$ 340,607          | \$ 727,678        | \$ 542,491        | \$ 185,187                  |
| State sources                                 | 34,699             | 87,720              | 122,419           | 103,337           | 19,082                      |
| Local sources                                 |                    | 12,143              | 12,143            | 12,143            |                             |
| Total revenues                                | <u>\$ 421,770</u>  | <u>\$ 440,470</u>   | <u>\$ 862,240</u> | <u>\$ 657,971</u> | <u>\$ 204,269</u>           |
| <b>EXPENDITURES:</b>                          |                    |                     |                   |                   |                             |
| Instruction:                                  |                    |                     |                   |                   |                             |
| Salaries of teachers                          | \$ 201,267         | \$ (45,161)         | \$ 156,106        | \$ 151,237        | \$ 4,869                    |
| Other salaries for instruction                |                    | 201,425             | 201,425           | 186,852           | 14,573                      |
| Purchased professional technical services     | 18,846             | 18,571              | 37,417            |                   | 37,417                      |
| Purchased professional - educational services |                    | 16,200              | 16,200            | 16,200            |                             |
| General supplies                              | 17,117             | 75,927              | 93,044            | 32,797            | 60,247                      |
| Tuition                                       |                    | 92,933              | 92,933            | 33,501            | 59,432                      |
| Textbooks                                     |                    | 10,278              | 10,278            | 4,792             | 5,486                       |
| Total Instruction                             | <u>237,230</u>     | <u>370,173</u>      | <u>607,403</u>    | <u>425,379</u>    | <u>182,024</u>              |
| Support services:                             |                    |                     |                   |                   |                             |
| Salaries                                      | 106,384            | 50,050              | 156,434           | 148,559           | 7,875                       |
| Personal services - employee benefits         | 65,156             | 10,497              | 75,653            | 62,717            | 12,936                      |
| General supplies                              | 13,000             | 9,750               | 22,750            | 21,316            | 1,434                       |
| Total support services                        | <u>184,540</u>     | <u>70,297</u>       | <u>254,837</u>    | <u>232,592</u>    | <u>22,245</u>               |
| Total expenditures                            | <u>\$ 421,770</u>  | <u>\$ 440,470</u>   | <u>\$ 862,240</u> | <u>\$ 657,971</u> | <u>\$ 204,269</u>           |

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

MANTUA TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2016

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

|  | General<br>Fund     |       | Special<br>Revenue<br>Fund |
|--|---------------------|-------|----------------------------|
| Sources/inflows of resources:  |                     |       |                            |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.   | \$ 21,310,829       | [C-2] | \$ 657,971                 |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements.                                     | (613,242)           |       |                            |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.          | 612,281             |       |                            |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.     | [B-2] \$ 21,309,868 | [B-2] | \$ 657,971                 |
| Uses/outflows of resources:  |                     |       |                            |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.                                    | [C-1] \$ 20,910,687 | [C-2] | \$ 657,971                 |
| Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds. | [B-2] \$ 20,910,687 | [B-2] | \$ 657,971                 |



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

|   | Fiscal Year Ended |               |               |
|---|-------------------|---------------|---------------|
|   | June 30, 2016     | June 30, 2015 | June 30, 2014 |
| District's proportion of the net pension liability (asset)  | 0.0333284169%     | 0.0322312771% | 0.0304832417% |
| District's proportionate share of the net pension liability (asset)   | \$ 7,481,562      | \$ 6,034,577  | \$ 5,825,953  |
| District's covered-employee payroll   | 2069920           | 2,267,881     | 2,218,876     |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 361.44%           | 266.09%       | 262.56%       |
| Plan fiduciary net position as a percentage of the total pension liability  | 47.92%            | 52.08%        | 48.72%        |

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

|  | Fiscal Year Ended    |                      |                      |
|--|----------------------|----------------------|----------------------|
|  | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
| Contractually required contribution                                  | \$ 286,535           | \$ 265,710           | \$ 229,685           |
| Contributions in relation to the contractually required contribution | <u>286,535</u>       | <u>265,710</u>       | <u>229,685</u>       |
| Contribution deficiency (excess)                                     | <u>None</u>          | <u>None</u>          | <u>None</u>          |
| District's covered-employee payroll                                  | \$ 2,069,920         | \$ 2,267,881         | \$ 2,218,876         |
| Contributions as a percentage of covered-employee payroll            | 13.84%               | 11.72%               | 10.35%               |

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

|   | Fiscal Year Ended |               |               |
|---|-------------------|---------------|---------------|
|   | June 30, 2016     | June 30, 2015 | June 30, 2014 |
| District's proportion of the net pension liability (asset)  | 0.0829610868%     | 0.0838737081% | 0.0836229160% |
| District's proportionate share of the net pension liability (asset)   | \$ 52,434,950     | \$ 44,827,767 | \$ 42,262,364 |
| District's covered- employee payroll  | 8,800,828         | 8,545,772     | 8,258,102     |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 595.80%           | 524.56%       | 511.77%       |
| Plan fiduciary net position as a percentage of the total pension liability  | 28.71%            | 33.64%        | 33.76%        |

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

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

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**NOTE 1: CONTRIBUTIONS**

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

**NOTE 2: ACTUARIAL ASSUMPTIONS**

The total pension liability for the June 30, 2015, measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

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

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

## **OTHER SUPPLEMENTARY INFORMATION**



**SPECIAL REVENUE FUND**

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

|   | Total<br>Brought<br>Forward<br>Ex. E-1a | Nonpublic<br>Security<br>Services | Nonpublic Handicapped Services |                          |                      | Totals            |                   |
|---|---|-----------------------------------|--------------------------------|--------------------------|----------------------|-------------------|-------------------|
|   |   |                                   | Supplemental<br>Instruction    | Exam &<br>Classification | Corrective<br>Speech | FY 2016           | FY 2015           |
| REVENUES:                                   |   |                                   |                                |                          |                      |                   |                   |
| Federal sources                             | \$ 542,491                              |                                   |                                |                          |                      | \$ 542,491        | \$ 554,345        |
| State sources                               | 81,410                                  | \$ 9,725                          | \$ 1,708                       | \$ 2,217                 | \$ 8,277             | 103,337           | 66,426            |
| Local sources                               | 12,143                                  |                                   |                                |                          |                      | 12,143            |                   |
| Total revenues                              | <u>\$ 636,044</u>                       | <u>\$ 9,725</u>                   | <u>\$ 1,708</u>                | <u>\$ 2,217</u>          | <u>\$ 8,277</u>      | <u>\$ 657,971</u> | <u>\$ 620,771</u> |
| EXPENDITURES:                               |   |                                   |                                |                          |                      |                   |                   |
| Instruction:                                |   |                                   |                                |                          |                      |                   |                   |
| Salaries of teachers                        | \$ 151,237                              |                                   |                                |                          |                      | \$ 151,237        | \$ 171,898        |
| Other salaries for instruction              | 186,852                                 |                                   |                                |                          |                      | 186,852           | 209,148           |
| Purchased educational services              | 16,200                                  |                                   |                                |                          |                      | 16,200            | 14,892            |
| General supplies                            | 32,797                                  |                                   |                                |                          |                      | 32,797            | 4,297             |
| Tuition                                     | 21,299                                  |                                   | \$ 1,708                       | \$ 2,217                 | \$ 8,277             | 33,501            | 112,871           |
| Textbooks                                   | 4,792                                   |                                   |                                |                          |                      | 4,792             | 7,124             |
| Total instruction                           | <u>413,177</u>                          |                                   | <u>1,708</u>                   | <u>2,217</u>             | <u>8,277</u>         | <u>425,379</u>    | <u>520,230</u>    |
| Support services:                           |   |                                   |                                |                          |                      |                   |                   |
| Salaries                                    | 148,559                                 |                                   |                                |                          |                      | 148,559           | 50,238            |
| Personal services - employee benefits       | 62,717                                  |                                   |                                |                          |                      | 62,717            | 37,799            |
| Purchased professional - technical services |   |                                   |                                |                          |                      |                   | 12,504            |
| General supplies                            | 11,591                                  | \$ 9,725                          |                                |                          |                      | 21,316            |                   |
| Total support services                      | <u>222,867</u>                          | <u>9,725</u>                      |                                |                          |                      | <u>232,592</u>    | <u>100,541</u>    |
| Total expenditures                          | <u>\$ 636,044</u>                       | <u>\$ 9,725</u>                   | <u>\$ 1,708</u>                | <u>\$ 2,217</u>          | <u>\$ 8,277</u>      | <u>\$ 657,971</u> | <u>\$ 620,771</u> |

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

|                                       | Total<br>Brought<br>Forward<br>Ex. E-1b | New Jersey<br>Achievement<br>Coaches<br>Program | Nonpublic<br>Textbooks | Title I<br>Part A | Title II, Part A<br>Teacher &<br>Principal<br>Training &<br>Recruiting | NJ Safety<br>Award | Total<br>Carried<br>Forward |
|---------------------------------------|---|---|------------------------|-------------------|--|--------------------|-----------------------------|
| REVENUES:                             |   |   |                        |                   |  |                    |                             |
| Federal sources                       | \$ 389,797                              |   |                        | \$ 121,954        | \$ 30,740  |                    | \$ 542,491                  |
| State sources                         | 41,919                                  | \$ 34,699                                       | \$ 4,792               |                   |  |                    | 81,410                      |
| Local sources                         |   |   |                        |                   |  | \$ 12,143          | 12,143                      |
| Total revenues                        | <u>\$ 431,716</u>                       | <u>\$ 34,699</u>                                | <u>\$ 4,792</u>        | <u>\$ 121,954</u> | <u>\$ 30,740</u>   | <u>\$ 12,143</u>   | <u>\$ 636,044</u>           |
| EXPENDITURES:                         |   |   |                        |                   |  |                    |                             |
| Instruction:                          |   |   |                        |                   |  |                    |                             |
| Salaries of teachers                  | \$ 126,633                              |   |                        |                   | \$ 24,604  |                    | \$ 151,237                  |
| Other salaries for instruction        | 64,898                                  |   |                        | \$ 121,954        |  |                    | 186,852                     |
| Purchased educational services        | 16,200                                  |   |                        |                   |  |                    | 16,200                      |
| General supplies                      | 20,654                                  |   |                        |                   |  | \$ 12,143          | 32,797                      |
| Tuition                               | 21,299                                  |   |                        |                   |  |                    | 21,299                      |
| Textbooks                             |   |   | \$ 4,792               |                   |  |                    | 4,792                       |
| Total instruction                     | <u>249,684</u>                          |   | <u>4,792</u>           | <u>121,954</u>    | <u>24,604</u>  | <u>12,143</u>      | <u>413,177</u>              |
| Support services:                     |   |   |                        |                   |  |                    |                             |
| Salaries                              | 119,559                                 | \$ 29,000                                       |                        |                   |  |                    | 148,559                     |
| Personal services - employee benefits | 50,882                                  | 5,699   |                        |                   | 6,136  |                    | 62,717                      |
| General supplies                      | 11,591                                  |   |                        |                   |  |                    | 11,591                      |
| Total support services                | <u>182,032</u>                          | <u>34,699</u>                                   |                        |                   | <u>6,136</u>   |                    | <u>222,867</u>              |
| Total expenditures                    | <u>\$ 431,716</u>                       | <u>\$ 34,699</u>                                | <u>\$ 4,792</u>        | <u>\$ 121,954</u> | <u>\$ 30,740</u>   | <u>\$ 12,143</u>   | <u>\$ 636,044</u>           |

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

|                                       | Nonpublic Auxiliary Services |                | Nonpublic<br>Technology | Nonpublic<br>Nursing<br>Services | IDEA-Part<br>B - Basic | IDEA<br>Preschool | Total<br>Carried<br>Forward |
|---------------------------------------|------------------------------|----------------|-------------------------|----------------------------------|------------------------|-------------------|-----------------------------|
|                                       | Compensatory<br>Education    | Transportation |                         |                                  |                        |                   |                             |
| REVENUES:                             |                              |                |                         |                                  |                        |                   |                             |
| Federal sources                       |                              |                |                         |                                  | \$ 356,059             | \$ 33,738         | \$ 389,797                  |
| State sources                         | \$ 19,035                    | \$ 2,264       | \$ 4,420                | \$ 16,200                        |                        |                   | 41,919                      |
| Total revenues                        | \$ 19,035                    | \$ 2,264       | \$ 4,420                | \$ 16,200                        | \$ 356,059             | \$ 33,738         | \$ 431,716                  |
| EXPENDITURES:                         |                              |                |                         |                                  |                        |                   |                             |
| Instruction:                          |                              |                |                         |                                  |                        |                   |                             |
| Salaries of teachers                  |                              |                |                         |                                  | \$ 99,630              | \$ 27,003         | \$ 126,633                  |
| Other salaries for instruction        |                              |                |                         |                                  | 64,898                 |                   | 64,898                      |
| Purchased educational services        |                              |                |                         | \$ 16,200                        |                        |                   | 16,200                      |
| General supplies                      |                              |                | \$ 4,420                |                                  | 16,234                 |                   | 20,654                      |
| Tuition                               | \$ 19,035                    | \$ 2,264       |                         |                                  |                        |                   | 21,299                      |
| Total instruction                     | 19,035                       | 2,264          | 4,420                   | 16,200                           | 180,762                | 27,003            | 249,684                     |
| Support services:                     |                              |                |                         |                                  |                        |                   |                             |
| Salaries                              |                              |                |                         |                                  | 119,559                |                   | 119,559                     |
| Personal services - employee benefits |                              |                |                         |                                  | 44,147                 | 6,735             | 50,882                      |
| General supplies                      |                              |                |                         |                                  | 11,591                 |                   | 11,591                      |
| Total support services                |                              |                |                         |                                  | 175,297                | 6,735             | 182,032                     |
| Total expenditures                    | \$ 19,035                    | \$ 2,264       | \$ 4,420                | \$ 16,200                        | \$ 356,059             | \$ 33,738         | \$ 431,716                  |

## PROPRIETARY FUNDS

MANTUA TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2016

|  | Business-type Activities |                     | Totals            |                   |
|--|--------------------------|---------------------|-------------------|-------------------|
|  | Food Service<br>Fund     | Latchkey<br>Program | FY 2016           | FY 2015           |
| <b>ASSETS</b>                                      |                          |                     |                   |                   |
| Current assets:                                    |                          |                     |                   |                   |
| Cash and cash equivalents                          | \$ 61,070                | \$ 311,086          | \$ 372,156        | \$ 254,432        |
| Accounts receivable:                               |                          |                     |                   |                   |
| State  | 191                      |                     | 191               | 787               |
| Federal  | 6,068                    |                     | 6,068             | 20,517            |
| Other  |                          | 2,579               | 2,579             | 200               |
| Inventory  | 7,634                    |                     | 7,634             | 11,849            |
| Total current assets                               | <u>74,963</u>            | <u>313,665</u>      | <u>388,628</u>    | <u>287,785</u>    |
| Non-current assets                                 |                          |                     |                   |                   |
| Machinery and equipment                            | 396,750                  |                     | 396,750           | 393,270           |
| Less: accumulated depreciation                     | (392,124)                |                     | (392,124)         | (391,556)         |
| Total non-current assets                           | <u>4,626</u>             |                     | <u>4,626</u>      | <u>1,714</u>      |
| Total assets                                       | <u>79,589</u>            | <u>313,665</u>      | <u>393,254</u>    | <u>289,499</u>    |
| <b>LIABILITIES AND NET POSITION</b>                |                          |                     |                   |                   |
| Current liabilities:                               |                          |                     |                   |                   |
| Accounts payable                                   | 850                      | 36,055              | 36,905            | 19,907            |
| Compensated absences                               | 36,248                   |                     | 36,248            | 39,218            |
| Total current liabilities                          | <u>37,098</u>            | <u>36,055</u>       | <u>73,153</u>     | <u>59,125</u>     |
| Net Position:                                      |                          |                     |                   |                   |
| Invested in capital assets, net of<br>related debt | 4,626                    |                     | 4,626             | 1,714             |
| Unrestricted                                       | 37,865                   | 277,610             | 315,475           | 228,660           |
| Total net position                                 | <u>\$ 42,491</u>         | <u>\$ 277,610</u>   | <u>\$ 320,101</u> | <u>\$ 230,374</u> |

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

|   | Business-type Activities |                     | Totals     |            |
|---|--------------------------|---------------------|------------|------------|
|   | Food<br>Service<br>Fund  | Latchkey<br>Program | FY 2016    | FY 2015    |
|   |                          |                     |            |            |
| <b>OPERATING REVENUES:</b>              |                          |                     |            |            |
| Local sources:                          |                          |                     |            |            |
| Daily sales - reimbursable programs:    | \$ 189,713               |                     | \$ 189,713 | \$ 169,368 |
| Daily sales special milk                | 6,528                    |                     | 6,528      | 7,226      |
| Daily sales - non-reimbursable programs | 15,679                   |                     | 15,679     | 17,274     |
| Tuition                                 |                          | \$ 393,735          | 393,735    | 361,102    |
| Total operating revenue                 | 211,920                  | 393,735             | 605,655    | 554,970    |
| <b>OPERATING EXPENSES:</b>              |                          |                     |            |            |
| Salaries                                | 130,492                  | 284,378             | 414,870    | 396,391    |
| Employee benefits                       | 9,940                    | 20,429              | 30,369     | 29,152     |
| Supplies and materials                  | 7,453                    | 45,172              | 52,625     | 72,547     |
| Depreciation                            | 568                      |                     | 568        | 1,420      |
| Cost of sales                           | 161,236                  |                     | 161,236    | 162,126    |
| Miscellaneous other expenses            | 261                      | 2,389               | 2,650      | 3,133      |
| Total operating expenses                | 309,950                  | 352,368             | 662,318    | 664,769    |
| Operating income (loss)                 | (98,030)                 | 41,367              | (56,663)   | (109,799)  |
| <b>NON-OPERATING REVENUES:</b>          |                          |                     |            |            |
| State sources:                          |                          |                     |            |            |
| National school lunch program - state   | 3,429                    |                     | 3,429      | 3,697      |
| Federal sources:                        |                          |                     |            |            |
| National school lunch program           | 97,751                   |                     | 97,751     | 103,913    |
| Breakfast program                       | 12,282                   |                     | 12,282     |            |
| Special milk program                    | 4,200                    |                     | 4,200      | 5,603      |
| Food distribution program               | 28,728                   |                     | 28,728     | 25,913     |
| Total non-operating revenues (expenses) | 146,390                  |                     | 146,390    | 139,126    |
| Net income (loss) before contributions  | 48,360                   | 41,367              | 89,727     | 29,327     |
| Transfers from general fund             |                          |                     |            | 4,600      |
| Net income (loss)                       | 48,360                   | 41,367              | 89,727     | 33,927     |
| Total net position - July 1             | (5,869)                  | 236,243             | 230,374    | 196,447    |
| Total net position - June 30            | \$ 42,491                | \$ 277,610          | \$ 320,101 | \$ 230,374 |

MANTUA TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2016

|   | Business-type Activities |                     | Totals             |                    |
|---|--------------------------|---------------------|--------------------|--------------------|
|   | Food Service<br>Fund     | Latchkey<br>Program | FY 2016            | FY 2015            |
| Cash flows from operating activities:   |                          |                     |                    |                    |
| Receipts from customers   | \$ 211,920               | \$ 391,356          | \$ 603,276         | \$ 554,970         |
| Payments to suppliers   | (136,677)                | (29,893)            | (166,570)          | (207,200)          |
| Payments to employees   | (133,462)                | (284,378)           | (417,840)          | (395,738)          |
| Payments for employee benefits  | (9,940)                  | (20,429)            | (30,369)           | (29,152)           |
| Net cash provided (used) by operating activities  | <u>(68,159)</u>          | <u>56,656</u>       | <u>(11,503)</u>    | <u>(77,120)</u>    |
| Cash flows from non-capital financing activities:   |                          |                     |                    |                    |
| Cash received from state & federal reimbursements   | <u>132,707</u>           |                     | <u>132,707</u>     | <u>114,685</u>     |
| Net cash provided by non-capital financing activities   | <u>132,707</u>           |                     | <u>132,707</u>     | <u>114,685</u>     |
| Cash flows from investing activities:   |                          |                     |                    |                    |
| Capital expenditures  | (3,480)                  |                     | (3,480)            |                    |
| Payments from General Fund  |                          |                     |                    | 4,600              |
| Net cash provided by investing activities   | <u>(3,480)</u>           |                     | <u>(3,480)</u>     | <u>4,600</u>       |
| Net increase in cash and cash equivalents   | 61,068                   | 56,656              | 117,724            | 42,165             |
| Cash and cash equivalents - July 1  | 2                        | 254,430             | 254,432            | 212,267            |
| Cash and cash equivalents - June 30   | <u>\$ 61,070</u>         | <u>\$ 311,086</u>   | <u>\$ 372,156</u>  | <u>\$ 254,432</u>  |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities:    |                          |                     |                    |                    |
| Operating income (loss)   | \$ (98,030)              | \$ 41,367           | \$ (56,663)        | \$ (109,799)       |
| Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities: |                          |                     |                    |                    |
| Depreciation  | 568                      |                     | 568                | 1,420              |
| Food distribution program   | 28,728                   |                     | 28,728             | 25,913             |
| Change in assets and liabilities:   |                          |                     |                    |                    |
| (Increase) decrease in inventory  | 4,215                    |                     | 4,215              | (187)              |
| (Increase) decrease in accounts receivable  |                          | (2,379)             | (2,379)            |                    |
| Increase (decrease) in accounts payable   | (670)                    | 17,668              | 16,998             | 4,880              |
| Increase (decrease) in compensated absences   | (2,970)                  |                     | (2,970)            | 653                |
|   | <u>\$ (68,159)</u>       | <u>\$ 56,656</u>    | <u>\$ (11,503)</u> | <u>\$ (77,120)</u> |



MANTUA TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2016

|                                       | FY 2016<br>Related<br>Services | Totals<br>FY 2015 |
|---------------------------------------|--------------------------------|-------------------|
| <b>ASSETS</b>                         |                                |                   |
| Current assets:                       |                                |                   |
| Cash and cash equivalents             | \$ 46,060                      | \$ 17,392         |
| Intergovernmental accounts receivable |                                | 22,246            |
|                                       | \$ 46,060                      | \$ 39,638         |
| Total current assets                  | \$ 46,060                      | \$ 39,638         |
| <b>LIABILITIES AND NET POSITION</b>   |                                |                   |
| Net position:                         |                                |                   |
| Unrestricted                          | \$ 46,060                      | \$ 39,638         |
| Total net position                    | \$ 46,060                      | \$ 39,638         |

MANTUA TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2016

|                              | FY 2016<br>Related<br>Services | <u>Totals</u><br><u>FY 2015</u> |
|------------------------------|--------------------------------|---------------------------------|
| OPERATING REVENUES:          |                                |                                 |
| Local sources:               |                                |                                 |
| Other charges and fees       | \$ 82,109                      | \$ 119,265                      |
| Total operating revenue      | <u>82,109</u>                  | <u>119,265</u>                  |
| OPERATING EXPENSES:          |                                |                                 |
| Salaries                     | <u>75,687</u>                  | <u>104,638</u>                  |
| Total operating expenses     | <u>75,687</u>                  | <u>104,638</u>                  |
| Operating income (loss)      | <u>6,422</u>                   | <u>14,627</u>                   |
| Net income (loss)            | 6,422                          | 14,627                          |
| Total net position - July 1  | 39,638                         | 25,011                          |
| Total net position - June 30 | <u><u>\$ 46,060</u></u>        | <u><u>\$ 39,638</u></u>         |

MANTUA TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2016

|  | FY 2016<br>Related<br>Services | <u>Totals</u><br><u>FY 2015</u> |
|--|--------------------------------|---------------------------------|
| Cash flows from operating activities:  |                                |                                 |
| Receipts from customers  | \$ 104,355                     | \$ 97,019                       |
| Payments to employees  | (75,687)                       | (104,638)                       |
| Net cash provided (used) by operating activities   | <u>28,668</u>                  | <u>(7,619)</u>                  |
| Net increase in cash and cash equivalents  | 28,668                         | (7,619)                         |
| Cash and cash equivalents - July 1   | 17,392                         | 25,011                          |
| Cash and cash equivalents - June 30  | <u>\$ 46,060</u>               | <u>\$ 17,392</u>                |
| Reconciliation of operating income (loss) to net<br>cash provided (used) by operating activities:    |                                |                                 |
| Operating income (loss)  | \$ 6,422                       | \$ 14,627                       |
| Adjustments to reconcile operating income (loss)<br>to cash provided (used) by operating activities: |                                |                                 |
| Change in assets and liabilities:  |                                |                                 |
| (Increase) decrease in accounts receivable   | 22,246                         | (22,246)                        |
|  | <u>\$ 28,668</u>               | <u>\$ (7,619)</u>               |

## FIDUCIARY FUNDS

MANTUA TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2016

|                                     | Scholarship<br>Trust Fund | Agency<br>Funds  | Totals          |                 |
|-------------------------------------|---------------------------|------------------|-----------------|-----------------|
|                                     |                           |                  | FY 2016         | FY 2015         |
| <b>ASSETS</b>                       |                           |                  |                 |                 |
| Cash and cash equivalents           | \$ 1,268                  | \$ 62,933        | \$ 64,201       | \$ 54,229       |
| Total assets                        | <u>\$ 1,268</u>           | <u>\$ 62,933</u> | <u>64,201</u>   | <u>54,229</u>   |
| <b>LIABILITIES</b>                  |                           |                  |                 |                 |
| Payroll deductions and withholdings |                           | \$ 2,988         | 2,988           | 6,637           |
| Due to student groups               |                           | 49,868           | 49,868          | 36,318          |
| Interfund payables:                 |                           |                  |                 |                 |
| General fund                        |                           | 10,077           | 10,077          | 10,058          |
| Total liabilities                   |                           | <u>\$ 62,933</u> | <u>62,933</u>   | <u>53,013</u>   |
| <b>NET POSITION</b>                 |                           |                  |                 |                 |
| Unreserved                          | \$ 1,268                  |                  | 1,268           | 1,216           |
| Total net position                  | <u>\$ 1,268</u>           |                  | <u>\$ 1,268</u> | <u>\$ 1,216</u> |

EXHIBIT H-2

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

|                                  | Scholarship<br>Trust Fund | Totals   |          |
|----------------------------------|---------------------------|----------|----------|
|                                  |                           | FY 2016  | FY 2015  |
| ADDITIONS:                       |                           |          |          |
| Contributions:                   |                           |          |          |
| Other                            | \$ 250                    | \$ 250   | \$ 250   |
|                                  | 250                       | 250      | 250      |
| Investment earnings:             |                           |          |          |
| Interest                         | 2                         | 2        | 2        |
| Total additions                  | 252                       | 252      | 252      |
| DEDUCTIONS:                      |                           |          |          |
| Scholarship payments             | 200                       | 200      | 200      |
| Change in net position           | 52                        | 52       | 52       |
| Net position - beginning of year | 1,216                     | 1,216    | 1,164    |
| Net position - end of year       | \$ 1,268                  | \$ 1,268 | \$ 1,216 |

EXHIBIT H-3

MANTUA TOWNSHIP SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

|                 | Balance<br>July 1, 2015 | Cash<br>Receipts | Cash<br>Disbursements | Balance<br>June 30, 2016 |
|-----------------|-------------------------|------------------|-----------------------|--------------------------|
| ACTIVITIES:     |                         |                  |                       |                          |
| J. Mason Tomlin | \$ 15,106               | \$ 57,361        | \$ 48,358             | \$ 24,109                |
| Centre City     | 13,346                  | 23,468           | 18,885                | 17,929                   |
| Sewell          | 7,866                   | 10,405           | 10,441                | 7,830                    |
|                 | \$ 36,318               | \$ 91,234        | \$ 77,684             | \$ 49,868                |

MANTUA TOWNSHIP SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2016

|  | Balance<br>July 1, 2015 | Additions           | Deletions           | Balance<br>June 30, 2016 |
|--|-------------------------|---------------------|---------------------|--------------------------|
| <b>ASSETS</b>                          |                         |                     |                     |                          |
| Cash and cash equivalents              | \$ 16,695               | \$ 7,681,585        | \$ 7,685,215        | \$ 13,065                |
| Total assets                           | <u>\$ 16,695</u>        | <u>\$ 7,681,585</u> | <u>\$ 7,685,215</u> | <u>\$ 13,065</u>         |
| <b>LIABILITIES</b>                     |                         |                     |                     |                          |
| Employees' net pay                     |                         | \$ 1,487,167        | \$ 1,487,167        |                          |
| Payroll deductions and<br>withholdings | \$ 6,637                | 6,194,193           | 6,197,842           | \$ 2,988                 |
| Interfund payable                      | 10,058                  | 225                 | 206                 | 10,077                   |
| Total liabilities                      | <u>\$ 16,695</u>        | <u>\$ 7,681,585</u> | <u>\$ 7,685,215</u> | <u>\$ 13,065</u>         |

## **LONG-TERM DEBT**



MANTUA TOWNSHIP SCHOOL DISTRICT  
 Schedule of Serial Bonds  
 June 30, 2016

| Issue                   | Date of Issue | Amount of Issue | Annual Maturities |            | Interest Rate | Balance July 1, 2015 | Refunded/ Issued | Retired    | Balance June 30, 2016 |
|-------------------------|---------------|-----------------|-------------------|------------|---------------|----------------------|------------------|------------|-----------------------|
|                         |               |                 | Date              | Amount     |               |                      |                  |            |                       |
| Refunding Bonds of 2011 | 12/08/11      | \$ 7,580,000    | 03/01/17          | \$ 950,000 | 2.500%        | \$ 4,540,000         | None             | \$ 965,000 | \$ 3,575,000          |
|                         |               |                 | 03/01/18          | 915,000    | 4.000%        |                      |                  |            |                       |
|                         |               |                 | 03/01/19          | 895,000    | 4.721%        |                      |                  |            |                       |
|                         |               |                 | 03/01/20          | 815,000    | 5.000%        |                      |                  |            |                       |

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

|                            | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Positive<br>(Negative)<br>Final to Actual |
|----------------------------|--------------------|---------------------|------------------|------------------|---|
| REVENUES:                  |                    |                     |                  |                  |   |
| Local sources:             |                    |                     |                  |                  |   |
| Local tax levy             | \$ 753,884         |                     | \$ 753,884       | \$ 753,884       |   |
| State sources:             |                    |                     |                  |                  |   |
| Debt service aid type II   | 393,066            |                     | 393,066          | 393,066          |   |
| Total revenues             | <u>1,146,950</u>   |                     | <u>1,146,950</u> | <u>1,146,950</u> |   |
| EXPENDITURES:              |                    |                     |                  |                  |   |
| Regular debt service:      |                    |                     |                  |                  |   |
| Interest                   | 181,950            |                     | 181,950          | 181,950          |   |
| Redemption of principal    | 965,000            |                     | 965,000          | 965,000          |   |
| Total regular debt service | <u>1,146,950</u>   |                     | <u>1,146,950</u> | <u>1,146,950</u> |   |
| Total expenditures         | <u>1,146,950</u>   |                     | <u>1,146,950</u> | <u>1,146,950</u> |   |

**STATISTICAL SECTION  
(UNAUDITED)**

**MANTUA TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION**

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

MANTUA TOWNSHIP SCHOOL DISTRICT  
 Net Position By Component  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2016  
 Unaudited

|   | 2007                | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                | 2016                 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Governmental activities                         |                     |                      |                      |                      |                      |                      |                      |                      |                     |                      |
| Invested in capital assets, net of related debt | \$ 9,394,081        | \$ 10,151,786        | \$ 11,049,759        | \$ 11,828,652        | \$ 12,614,208        | \$ 13,136,960        | \$ 13,771,147        | \$ 14,640,335        | \$ 15,278,865       | \$ 15,744,806        |
| Restricted                                      | 352,523             | 282,490              | 309,681              | 336,546              | 431,307              | 887,236              | 1,149,870            | 644,023              | 750,814             | 1,337,538            |
| Unrestricted                                    | (280,601)           | (554,538)            | (519,697)            | (777,544)            | (423,882)            | (673,857)            | (710,644)            | (397,104)            | (6,516,886)         | (6,921,781)          |
| Total governmental activities net position      | <u>\$ 9,466,003</u> | <u>\$ 9,879,738</u>  | <u>\$ 10,839,743</u> | <u>\$ 11,387,654</u> | <u>\$ 12,621,633</u> | <u>\$ 13,350,339</u> | <u>\$ 14,210,373</u> | <u>\$ 14,887,254</u> | <u>\$ 9,512,793</u> | <u>\$ 10,160,563</u> |
| Business-type activities                        |                     |                      |                      |                      |                      |                      |                      |                      |                     |                      |
| Invested in capital assets, net of related debt | \$ 51,150           | \$ 42,397            | \$ 33,643            | \$ 25,650            | \$ 24,892            | \$ 21,064            | \$ 7,225             | \$ 3,134             | \$ 1,714            | \$ 4,626             |
| Unrestricted                                    | 169,631             | 131,984              | 134,429              | 130,923              | 210,259              | 239,489              | 207,907              | 193,313              | 228,660             | 315,475              |
| Total business-type activities net position     | <u>\$ 220,781</u>   | <u>\$ 174,381</u>    | <u>\$ 168,072</u>    | <u>\$ 156,573</u>    | <u>\$ 235,151</u>    | <u>\$ 260,553</u>    | <u>\$ 215,132</u>    | <u>\$ 196,447</u>    | <u>\$ 230,374</u>   | <u>\$ 320,101</u>    |
| District-wide                                   |                     |                      |                      |                      |                      |                      |                      |                      |                     |                      |
| Invested in capital assets, net of related debt | \$ 9,445,231        | \$ 10,194,183        | \$ 11,083,402        | \$ 11,854,302        | \$ 12,639,100        | \$ 13,158,024        | \$ 13,778,372        | \$ 14,643,469        | \$ 15,280,579       | \$ 15,749,432        |
| Restricted                                      | 352,523             | 282,490              | 309,681              | 336,546              | 431,307              | 887,236              | 1,149,870            | 644,023              | 750,814             | 1,337,538            |
| Unrestricted                                    | (110,970)           | (422,554)            | (385,268)            | (646,621)            | (213,623)            | (434,368)            | (502,737)            | (203,791)            | (6,288,226)         | (6,606,306)          |
|   | <u>\$ 9,686,784</u> | <u>\$ 10,054,119</u> | <u>\$ 11,007,815</u> | <u>\$ 11,544,227</u> | <u>\$ 12,856,784</u> | <u>\$ 13,610,892</u> | <u>\$ 14,425,505</u> | <u>\$ 15,083,701</u> | <u>\$ 9,743,167</u> | <u>\$ 10,480,664</u> |

MANTUA TOWNSHIP SCHOOL DISTRICT  
 Changes In Net Assets/Net Position  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2016  
 Unaudited

|  | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>EXPENSES:</b>                               |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                       |               |               |               |               |               |               |               |               |               |               |
| Instruction:                                   |               |               |               |               |               |               |               |               |               |               |
| Regular  | \$ 4,741,128  | \$ 5,045,818  | \$ 5,288,988  | \$ 5,587,824  | \$ 4,842,731  | \$ 4,953,349  | \$ 4,889,701  | \$ 5,066,941  | \$ 5,634,951  | \$ 5,335,790  |
| Special education                              | 2,425,371     | 2,557,743     | 2,728,714     | 2,858,615     | 2,678,462     | 2,884,883     | 2,934,866     | 2,977,078     | 3,040,232     | 3,021,984     |
| Other special education                        | 416,836       | 528,869       | 539,714       | 631,131       | 639,737       | 979,109       | 865,581       | 892,729       | 899,205       | 977,692       |
| Other instruction                              | 23,652        | 27,359        | 24,207        | 25,728        | 23,010        | 25,680        | 27,558        | 38,082        | 39,950        | 43,717        |
| Support services:                              |               |               |               |               |               |               |               |               |               |               |
| Tuition  | 91,264        | 9,027         |               | 135,305       | 277,556       | 70,221        |               |               |               |               |
| Student and instruction and related services   | 1,781,974     | 1,843,055     | 1,899,205     | 1,899,942     | 1,729,085     | 1,765,268     | 1,888,699     | 1,980,664     | 1,959,900     | 2,120,664     |
| General administration                         | 318,021       | 377,268       | 393,405       | 343,445       | 326,272       | 369,843       | 398,969       | 393,533       | 378,003       | 383,830       |
| School administrative services                 | 710,661       | 742,758       | 757,711       | 826,899       | 738,464       | 736,617       | 710,083       | 734,176       | 714,276       | 714,895       |
| Central services                               | 171,538       | 192,937       | 194,727       | 134,749       | 178,605       | 194,168       | 186,202       | 153,580       | 204,758       | 219,780       |
| Administrative information technology          | 127,078       | 147,008       | 133,053       | 170,371       | 193,570       | 176,294       | 156,603       | 170,226       | 123,971       | 168,687       |
| Plant operations and maintenance               | 1,512,249     | 1,636,728     | 1,601,315     | 1,557,647     | 1,572,575     | 1,553,622     | 1,581,753     | 1,575,484     | 1,736,359     | 1,590,091     |
| Pupil transportation                           | 879,913       | 861,911       | 701,528       | 1,039,964     | 836,541       | 1,106,707     | 970,675       | 945,874       | 888,883       | 723,337       |
| Employee benefits                              | 4,237,429     | 4,417,275     | 4,210,128     | 4,605,251     | 4,709,802     | 5,081,005     | 5,401,156     | 5,632,643     | 5,906,225     | 6,433,133     |
| Interest on long-term debt                     | 763,872       | 702,198       | 639,688       | 573,537       | 505,788       | 299,776       | 238,165       | 207,756       | 168,557       | 129,457       |
| Capital outlay                                 | 8,908         |               | 790           |               |               | 52,015        | 12,008        | 44,364        |               |               |
| Transfer to charter school                     |               |               |               |               |               | 14,144        |               |               |               |               |
| Unallocated depreciation                       | 636,097       | 640,153       | 640,943       | 623,822       | 618,514       | 620,792       | 648,864       | 665,946       | 680,235       | 685,861       |
| Total governmental activities expenses         | 18,845,991    | 19,730,107    | 19,754,116    | 21,014,230    | 19,870,712    | 20,883,493    | 20,910,883    | 21,479,076    | 22,375,505    | 22,548,918    |
| Business-type activities:                      |               |               |               |               |               |               |               |               |               |               |
| Food service                                   | 379,537       | 400,802       | 407,876       | 378,126       | 348,008       | 361,034       | 381,728       | 356,853       | 352,372       | 309,950       |
| Childcare                                      | 378,458       | 355,587       | 316,402       | 354,111       | 298,792       | 308,492       | 284,346       | 291,810       | 312,397       | 352,368       |
| Total business-type activities expense         | 757,995       | 756,389       | 724,278       | 732,237       | 646,800       | 669,526       | 666,074       | 648,663       | 664,769       | 662,318       |
| Total District expenses                        | \$ 19,603,986 | \$ 20,486,496 | \$ 20,478,394 | \$ 21,746,467 | \$ 20,517,512 | \$ 21,553,019 | \$ 21,576,957 | \$ 22,127,739 | \$ 23,040,274 | \$ 23,211,236 |
| <b>PROGRAM REVENUES:</b>                       |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                       |               |               |               |               |               |               |               |               |               |               |
| Charges for services                           |               |               |               |               |               |               |               |               |               |               |
| Operating grants and contributions:            |               |               |               |               |               |               | \$ 28,175     | \$ 119,585    | \$ 119,265    | \$ 82,109     |
| Instruction (special education)                | \$ 613,346    | \$ 557,811    | \$ 600,489    | \$ 634,793    | \$ 596,514    | \$ 523,779    | 488,241       | 551,605       | 546,779       | 425,169       |
| Student & instructional related services       | 49,035        | 15,072        | 1,979         | 58,358        | 62,919        | 35,428        | 71,967        | 61,908        | 62,742        | 169,875       |
| Employee benefits                              | 20,260        | 18,769        | 21,354        | 39,545        | 57,328        | 22,856        | 22,753        | 22,352        | 37,799        | 62,717        |
| Capital outlay                                 |               |               |               |               |               |               | 11,817        |               |               |               |
| Total governmental activities program revenues | 682,641       | 591,652       | 623,822       | 732,696       | 716,761       | 582,063       | 594,778       | 755,450       | 766,585       | 739,870       |

MANTUA TOWNSHIP SCHOOL DISTRICT  
Changes In Net Assets/Net Position  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2016  
Unaudited

|  | 2007                   | 2008                   | 2009                   | 2010                   | 2011                   | 2012                   | 2013                   | 2014                   | 2015                   | 2016                   |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Business-type activities:                          |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services:                              |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Food service                                       | 262,275                | 258,410                | 273,794                | 267,662                | 238,916                | 229,876                | 192,253                | 182,314                | 193,868                | 211,920                |
| Childcare  | 337,673                | 334,551                | 315,636                | 311,725                | 348,765                | 322,445                | 295,488                | 312,952                | 361,102                | 393,735                |
| Operating grants and contributions                 | 98,302                 | 108,499                | 126,008                | 140,492                | 134,627                | 142,607                | 134,353                | 134,712                | 139,126                | 146,390                |
| Total business-type activities program revenues    | 698,250                | 701,460                | 715,438                | 719,879                | 722,308                | 694,928                | 622,094                | 629,978                | 694,096                | 752,045                |
| Total District program revenue                     | <u>\$ 1,380,891</u>    | <u>\$ 1,293,112</u>    | <u>\$ 1,339,260</u>    | <u>\$ 1,452,575</u>    | <u>\$ 1,439,069</u>    | <u>\$ 1,276,991</u>    | <u>\$ 1,216,872</u>    | <u>\$ 1,385,428</u>    | <u>\$ 1,460,681</u>    | <u>\$ 1,491,915</u>    |
| Net (expense) revenue                              |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                            | \$ (18,163,350)        | \$ (19,138,455)        | \$ (19,130,294)        | \$ (20,281,534)        | \$ (19,153,951)        | \$ (20,301,430)        | \$ (20,316,105)        | \$ (20,723,626)        | \$ (21,608,920)        | \$ (21,809,048)        |
| Business-type activities                           | (59,745)               | (54,929)               | (8,840)                | (12,358)               | 75,508                 | 25,402                 | (43,980)               | (18,685)               | 29,327                 | 89,727                 |
| Total District-wide net expense                    | <u>\$ (18,223,095)</u> | <u>\$ (19,193,384)</u> | <u>\$ (19,139,134)</u> | <u>\$ (20,293,892)</u> | <u>\$ (19,078,443)</u> | <u>\$ (20,276,028)</u> | <u>\$ (20,360,085)</u> | <u>\$ (20,742,311)</u> | <u>\$ (21,579,593)</u> | <u>\$ (21,719,321)</u> |
| General revenues and other changes in net position |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property taxes levied for government purposes      | \$ 9,727,332           | \$ 10,246,868          | \$ 10,441,242          | \$ 10,858,890          | \$ 11,011,650          | \$ 11,360,778          | \$ 11,587,993          | \$ 11,954,753          | \$ 12,193,848          | \$ 12,438,869          |
| Taxes levied for debt service                      | 1,173,270              | 1,160,873              | 1,147,034              | 1,150,986              | 1,249,379              | 874,885                | 778,605                | 843,305                | 789,510                | 753,884                |
| Unrestricted grants and contributions              | 7,727,712              | 7,853,458              | 8,242,865              | 8,509,698              | 7,720,280              | 8,144,625              | 8,315,776              | 8,097,381              | 8,416,642              | 8,736,927              |
| Tuition charges                                    | 228,147                | 171,130                | 204,781                | 247,308                | 326,089                | 477,270                | 298,258                | 434,411                | 394,134                | 456,516                |
| Investment earnings                                | 115,016                | 67,720                 | 22,725                 | 18,456                 | 15,797                 | 7,178                  | 7,342                  | 4,783                  | 4,403                  | 4,600                  |
| Miscellaneous income                               | 9,057                  | 52,141                 | 31,652                 | 44,107                 | 64,735                 | 165,400                | 159,990                | 65,874                 | 36,790                 | 66,022                 |
| Loss on disposal of assets                         |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Transfers  |                        |                        |                        |                        |                        |                        |                        |                        | (4,600)                |                        |
| Total governmental activities                      | <u>18,980,534</u>      | <u>19,552,190</u>      | <u>20,090,299</u>      | <u>20,829,445</u>      | <u>20,387,930</u>      | <u>21,030,136</u>      | <u>21,147,964</u>      | <u>21,400,507</u>      | <u>21,830,727</u>      | <u>22,456,818</u>      |
| Business-type activities                           |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Investment earnings                                | 12,346                 | 8,529                  | 2,531                  | 859                    |                        |                        |                        |                        |                        |                        |
| Other  |                        |                        |                        |                        | 3,070                  |                        | (1,441)                |                        |                        |                        |
| Transfers  |                        |                        |                        |                        |                        |                        |                        |                        | 4,600                  |                        |
| Total business-type activities                     | <u>12,346</u>          | <u>8,529</u>           | <u>2,531</u>           | <u>859</u>             | <u>3,070</u>           |                        | <u>(1,441)</u>         |                        | <u>4,600</u>           |                        |
| Total District-wide                                | <u>\$ 18,992,880</u>   | <u>\$ 19,560,719</u>   | <u>\$ 20,092,830</u>   | <u>\$ 20,830,304</u>   | <u>\$ 20,391,000</u>   | <u>\$ 21,030,136</u>   | <u>\$ 21,146,523</u>   | <u>\$ 21,400,507</u>   | <u>\$ 21,835,327</u>   | <u>\$ 22,456,818</u>   |
| Change in net assets/position                      |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                            | \$ 817,184             | \$ 413,735             | \$ 960,005             | \$ 547,911             | \$ 1,233,979           | \$ 728,706             | \$ 831,859             | \$ 676,881             | \$ 221,807             | \$ 647,770             |
| Business-type activities                           | (47,399)               | (46,400)               | (6,309)                | (11,499)               | 78,578                 | 25,402                 | (45,421)               | (18,685)               | 33,927                 | 89,727                 |
| Total District                                     | <u>\$ 769,785</u>      | <u>\$ 367,335</u>      | <u>\$ 953,696</u>      | <u>\$ 536,412</u>      | <u>\$ 1,312,557</u>    | <u>\$ 754,108</u>      | <u>\$ 786,438</u>      | <u>\$ 658,196</u>      | <u>\$ 255,734</u>      | <u>\$ 737,497</u>      |

MANTUA TOWNSHIP SCHOOL DISTRICT  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2016  
Unaudited

|                                    | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013                | 2014                | 2015              | 2016                |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| General fund:                      |                   |                   |                   |                   |                   |                   |                     |                     |                   |                     |
| Reserved                           | \$ 619,278        | \$ 335,671        | \$ 713,707        | \$ 590,901        |                   |                   |                     |                     |                   |                     |
| Unreserved                         | 101,150           | 78,021            | (253,851)         | (265,300)         |                   |                   |                     |                     |                   |                     |
| Restricted                         |                   |                   |                   |                   | \$ 431,306        | \$ 622,616        | \$ 1,115,278        | \$ 644,023          | \$ 750,814        | \$ 1,051,143        |
| Assigned                           |                   |                   |                   |                   | 448,570           | 468,656           | 337,107             | 631,472             | 177,002           | 286,395             |
| Unrestricted                       |                   |                   |                   |                   | (134,262)         | (176,993)         | (232,470)           | (230,117)           | (225,415)         | (235,956)           |
| Total general fund                 | <u>\$ 720,428</u> | <u>\$ 413,692</u> | <u>\$ 459,856</u> | <u>\$ 325,601</u> | <u>\$ 745,614</u> | <u>\$ 914,279</u> | <u>\$ 1,219,915</u> | <u>\$ 1,045,378</u> | <u>\$ 702,401</u> | <u>\$ 1,101,582</u> |
| All other governmental funds:      |                   |                   |                   |                   |                   |                   |                     |                     |                   |                     |
| Restricted                         |                   |                   |                   |                   |                   |                   |                     |                     |                   |                     |
| Unrestricted, reported in:         |                   |                   |                   |                   |                   |                   |                     |                     |                   |                     |
| Special revenue fund               | \$ (1,298)        | \$ (1,298)        |                   |                   |                   |                   |                     |                     |                   |                     |
| Debt service fund                  | 1                 | 1                 |                   | \$ 1              | \$ 1              | \$ 13,370         | \$ 13,368           | \$ 13,368           |                   |                     |
| Total all other governmental funds | <u>\$ (1,297)</u> | <u>\$ (1,297)</u> |                   | <u>\$ 1</u>       | <u>\$ 1</u>       | <u>\$ 13,370</u>  | <u>\$ 13,368</u>    | <u>\$ 13,368</u>    |                   |                     |



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

|   | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>REVENUES:</b>                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Tax levy                                    | \$ 10,900,602     | \$ 11,407,741     | \$ 11,588,276     | \$ 12,009,876     | \$ 12,261,029     | \$ 12,235,663     | \$ 12,366,598     | \$ 12,798,058     | \$ 12,983,358     | \$ 13,192,753     |
| Tuition charges                             | 228,147           | 171,130           | 204,781           | 247,308           | 326,089           | 477,270           | 298,258           | 434,411           | 394,134           | 456,516           |
| Interest earnings                           | 115,016           | 67,720            | 22,725            | 18,456            | 15,797            | 7,178             | 7,342             | 4,783             | 4,403             | 4,600             |
| Miscellaneous                               | 9,057             | 10,855            | 31,652            | 44,107            | 64,735            | 165,400           | 163,815           | 65,874            | 36,790            | 78,165            |
| State sources                               | 7,881,242         | 7,979,997         | 8,370,103         | 7,674,516         | 7,783,972         | 8,000,665         | 8,386,048         | 8,147,918         | 8,453,175         | 8,809,540         |
| Federal sources                             | 529,111           | 488,475           | 496,584           | 1,567,878         | 653,069           | 726,023           | 520,681           | 585,328           | 610,787           | 573,005           |
| <b>Total revenue</b>                        | <b>19,663,175</b> | <b>20,125,918</b> | <b>20,714,121</b> | <b>21,562,141</b> | <b>21,104,691</b> | <b>21,612,199</b> | <b>21,742,742</b> | <b>22,036,372</b> | <b>22,482,647</b> | <b>23,114,579</b> |
| <b>EXPENDITURES:</b>                        |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Instruction:                                |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Regular                                     | 4,856,017         | 5,056,871         | 5,278,018         | 5,501,889         | 4,856,422         | 4,985,839         | 4,871,991         | 5,060,593         | 5,613,728         | 5,355,375         |
| Special                                     | 2,409,092         | 2,538,759         | 2,720,059         | 2,898,351         | 2,664,262         | 2,875,313         | 2,903,643         | 2,956,847         | 3,038,268         | 3,022,457         |
| Other                                       | 424,815           | 503,646           | 560,144           | 612,373           | 649,577           | 951,309           | 854,998           | 890,181           | 903,008           | 916,385           |
| School sponsored/other instructional        | 23,652            | 27,359            | 24,207            | 25,728            | 23,010            | 25,680            | 27,558            | 38,082            | 39,950            | 43,717            |
| Undistributed:                              |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Tuition                                     | 91,264            | 9,027             |                   | 135,305           | 277,556           | 70,221            |                   | 16,569            | 26,381            | 34,032            |
| Health services                             | 215,106           | 243,591           | 254,984           | 262,515           | 261,440           | 270,138           | 272,495           | 289,990           | 296,851           | 305,357           |
| Related services                            | 342,256           | 358,426           | 370,491           | 345,627           | 350,689           | 366,750           | 405,965           | 389,117           | 405,671           | 441,692           |
| Extraordinary services                      | 43,541            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Guidance services                           | 166,855           | 180,503           | 197,340           | 198,997           | 166,785           | 152,001           | 157,651           | 162,022           | 163,705           | 337,577           |
| Child study team                            | 610,367           | 599,677           | 653,791           | 648,542           | 641,592           | 660,966           | 611,925           | 604,843           | 609,895           | 544,538           |
| Improvement of Instruction                  | 94,959            | 103,917           | 87,148            | 87,946            | 86,136            | 99,516            | 91,499            | 85,617            | 93,243            | 99,384            |
| Educational media services                  | 211,205           | 222,895           | 239,581           | 229,698           | 131,739           | 124,639           | 194,490           | 191,566           | 195,759           | 202,064           |
| Instructional staff training                | 100,876           | 119,677           | 98,345            | 97,350            | 92,859            | 99,953            | 104,068           | 114,783           | 96,101            | 148,496           |
| General administration                      | 311,786           | 373,084           | 389,610           | 339,805           | 326,192           | 369,643           | 395,504           | 393,659           | 386,893           | 388,853           |
| School administration                       | 715,380           | 741,505           | 756,696           | 818,466           | 743,744           | 742,647           | 707,281           | 730,529           | 711,256           | 716,615           |
| Central administration                      | 178,952           | 192,324           | 194,457           | 135,801           | 177,805           | 192,908           | 184,375           | 152,275           | 203,633           | 220,658           |
| Administration information technology       | 129,381           | 146,113           | 132,306           | 167,226           | 193,090           | 176,094           | 155,531           | 177,463           | 133,520           | 168,124           |
| Allowable maintenance for school facilities |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Operations & maintenance of plant services  | 1,509,397         | 1,638,717         | 1,750,223         | 1,579,480         | 1,587,441         | 1,551,178         | 1,580,732         | 1,665,843         | 1,888,532         | 1,675,563         |
| Student transportation                      | 872,516           | 856,174           | 698,267           | 1,036,703         | 833,280           | 1,103,446         | 963,558           | 941,203           | 885,027           | 716,220           |
| Employee benefits                           | 4,237,429         | 4,417,275         | 4,215,528         | 4,614,851         | 4,709,802         | 5,081,005         | 5,401,156         | 5,632,643         | 5,829,765         | 6,180,241         |
| Special schools                             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |

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

|  | 2007       | 2008         | 2009       | 2010         | 2011       | 2012        | 2013       | 2014         | 2015         | 2016       |
|--|------------|--------------|------------|--------------|------------|-------------|------------|--------------|--------------|------------|
| Capital outlay   | 71,903     | 105,916      | 70,777     | 31,205       | 10,469     | 199,106     | 308,688    | 490,102      | 98,688       | 51,100     |
| Debt service expenditures:                               |            |              |            |              |            |             |            |              |              |            |
| Principal  | 1,255,000  | 1,295,000    | 1,335,000  | 1,355,000    | 1,395,000  | 1,020,000   | 955,000    | 980,000      | 980,000      | 965,000    |
| Interest   | 763,872    | 702,198      | 639,688    | 573,537      | 505,788    | 297,669     | 289,000    | 260,350      | 221,150      | 181,950    |
| Transfer of funds to charter school                      |            |              |            |              |            | 14,144      |            |              |              |            |
| Total expenditures                                       | 19,635,621 | 20,432,654   | 20,666,660 | 21,696,395   | 20,684,678 | 21,430,165  | 21,437,108 | 22,224,277   | 22,821,024   | 22,715,398 |
| Excess (deficiency of revenues over (under) expenditures | 27,554     | (306,736)    | 47,461     | (134,254)    | 420,013    | 182,034     | 305,634    | (187,905)    | (338,377)    | 399,181    |
| Other financing sources (uses)                           |            |              |            |              |            |             |            |              |              |            |
| Refunding bond proceeds                                  |            |              |            |              |            | 7,580,000   |            |              |              |            |
| Bond principal paid from refunding bonds                 |            |              |            |              |            | (7,960,000) |            |              |              |            |
| Costs of issuance  |            |              |            |              |            | (91,457)    |            |              |              |            |
| Premium on refunding bonds                               |            |              |            |              |            | 471,457     |            |              |              |            |
| Transfers out - food Service                             |            |              |            |              |            |             |            |              | (4,600)      |            |
| Total other financing sources (uses)                     |            |              |            |              |            |             |            |              | (4,600)      |            |
| Net change in fund balance                               | \$ 27,554  | \$ (306,736) | \$ 47,461  | \$ (134,254) | \$ 420,013 | \$ 182,034  | \$ 305,634 | \$ (187,905) | \$ (342,977) | \$ 399,181 |
| Debt service as a percentage of noncapital expenditures  | 10.32%     | 9.83%        | 9.59%      | 8.90%        | 9.19%      | 6.21%       | 5.89%      | 5.71%        | 5.29%        | 5.06%      |

Source: District records

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

| Fiscal Year<br>Ended<br>June 30, | Insurance<br>Dividends | Facility<br>Rentals | Restricted<br>Miscellaneous | Miscellaneous    | Prior Year<br>Refunds | Kindergarten /<br>Summer | Other<br>Local    | Annual<br>Totals  |
|----------------------------------|------------------------|---------------------|-----------------------------|------------------|-----------------------|--------------------------|-------------------|-------------------|
| 2007                             |                        | \$ 500              |                             | \$ 2,589         | \$ 4,768              | \$ 1,200                 |                   | \$ 9,057          |
| 2008                             |                        | 600                 |                             | 621              | 9,634                 |                          |                   | 10,855            |
| 2009                             | \$ 16,999              |                     |                             | 2,343            | 12,310                |                          |                   | 31,652            |
| 2010                             | 7,385                  | 12,775              | \$ 520                      | 9,289            | 14,138                |                          |                   | 44,107            |
| 2011                             |                        | 15,640              | 1,012                       | 5,974            | 42,109                |                          |                   | 64,735            |
| 2012                             |                        | 12,700              | 845                         | 370              | 76,188                |                          | \$ 75,297         | 165,400           |
| 2013                             |                        | 15,600              |                             | 3,192            | 62,028                |                          | 79,170            | 159,990           |
| 2014                             |                        | 17,895              |                             | 431              | 47,548                |                          |                   | 65,874            |
| 2015                             |                        | 19,960              |                             | 1,724            | 15,106                |                          |                   | 36,790            |
| 2016                             |                        | 30,765              |                             | 1,824            | 33,433                |                          |                   | 66,022            |
|                                  | <u>\$ 24,384</u>       | <u>\$ 126,435</u>   | <u>\$ 2,377</u>             | <u>\$ 28,357</u> | <u>\$ 317,262</u>     | <u>\$ 1,200</u>          | <u>\$ 154,467</u> | <u>\$ 654,482</u> |

Source: District records

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

| Fiscal Year<br>Ended<br>June 30, | Vacant<br>Land | Residential   | Farm Reg.  | Q Farm    | Commercial  | Industrial | Apartment | Total<br>Assessed<br>Value | Public<br>Utility | Net<br>Valuation<br>Taxable | Estimated<br>Actual<br>(County<br>Equalized<br>Value) | Total<br>Direct<br>School<br>Tax Rate |
|----------------------------------|----------------|---------------|------------|-----------|-------------|------------|-----------|----------------------------|-------------------|-----------------------------|---|---------------------------------------|
| 2007                             | 17,752,100     | 600,727,300   | 14,159,800 | 1,362,200 | 71,000,200  | 7,790,800  | 1,914,100 | 714,706,500                | 2,657,281         | 717,363,781                 | 1,172,544,290   | 1.5200                                |
| 2008                             | 16,885,400     | 617,292,200   | 14,091,000 | 1,325,000 | 74,808,500  | 7,217,800  | 1,914,100 | 733,534,000                | 2,405,109         | 735,939,109                 | 1,336,157,452   | 1.5500                                |
| 2009                             | 17,614,100     | 636,102,700   | 14,432,000 | 1,236,400 | 74,828,500  | 7,217,800  | 1,672,000 | 753,103,500                | 2,307,158         | 755,410,658                 | 1,486,736,190   | 1.5340                                |
| 2010                             | 16,329,000     | 644,079,700   | 14,380,700 | 1,225,800 | 78,278,400  | 7,187,200  | 1,672,000 | 763,152,800                | 2,246,773         | 765,399,573                 | 1,556,819,257   | 1.5690                                |
| 2011                             | 13,462,900     | 646,079,800   | 14,473,400 | 1,230,900 | 83,909,100  | 5,845,300  | 1,672,000 | 766,673,400                | 2,261,469         | 768,934,869                 | 1,564,958,971   | 1.5950                                |
| 2012                             | 12,371,200     | 650,155,200   | 14,066,000 | 1,209,800 | 84,685,900  | 5,612,300  | 1,672,000 | 769,772,400                | 2,126,051         | 771,898,451                 | 1,519,056,575   | 1.4710                                |
| 2013                             | 20,729,200     | 1,097,392,800 | 26,728,600 | 1,677,400 | 185,562,100 | 13,942,400 | 2,980,000 | 1,349,012,500              | 3,863,440         | 1,352,875,940               | 1,462,268,545   | 0.9780                                |
| 2014                             | 22,472,300     | 1,094,921,600 | 26,702,400 | 2,182,700 | 171,412,300 | 11,356,300 | 2,935,200 | 1,331,982,800              | 3,112,020         | 1,335,094,820               | 1,380,967,667   | 0.9590                                |
| 2015                             | 24,093,800     | 1,098,246,900 | 25,239,000 | 1,606,900 | 169,010,200 | 11,086,200 | 2,935,200 | 1,332,218,200              | 2,453,312         | 1,334,671,512               | 1,366,097,416   | 0.9730                                |
| 2016                             | 22,212,800     | 1,103,487,500 | 22,332,500 | 1,600,100 | 164,595,800 | 10,801,900 | 2,935,200 | 1,327,965,800              | 2,514,259         | 1,330,480,059               | 1,366,097,416   | 0.9920                                |

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

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

| Fiscal Year<br>Ended<br>June 30, | Basic<br>Rate | General<br>Obligation<br>Debt<br>Service | Total Direct<br>School Tax<br>Rate | Overlapping Rates     |                  |                     |                    |                      | Total Direct<br>& Overlapping<br>Tax Rate |
|----------------------------------|---------------|--|------------------------------------|-----------------------|------------------|---------------------|--------------------|----------------------|---|
|                                  |               |  |                                    | Township<br>of Mantua | Fire<br>District | Local<br>Open Space | Regional<br>School | Gloucester<br>County |   |
| 2007                             | 1.284         | 0.155                                    | 1.439                              | 0.546                 |                  | 0.010               | 0.932              | 0.784                | 3.711                                     |
| 2008                             | 1.365         | 0.155                                    | 1.520                              | 0.665                 |                  | 0.010               | 0.993              | 0.858                | 4.046                                     |
| 2009                             | 1.397         | 0.153                                    | 1.550                              | 0.665                 |                  | 0.020               | 1.023              | 0.980                | 4.238                                     |
| 2010                             | 1.382         | 0.152                                    | 1.534                              | 0.717                 |                  | 0.020               | 1.124              | 1.038                | 4.433                                     |
| 2011                             | 1.409         | 0.160                                    | 1.569                              | 0.781                 | 0.099            | 0.020               | 1.110              | 1.078                | 4.657                                     |
| 2012                             | 1.481         | 0.114                                    | 1.595                              | 0.864                 | 0.097            | 0.020               | 1.101              | 1.165                | 4.842                                     |
| 2013                             | 1.378         | 0.093                                    | 1.471                              | 0.919                 | 0.100            | 0.020               | 1.094              | 1.206                | 4.810                                     |
| 2014                             | 0.914         | 0.064                                    | 0.978                              | 0.920                 | 0.101            | 0.020               | 1.166              | 1.206                | 4.391                                     |
| 2015                             | 0.901         | 0.058                                    | 0.959                              | 0.920                 | 0.097            | 0.020               | 1.160              | 1.146                | 4.302                                     |
| 2016                             | 0.917         | 0.056                                    | 0.973                              | 0.616                 | 0.067            | 0.020               | 0.753              | 0.681                | 3.110                                     |

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

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

| Taxpayer                                | 2016                   |  | 2007                   |  |
|---|------------------------|--|------------------------|--|
|   | Taxable Assessed Value | % of Total District Net Assessed Valuation | Taxable Assessed Value | % of Total District Net Assessed Valuation |
| Target Corporation                      | 14,676,900             | 1.10%                                      |                        |  |
| Lowe's Home Center Inc.                 | 14,623,700             | 1.10%                                      |                        |  |
| Home Depot                              | 10,197,000             | 0.77%                                      | 6,535,000              | 0.91%                                      |
| Kohl's                                  | 9,200,000              | 0.69%                                      | 6,096,000              | 0.85%                                      |
| Route 553 Retail LLC                    | 6,713,900              | 0.50%                                      |                        |  |
| Timberline Plaza                        | 6,713,000              | 0.50%                                      | 3,313,400              | 0.46%                                      |
| Wilkins Industrial Park                 | 6,646,900              | 0.50%                                      | 4,264,800              | 0.59%                                      |
| Bellina Dev. & Brooklawn Out of Lot LLC | 6,260,300              | 0.46%                                      | 5,535,000              | 0.77%                                      |
| Spirit Master Funding                   |                        |  | 3,193,600              | 0.45%                                      |
| Freeza LLC                              | 4,922,500              | 0.37%                                      |                        |  |
| Campbells Auto Express                  | 4,685,700              | 0.35%                                      |                        |  |
| Electric Mobility                       |                        |  | 4,637,200              | 0.65%                                      |
| Paparone Housing Co.                    |                        |  | 4,314,400              | 0.60%                                      |
| K-Tron Corp                             |                        |  | 2,754,500              | 0.38%                                      |
| Verizon                                 |                        |  | 2,724,109              | 0.38%                                      |
|   | <u>84,639,900</u>      | <u>6.35%</u>                               | <u>43,368,009</u>      | <u>6.05%</u>                               |

Source: Municipal Tax Assessor

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

| Fiscal Year<br>Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the Fiscal Year |                    | Collections<br>in Subsequent<br>Year |
|----------------------------------|--|----------------------------------|--------------------|--------------------------------------|
|                                  |  | Amount                           | Percent of<br>Levy |                                      |
| 2007                             | \$ 10,900,602                          | \$ 10,900,602                    | 100.00%            |                                      |
| 2008                             | 11,407,741                             | 11,407,741                       | 100.00%            |                                      |
| 2009                             | 11,588,276                             | 11,588,276                       | 100.00%            |                                      |
| 2010                             | 11,588,276                             | 11,588,276                       | 100.00%            |                                      |
| 2011                             | 12,261,029                             | 12,261,029                       | 100.00%            |                                      |
| 2012                             | 12,235,663                             | 11,360,778                       | 92.85%             | \$ 874,885                           |
| 2013                             | 12,366,599                             | 12,366,599                       | 100.00%            |                                      |
| 2014                             | 12,798,057                             | 12,798,057                       | 100.00%            |                                      |
| 2015                             | 12,983,358                             | 12,983,358                       | 100.00%            |                                      |
| 2016                             | 13,192,753                             | 13,192,753                       | 100.00%            |                                      |

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

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

| Fiscal Year<br>Ended<br>June 30, | Governmental Activities        |                   |                               | Business-type<br>Activities<br>Capital<br>Leases | Total<br>District | Percentage<br>of Personal<br>Income |
|----------------------------------|--------------------------------|-------------------|-------------------------------|--|-------------------|-------------------------------------|
|                                  | General<br>Obligation<br>Bonds | Capital<br>Leases | Bond<br>Anticipation<br>Notes |  |                   |                                     |
| 2007                             | \$ 14,235,000                  |                   |                               |  | \$ 14,235,000     | 2.47%                               |
| 2008                             | 12,940,000                     |                   |                               |  | 12,940,000        | 2.18%                               |
| 2009                             | 11,605,000                     |                   | \$ 170,727                    |  | 11,775,727        | 1.88%                               |
| 2010                             | 10,250,000                     |                   |                               |  | 10,250,000        | 1.64%                               |
| 2011                             | 8,855,000                      |                   |                               |  | 8,855,000         | 1.40%                               |
| 2012                             | 7,455,000                      |                   |                               |  | 7,455,000         | 1.13%                               |
| 2013                             | 6,500,000                      |                   |                               |  | 6,500,000         | 0.97%                               |
| 2014                             | 5,520,000                      |                   |                               |  | 5,520,000         | 0.81%                               |
| 2015                             | 4,540,000                      |                   |                               |  | 4,540,000         | 0.65%                               |
| 2016                             | 3,575,000                      |                   |                               |  | 3,575,000         | N/A                                 |

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

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



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

| Fiscal Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            | Net General<br>Bonded Debt<br>Outstanding | Percentage<br>of Actual<br>Taxable Value<br>of Property | Per capita |
|----------------------------------|---------------------------------|------------|---|---|------------|
|                                  | General<br>Obligation<br>Bonds  | Deductions |   |   |            |
| 2007                             | \$ 14,235,000                   |            | \$ 14,235,000                             | 1.99%   | \$ 940     |
| 2008                             | 12,940,000                      |            | 12,940,000                                | 1.76%   | 851        |
| 2009                             | 11,605,000                      |            | 11,605,000                                | 1.54%   | 764        |
| 2010                             | 10,250,000                      |            | 10,250,000                                | 1.34%   | 674        |
| 2011                             | 8,855,000                       |            | 8,855,000                                 | 1.15%   | 581        |
| 2012                             | 7,455,000                       |            | 7,455,000                                 | 0.97%   | 490        |
| 2013                             | 6,500,000                       |            | 6,500,000                                 | 0.48%   | 429        |
| 2014                             | 5,520,000                       |            | 5,520,000                                 | 0.41%   | 366        |
| 2015                             | 4,540,000                       |            | 4,540,000                                 | 0.34%   | 301        |
| 2016                             | 3,575,000                       |            | 3,575,000                                 | 0.27%   | N/A        |

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

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

See J-6 for property tax data.

Population data can be found in J-14.

MANTUA TOWNSHIP SCHOOL DISTRICT  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2016  
 Unaudited

| Governmental Unit                         | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable | Estimated<br>Share of<br>Overlapping<br>Debt |
|---|---------------------|---------------------------------------|--|
| Debt repaid with property taxes           |                     |                                       |  |
| Township of Mantua                        | \$ 10,241,353       | 100.00%                               | \$ 10,241,353                                |
| Clearview Regional High School            | 19,123,000          | 49.07%                                | 9,384,461                                    |
| Gloucester County general obligation debt | 239,760,175         | 5.28%                                 | 12,657,635                                   |
| Subtotal, overlapping debt                |                     |                                       | 32,283,449                                   |
| Township of Mantua School District        |                     |                                       | 3,575,000                                    |
| Total direct and overlapping debt         |                     |                                       | <u>\$ 35,858,449</u>                         |

Sources:

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

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

| Year  | Equalized<br>Valuation<br>Basis |
|---|---------------------------------|
| 2015  | \$ 1,353,134,094                |
| 2014  | 1,375,832,077                   |
| 2013  | 1,365,856,030                   |
|   | <u>\$ 4,094,822,201</u>         |
| Average equalized valuation of taxable property | \$ 1,364,940,734                |
| Debt limit (2.5% of average equalized value)    | 34,123,518                      |
| Total net debt applicable to limit              | <u>3,575,000</u>                |
| Legal debt margin                               | <u>\$ 30,548,518</u>            |

|   | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit  | \$ 28,366,050        | \$ 32,352,026        | \$ 35,644,522        | \$ 37,814,765        | \$ 38,353,336        | \$ 37,654,019        | \$ 36,282,382        | \$ 35,095,275        | \$ 34,457,202        | \$ 34,457,202        |
| Total net debt applicable to limit                                      | <u>14,235,000</u>    | <u>12,940,000</u>    | <u>11,605,000</u>    | <u>10,250,000</u>    | <u>8,855,000</u>     | <u>7,455,000</u>     | <u>6,500,000</u>     | <u>5,520,000</u>     | <u>4,540,000</u>     | <u>3,575,000</u>     |
| Legal debt margin   | <u>\$ 14,131,050</u> | <u>\$ 19,412,026</u> | <u>\$ 24,039,522</u> | <u>\$ 27,564,765</u> | <u>\$ 29,498,336</u> | <u>\$ 30,199,019</u> | <u>\$ 29,782,382</u> | <u>\$ 29,575,275</u> | <u>\$ 29,917,202</u> | <u>\$ 30,882,202</u> |
| Total net debt applicable to the<br>limit as a percentage of debt limit | 50.18%               | 40.00%               | 32.56%               | 27.11%               | 23.09%               | 19.80%               | 17.92%               | 15.73%               | 13.18%               | 10.38%               |

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

| Fiscal Year<br>Ended<br>June 30, | Population | Personal<br>Income | Per Capita<br>Personal<br>Income | Unemployment<br>Rate |
|----------------------------------|------------|--------------------|----------------------------------|----------------------|
| 2007                             | 15,142     | \$ 575,865,402     | \$ 38,031                        | 4.70%                |
| 2008                             | 15,204     | 594,628,440        | 39,110                           | 6.00%                |
| 2009                             | 15,187     | 627,314,222        | 41,306                           | 8.90%                |
| 2010                             | 15,216     | 623,719,056        | 40,991                           | 9.40%                |
| 2011                             | 15,235     | 632,435,320        | 41,512                           | 9.20%                |
| 2012                             | 15,210     | 657,604,350        | 43,235                           | 9.40%                |
| 2013                             | 15,151     | 672,583,192        | 44,392                           | 6.80%                |
| 2014                             | 15,102     | 679,756,122        | 45,011                           | 6.50%                |
| 2015                             | 15,076     | 702,586,828        | 46,603                           | 5.30%                |
| 2016                             | 15,054     | N/A                | N/A                              | N/A                  |

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

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

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

| Employer                            | 2016          |  | 2007       |  |
|-------------------------------------|---------------|--|------------|--|
|                                     | Employees     | Percentage of Total Municipal Employment | Employees  | Percentage of Total Municipal Employment |
| Inspira Health                      | 1,825         | 1.30%                                    |            |  |
| Kennedy Memorial Hospital           | 1,675         | 1.19%                                    |            |  |
| Washington Township School District | 1,592         | 1.13%                                    |            |  |
| Rowan University                    | 1,483         | 1.05%                                    |            |  |
| County of Gloucester                | 1,354         | 0.96%                                    |            |  |
| Missa Bay, LLC                      | 950           | 0.67%                                    |            |  |
| Monroe Township School District     | 806           | 0.57%                                    |            |  |
| US Foodservices                     | 725           | 0.51%                                    |            |  |
| Exxon Mobil Research & Engineering  | 540           | 0.38%                                    |            |  |
| LaBrea Bakery                       | 525           | 0.37%                                    |            |  |
|                                     | <u>11,475</u> | <u>8.15%</u>                             | <u>N/A</u> | <u>0.00%</u>                             |

Source: Gloucester County Economic Development Office and Employer Directly.

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

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

| Function/Program                       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Instruction                            |            |            |            |            |            |            |            |            |            |            |
| Regular                                | 88         | 84         | 84         | 90         | 87         | 82         | 90         | 93         | 101        | 95         |
| Special                                | 24         | 27         | 27         | 29         | 31         | 86         | 34         | 35         | 32         | 33         |
| Support services:                      |            |            |            |            |            |            |            |            |            |            |
| Student & instruction related services | 21         | 21         | 21         | 25         | 31         | 26         | 17         | 17         | 17         | 18         |
| General administration                 | 2          | 2          | 2          | 2          | 2          | 2          | 4          | 4          | 4          | 4          |
| School administration                  | 10         | 10         | 10         | 11         | 11         | 11         | 11         | 11         | 12         | 12         |
| Business administrative services       | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          |
| Plants operations and maintenance      | 18         | 18         | 18         | 18         | 16         | 40         | 18         | 18         | 18         | 18         |
| Other support                          |            |            |            |            |            |            | 57         | 52         | 52         | 73         |
| Food service                           | 10         | 16         | 15         | 14         | 15         | 13         | 13         | 12         | 12         | 12         |
| Childcare                              | 3          | 3          | 3          | 9          | 3          | 3          | 3          | 3          | 3          | 3          |
| Total                                  | <u>181</u> | <u>186</u> | <u>185</u> | <u>203</u> | <u>201</u> | <u>268</u> | <u>252</u> | <u>250</u> | <u>256</u> | <u>273</u> |

Source: Employee salary list

N/A Not available

MANTUA TOWNSHIP SCHOOL DISTRICT  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

| Fiscal Year<br>Ended<br>June 30, | Enrollment | Operating<br>Expenditures | Cost Per<br>Pupil | Percentage<br>Change | Pupil/Teacher Ratio |            | Average<br>Daily<br>Enrollment<br>(ADE) | Average<br>Daily<br>Attendance<br>(ADA) | % Change<br>Average<br>Daily<br>Enrollment | Student<br>Attendance<br>Percentage |
|----------------------------------|------------|---------------------------|-------------------|----------------------|---------------------|------------|---|---|--|-------------------------------------|
|                                  |            |                           |                   |                      | Teaching<br>Staff   | Elementary |   |   |  |                                     |
| 2007                             | 1,538      | \$ 17,544,846             | \$ 11,408         | 63.04%               | 109                 | 1:14.3     | 1,539.9                                 | 1,480.9                                 | -1.83%                                     | 96.17%                              |
| 2008                             | 1,540      | 18,329,540                | 11,902            | 4.34%                | 105                 | 1:14.6     | 1,543.2                                 | 1,485.3                                 | 0.21%                                      | 96.25%                              |
| 2009                             | 1,563      | 18,621,195                | 11,914            | 0.10%                | 110                 | 1:14.0     | 1,562.5                                 | 1,504.2                                 | 1.25%                                      | 96.27%                              |
| 2010                             | 1,502      | 19,736,653                | 13,140            | 10.29%               | 111                 | 1:14.09    | 1,484.7                                 | 1,374.9                                 | -4.98%                                     | 92.60%                              |
| 2011                             | 1,450      | 18,773,421                | 12,947            | -1.47%               | 119                 | 1:12.62    | 1,430.1                                 | 1,376.5                                 | -3.68%                                     | 96.25%                              |
| 2012                             | 1,409      | 19,913,390                | 14,133            | 9.16%                | 119                 | 1:12.29    | 1,392.7                                 | 1,346.0                                 | -2.62%                                     | 96.65%                              |
| 2013                             | 1,353      | 19,884,420                | 14,697            | 3.99%                | 115                 | 1:11.76    | 1,332.2                                 | 1,274.3                                 | -4.34%                                     | 95.65%                              |
| 2014                             | 1,339      | 20,493,825                | 15,305            | 4.14%                | 128                 | 1:10.46    | 1,312.1                                 | 1,262.0                                 | -1.51%                                     | 96.18%                              |
| 2015                             | 1,304      | 21,521,186                | 16,504            | 12.30%               | 133                 | 1:09.80    | 1,269.6                                 | 1,218.7                                 | -3.24%                                     | 95.99%                              |
| 2016                             | 1,267      | 21,517,348                | 16,983            | 10.96%               | 128                 | 1:09.89    | 1,242.7                                 | 1,192.0                                 | -2.12%                                     | 95.92%                              |

Source: District records

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

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

|                        | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Centre City</b>     |        |        |        |        |        |        |        |        |        |        |
| Square feet            | 74,305 | 74,305 | 74,305 | 74,305 | 74,305 | 74,305 | 74,305 | 74,305 | 74,305 | 74,305 |
| Capacity (students)    | 444    | 444    | 444    | 444    | 444    | 444    | 444    | 444    | 444    | 444    |
| Enrollment             | 620    | 571    | 578    | 576    | 535    | 543    | 502    | 501    | 480    | 479    |
| <b>J. Mason Tomlin</b> |        |        |        |        |        |        |        |        |        |        |
| Square feet            | 78,500 | 78,500 | 78,500 | 78,500 | 78,500 | 78,500 | 78,500 | 78,500 | 78,500 | 78,500 |
| Capacity (students)    | 641    | 641    | 641    | 641    | 641    | 641    | 641    | 641    | 641    | 641    |
| Enrollment             | 603    | 650    | 688    | 633    | 637    | 596    | 588    | 588    | 575    | 557    |
| <b>Sewell</b>          |        |        |        |        |        |        |        |        |        |        |
| Square feet            | 41,500 | 41,500 | 41,500 | 41,500 | 41,500 | 41,500 | 41,500 | 41,500 | 41,500 | 41,500 |
| Capacity (students)    | 333    | 333    | 333    | 333    | 333    | 333    | 333    | 333    | 333    | 333    |
| Enrollment             | 334    | 330    | 308    | 294    | 278    | 270    | 263    | 250    | 249    | 231    |

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

Number of Schools at June 30, 2016  
Elementary = 3



MANTUA TOWNSHIP SCHOOL DISTRICT  
 General Fund  
 Schedule of Required Maintenance Expenditures by School Facility  
 For the Fiscal Year Ended June 30, 2016

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

| * School Facilities | Gross<br>Square<br>Footage | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | Total               |
|---------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Centre City         | 74,305                     | \$ 80,173         | \$ 95,056         | \$ 97,600         | \$ 85,497         | \$ 97,034         | \$ 112,312        | \$ 55,131         | \$ 88,466         | \$ 114,301        | \$ 53,132         | \$ 798,529          |
| J. Mason Tomlin     | 78,500                     | 67,563            | 92,680            | 182,657           | 148,551           | 74,821            | 119,804           | 81,117            | 83,555            | 110,212           | 75,271            | 968,668             |
| Sewell              | 41,500                     | 62,210            | 65,030            | 83,120            | 68,884            | 80,147            | 78,601            | 44,346            | 58,563            | 133,638           | 54,430            | 666,759             |
| Administration      |                            | 44,829            | 58,960            | 51,955            | 43,963            | 51,934            | 59,797            | 11,796            | 18,793            | 26,887            | 18,689            | 342,774             |
|                     |                            | <u>\$ 254,775</u> | <u>\$ 311,726</u> | <u>\$ 415,332</u> | <u>\$ 346,895</u> | <u>\$ 303,936</u> | <u>\$ 370,514</u> | <u>\$ 192,390</u> | <u>\$ 249,377</u> | <u>\$ 385,038</u> | <u>\$ 201,522</u> | <u>\$ 2,776,730</u> |

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

MANTUA TOWNSHIP SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2016  
Unaudited

|   | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School package policy - Utica National Insurance Company    |                 |                   |
| Property - blanket buildings & contents                     | \$ 59,686,707   |                   |
| Commercial general liability                                |                 |                   |
| General aggregate limit                                     | 3,000,000       |                   |
| Products - complete operations aggregate limit              | 3,000,000       |                   |
| Personal and advertising - injury limit                     | 1,000,000       |                   |
| Each occurrence limit                                       | 1,000,000       |                   |
| Bodily injury by accident and disease                       | 2,000,000       |                   |
| Employee benefit program liability - each loss              | 1,000,000       | \$ 1,000          |
| Employee benefit program liability - aggregate limit        | 3,000,000       |                   |
| Damage to premises  | 1,000,000       |                   |
| Medical expense - any one person                            | 10,000          |                   |
| Legal liability - each loss                                 | 1,000,000       |                   |
| Legal liability - aggregate limit                           | 3,000,000       |                   |
| Crime - head of the class Uniflex                           |                 |                   |
| Employee blanket bond/per employee                          | 100,000         | 500               |
| Employee blanket bond/forgery per occurrence                | 100,000         | 500               |
| Inside and outside premise                                  | 25,000          | 500               |
| Commercial inland marine                                    |                 |                   |
| Valuable papers & records                                   | 100,000         | 500               |
| Signs   | 30,000          | 500               |
| Data processing coverage                                    |                 |                   |
| Data processing equipment                                   | 300,000         | 100               |
| Data and media  | 20,000          |                   |
| Blanket extra expense                                       | 10,000          |                   |
| Commercial automobile liability                             |                 |                   |
| Bodily injury and property damage                           | 1,000,000       | 1,000             |
| Commercial umbrella liability                               | 10,000,000      | 10,000            |
| Workers' compensation - Educational Risk Insurance          |                 |                   |
| Consortium South  |                 |                   |
| Bodily injury - by accident - each accident                 | 2,000,000       | None              |
| Bodily injury - by disease - each employee                  | 2,000,000       | None              |
| Bodily injury - by disease - aggregate limit                | 2,000,000       | None              |
| Student accident - Markel Insurance Company                 |                 |                   |
| Accidental death & dismemberment                            | 10,000          |                   |
| Volunteer workers   | 25,000          |                   |
| Public employees' faithful performance bonds -              |                 |                   |
| The Ohio Casualty Insurance Company                         |                 |                   |
| Employee bond - Dr. Robert Fisicaro, Business Administrator | 10,000          |                   |
| Employee bond - Michelle H. Daminger, Board Secretary       | 225,000         | None              |

Source: District records

## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

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

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Denise R. Nevico, CPA  
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Deanna L. Roller, CPA, RMA

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

### **Independent Auditor's Report**

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mantua Township School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Mantua Township School District's basic financial statements, and have issued our report thereon dated September 12, 2016.

#### ***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

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

PETRONI & ASSOCIATES LLC



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

September 12, 2016

# PETRONI & ASSOCIATES LLC

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
REQUIRED BY UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,  
AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE),  
AND NEW JERSEY OMB'S CIRCULAR 15-08**

## **Independent Auditor's Report**

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

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

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

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Mantua Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), *New Jersey State Aid/Grant Compliance Supplement*, *Audits of States, Local Governments, and Non-Profit Organizations*, and the audit

requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Mantua Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

### ***Report on Internal Control Over Compliance***

Management of the Mantua Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mantua Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mantua Township School District's internal control over compliance.

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

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

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

***Report on Schedules of Expenditures of Federal Awards Required and State Financial Assistance Required by Uniform Guidance and New Jersey OMB's Circular 15-08***

We have audited the financial statements Mantua Township School District as of and for the year ended June 30, 2016, and have issued our report thereon dated September 12, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circulars 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



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

September 12, 2016



MANTUA TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2016

| Federal Grantor/Pass-Through/Grantor/Program Title | Federal CFDA Number | Federal FAIN Number | Grant or State Project Number | Program or Award Amount | Grant Period |          | Balance at June 30, 2015 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2016 |                  |                | MEMO Cumulative Total Expenditures |
|--|---------------------|---------------------|-------------------------------|-------------------------|--------------|----------|--------------------------|------------------------------|---------------|------------------------|-------------|------------------------------------|--------------------------|------------------|----------------|------------------------------------|
|  |                     |                     |                               |                         | From         | To       |                          |                              |               |                        |             |                                    | (Accounts Receivable)    | Deferred Revenue | Due to Grantor |                                    |
| U.S. Department of Education                       |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Passed-through State Department of Education:      |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| General Fund:                                      |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Medical Assistance Program                         | 93.778              | 1605NJ5MAP          | n/a                           | \$ 30,514               | 07/1/15      | 06/30/16 |                          |                              | \$ 27,468     | \$ (30,514)            |             |                                    |                          |                  | \$ (3,046)     | \$ 30,514                          |
| Medical Assistance Program                         | 93.778              | 1605NJ5MAP          | n/a                           | 27,862                  | 07/1/14      | 06/30/15 | \$ (8,581)               |                              | 8,581         |                        |             |                                    |                          |                  |                | 27,862                             |
| Total General Fund                                 |                     |                     |                               |                         |              |          | (8,581)                  |                              | 36,049        | (30,514)               |             |                                    |                          | (3,046)          | 58,376         |                                    |
| U.S. Department of Education                       |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Passed-through State Department of Education:      |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Special Revenue Fund:                              |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Title I - Part A                                   | 84.010              | S010A150030         | NCLB299016                    | 130,868                 | 07/1/15      | 06/30/16 |                          |                              | 71,829        | (121,954)              |             |                                    |                          | (50,125)         | 121,954        |                                    |
| Title I - Part A                                   | 84.010              | S010A150030         | NCLB299015                    | 138,373                 | 07/1/14      | 06/30/15 | (45,383)                 |                              | 45,383        |                        |             |                                    |                          |                  | 130,754        |                                    |
| Title II A, Teacher & Principal Training           | 84.367              | S367A150029         | NCLB299016                    | 33,627                  | 07/1/15      | 06/30/16 |                          |                              | 14,762        | (30,740)               |             |                                    |                          | (15,978)         | 30,740         |                                    |
| Title II A, Teacher & Principal Training           | 84.367              | S367A150029         | NCLB299015                    | 37,596                  | 07/1/14      | 06/30/15 | (17,447)                 |                              | 17,447        |                        |             |                                    |                          |                  | 36,283         |                                    |
| IDEA Part B, Basic Regular                         | 84.027A             | H027A150100         | IDEA299016                    | 529,163                 | 07/1/15      | 06/30/16 |                          |                              | 286,331       | (356,059)              |             |                                    |                          | (69,728)         | 356,059        |                                    |
| IDEA Part B, Basic Regular                         | 84.027A             | H027A150100         | IDEA299015                    | 542,787                 | 07/1/14      | 06/30/15 | (19,695)                 |                              | 19,695        |                        |             |                                    |                          |                  | 350,670        |                                    |
| IDEA Part B, Preschool                             | 84.173              | H173A150114         | IDEA299016                    | 35,333                  | 07/1/15      | 06/30/16 |                          |                              | 16,567        | (33,738)               |             |                                    |                          | (17,171)         | 33,738         |                                    |
| IDEA Part B, Preschool                             | 84.173              | H173A150114         | IDEA299015                    | 37,495                  | 07/1/14      | 06/30/15 | (15,785)                 |                              | 15,785        |                        |             |                                    |                          |                  | 36,186         |                                    |
| Total Special Revenue Fund                         |                     |                     |                               |                         |              |          | (98,310)                 |                              | 487,799       | (542,491)              |             |                                    |                          | (153,002)        | 1,096,384      |                                    |
| U.S. Department of Agriculture                     |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Passed-through State Department of Education:      |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Enterprise Fund:                                   |                     |                     |                               |                         |              |          |                          |                              |               |                        |             |                                    |                          |                  |                |                                    |
| Food Distribution Program                          | 10.550              | N/A                 | N/A                           | 28,728                  | 07/1/15      | 06/30/16 |                          |                              | 28,728        | (24,981)               |             |                                    |                          | \$ 3,747         | 24,981         |                                    |
| Food Distribution Program                          | 10.550              | N/A                 | N/A                           | 25,913                  | 07/1/14      | 06/30/15 | 6,424                    |                              |               | (6,424)                |             |                                    |                          |                  | 25,913         |                                    |
| National School Lunch Program                      | 10.555              | 16161NJ304N1099     | N/A                           | 97,751                  | 07/1/15      | 06/30/16 |                          |                              | 92,498        | (97,751)               |             |                                    |                          | (5,253)          | 97,751         |                                    |
| National School Lunch Program                      | 10.555              | 16161NJ304N1099     | N/A                           | 103,913                 | 07/1/14      | 06/30/15 | (19,542)                 |                              | 19,542        |                        |             |                                    |                          |                  | 103,913        |                                    |
| National School Breakfast Program                  | 10.553              | 16161NJ304N1099     | N/A                           | 12,282                  | 07/1/15      | 06/30/16 |                          |                              | 11,629        | (12,282)               |             |                                    |                          | (653)            |                |                                    |
| Special Milk Program                               | 10.556              | 16161NJ304N1099     | N/A                           | 4,200                   | 07/1/15      | 06/30/16 |                          |                              | 4,038         | (4,200)                |             |                                    |                          | (162)            | 4,200          |                                    |
| Special Milk Program                               | 10.556              | 16161NJ304N1099     | N/A                           | 5,603                   | 07/1/14      | 06/30/15 | (975)                    |                              | 975           |                        |             |                                    |                          |                  | 5,603          |                                    |
| Total Enterprise Fund                              |                     |                     |                               |                         |              |          | (14,093)                 |                              | 157,410       | (145,638)              |             |                                    |                          | (6,068)          | 3,747          | 262,361                            |
| Total Federal Financial Awards                     |                     |                     |                               |                         |              |          | \$ (120,984)             |                              | \$ 681,258    | \$ (718,643)           |             |                                    |                          | \$ (162,116)     | \$ 3,747       | \$ 1,417,121                       |

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

MANTUA TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

| State Grantor/Program Title   | Grant or State Project Number | Program or Award Amount | Grant Period |          | Balance at June 30, 2015               |                  |                              | Cash Received         | Budgetary Expenditures | Adjustments/ Repayment of Prior Year's Expenditures | Balance at June 30, 2016 |                  |                   | MEMO                 |                               |
|---|-------------------------------|-------------------------|--------------|----------|--|------------------|------------------------------|-----------------------|------------------------|---|--------------------------|------------------|-------------------|----------------------|-------------------------------|
|   |                               |                         | From         | To       | Deferred Revenue (Accounts Receivable) | Due to Grantor   | Carryover/ (Walkover) Amount |                       |                        |   | (Accounts Receivable)    | Deferred Revenue | Due to Grantor    | Budgetary Receivable | Cumulative Total Expenditures |
|   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| State Department of Education   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| General Fund:   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| State Aid Public:   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| Equalization Aid  | 16-495-034-5120-078           | \$ 5,286,989            | 07/1/15      | 06/30/16 |  |                  | \$ 5,286,989                 | \$ (5,286,989)        |                        |   |                          |                  | \$ 526,254        | \$ 5,286,989         |                               |
| Special Education Categorical Aid   | 16-495-034-5120-089           | 731,840                 | 07/1/15      | 06/30/16 |  |                  | 731,840                      | (731,840)             |                        |   |                          |                  | 72,846            | 731,840              |                               |
| Security Aid  | 16-495-034-5120-084           | 24,998                  | 07/1/15      | 06/30/16 |  |                  | 24,998                       | (24,998)              |                        |   |                          |                  | 2,488             | 24,998               |                               |
| PARCC Readiness Aid   | 16-495-034-5120-098           | 11,490                  | 07/1/15      | 06/30/16 |  |                  | 11,490                       | (11,490)              |                        |   |                          |                  | 1,144             | 11,490               |                               |
| Per Pupil Growth Aid  | 16-495-034-5120-097           | 11,490                  | 07/1/15      | 06/30/16 |  |                  | 11,490                       | (11,490)              |                        |   |                          |                  | 1,144             | 11,490               |                               |
| Transportation Aid  | 16-495-034-5120-014           | 94,099                  | 07/1/15      | 06/30/16 |  |                  | 94,099                       | (94,099)              |                        |   |                          |                  | 9,366             | 94,099               |                               |
| Reimbursement for Nonpublic Transportation                                | n/a                           | 2,098                   | 07/1/15      | 06/30/16 |  |                  |                              | (2,098)               |                        | \$ (2,098)  |                          |                  |                   | 2,098                |                               |
| Reimbursement for Nonpublic Transportation                                | n/a                           | 3,648                   | 07/1/14      | 06/30/15 | \$ (3,648)                             |                  | 3,648                        |                       |                        |   |                          |                  |                   | 3,648                |                               |
| Reimbursed TPAF Social Security Contributions                             | 16-495-034-5094-003           | 668,838                 | 07/1/15      | 06/30/16 |  |                  | 636,076                      | (668,838)             |                        |   | (32,762)                 |                  |                   | 668,838              |                               |
| Reimbursed TPAF Social Security Contributions                             | 15-495-034-5094-003           | 651,112                 | 07/1/14      | 06/30/15 | (32,064)                               |                  | 32,064                       |                       |                        |   |                          |                  |                   | 651,112              |                               |
| On-Behalf TPAF Pension  | 15-495-034-5094-002           | 676,701                 | 07/1/15      | 06/30/16 |  |                  | 676,701                      | (676,701)             |                        |   |                          |                  |                   | 676,701              |                               |
| On-Behalf TPAF Postretirement Contribution                                | 16-495-034-5094-001           | 805,765                 | 07/1/15      | 06/30/16 |  |                  | 805,765                      | (805,765)             |                        |   |                          |                  |                   | 805,765              |                               |
| <b>Total General Fund</b>   |                               |                         |              |          | <b>(35,712)</b>                        |                  | <b>8,315,160</b>             | <b>(8,314,308)</b>    |                        |   | <b>(34,860)</b>          |                  | <b>613,242</b>    | <b>8,969,068</b>     |                               |
| Special Revenue Fund:   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| New Jersey Nonpublic Aid:   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| Textbook Aid  | 16-100-034-5120-064           | 10,278                  | 07/1/15      | 06/30/16 |  |                  | 10,278                       | (4,792)               |                        |   |                          | \$ 5,486         |                   | 4,792                |                               |
| Textbook Aid  | 15-100-034-5120-064           | 9,354                   | 07/1/14      | 06/30/15 |  | \$ 2,230         |                              |                       | \$ (2,230)             |   |                          |                  |                   | 7,124                |                               |
| Technology  | 16-100-034-5120-373           | 4,680                   | 07/1/15      | 06/30/16 |  |                  | 4,680                        | (4,420)               |                        |   |                          | 260              |                   | 4,420                |                               |
| Technology  | 15-100-034-5120-373           | 5,024                   | 07/1/14      | 06/30/15 |  | 727              |                              |                       | (727)                  |   |                          |                  |                   | 4,297                |                               |
| Nursing Services  | 16-100-034-5120-070           | 16,200                  | 07/1/15      | 06/30/16 |  |                  | 16,200                       | (16,200)              |                        |   |                          |                  |                   | 16,200               |                               |
| Security  |                               | 9,750                   | 07/1/15      | 06/30/16 |  |                  | 9,750                        | (9,725)               |                        |   |                          | 25               |                   |                      |                               |
| Auxiliary Services:   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| Compensatory Education  | 16-100-034-5120-067           | 20,982                  | 07/1/15      | 06/30/16 |  |                  | 20,982                       | (19,035)              |                        |   |                          | 1,947            |                   | 19,035               |                               |
| Compensatory Education  | 15-100-034-5120-067           | 25,978                  | 07/1/14      | 06/30/15 |  | 9,854            |                              |                       | (9,854)                |   |                          |                  |                   | 16,124               |                               |
| Transportation  | 16-100-034-5120-067           | 2,711                   | 07/1/15      | 06/30/16 |  |                  | 2,711                        | (2,264)               |                        |   |                          | 447              |                   | 2,264                |                               |
| Transportation  | 15-100-034-5120-067           | 5,307                   | 07/1/14      | 06/30/15 |  | 2,225            |                              |                       | (2,225)                |   |                          |                  |                   | 3,082                |                               |
| Handicapped Services:   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| Corrective Speech   | 16-100-034-5120-066           | 17,557                  | 07/1/15      | 06/30/16 |  |                  | 17,557                       | (8,277)               |                        |   |                          | 9,280            |                   | 8,277                |                               |
| Corrective Speech   | 15-100-034-5120-066           | 24,738                  | 07/1/14      | 06/30/15 |  | 11,397           |                              |                       | (11,397)               |   |                          |                  |                   | 13,341               |                               |
| Examination and Classification  | 16-100-034-5120-066           | 3,409                   | 07/1/15      | 06/30/16 |  |                  | 3,409                        | (2,217)               |                        |   |                          | 1,192            |                   | 2,217                |                               |
| Examination and Classification  | 15-100-034-5120-066           | 8,104                   | 07/1/14      | 06/30/15 |  | 2,343            |                              |                       | (2,343)                |   |                          |                  |                   | 5,761                |                               |
| Supplementary Instruction   | 16-100-034-5120-066           | 2,153                   | 07/1/15      | 06/30/16 |  |                  | 2,153                        | (1,708)               |                        |   |                          | 445              |                   | 1,708                |                               |
| Supplementary Instruction   | 15-100-034-5120-066           | 3,924                   | 07/1/14      | 06/30/15 |  | 2,119            |                              |                       | (2,119)                |   |                          |                  |                   | 1,805                |                               |
| New Jersey Achievement Coaches Program                                    | 15-TG03-A01                   | 34,699                  | 02/1/15      | 08/31/15 |  |                  | 34,699                       | (34,699)              |                        |   |                          |                  |                   | 34,699               |                               |
| <b>Total Special Revenue Fund</b>   |                               |                         |              |          |  | <b>30,895</b>    | <b>122,419</b>               | <b>(103,337)</b>      |                        | <b>(30,895)</b>                                     |                          | <b>19,082</b>    |                   | <b>145,146</b>       |                               |
| Debt Service Fund:  |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| Debt Service Aid Type II  | 16-495-034-5120-075           | 393,066                 | 07/1/15      | 06/30/16 |  |                  | 393,066                      | (393,066)             |                        |   |                          |                  |                   | 393,066              |                               |
| State Department of Agriculture   |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| Enterprise Fund:  |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| National School Lunch Program (State Share)                               | 16-100-010-3350-023           | 3,429                   | 07/1/15      | 06/30/16 |  |                  | 3,238                        | (3,429)               |                        |   | (191)                    |                  |                   | 3,429                |                               |
| National School Lunch Program (State Share)                               | 15-100-010-3350-023           | 3,697                   | 07/1/14      | 06/30/15 | (787)                                  |                  | 787                          |                       |                        |   |                          |                  |                   | 3,697                |                               |
| <b>Total Enterprise Fund</b>  |                               |                         |              |          | <b>(787)</b>                           |                  | <b>4,025</b>                 | <b>(3,429)</b>        |                        |   | <b>(191)</b>             |                  |                   | <b>7,126</b>         |                               |
| <b>Total State Financial Assistance</b>                                   |                               |                         |              |          | <b>\$ (36,499)</b>                     | <b>\$ 30,895</b> | <b>\$ 8,834,670</b>          | <b>\$ (8,814,140)</b> | <b>\$ (30,895)</b>     | <b>\$ (35,051)</b>                                  |                          | <b>\$ 19,082</b> | <b>\$ 613,242</b> | <b>\$ 9,514,406</b>  |                               |
| Less: On-Behalf TPAF Pension System Contributions                         |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| <b>(1,482,466)</b>  |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| <b>Total for State Financial Assistance - Major Program Determination</b> |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |
| <b>(7,331,674)</b>  |                               |                         |              |          |  |                  |                              |                       |                        |   |                          |                  |                   |                      |                               |

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

MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2016

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Mantua Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 – *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations, New Jersey State Aid/Grant Compliance Supplement*, and New Jersey OMB's Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.

MANTUA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2016

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,098) for the General Fund and \$26,549 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

|                            | <u>Federal</u>    | <u>State</u>        | <u>Total</u>        |
|----------------------------|-------------------|---------------------|---------------------|
| General Fund               | \$ 30,514         | \$ 8,313,347        | \$ 8,343,861        |
| Special Revenue Fund       | 542,491           | 103,127             | 645,618             |
| Debt Service Fund          |                   | 393,066             | 393,066             |
| Food Service Fund          | 142,961           | 3,429               | 146,390             |
| Total Financial Assistance | <u>\$ 715,966</u> | <u>\$ 8,812,969</u> | <u>\$ 9,528,935</u> |

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2016, Mantua Township School District has food commodities totaling \$3,747 in inventory.

NOTE 6: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

MANTUA TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**Financial Statements:**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?        Yes   X   No

**Federal Awards**

**N/A**

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?        Yes        No

Identification of major programs:

| <b>CFDA Number</b> | <b>FAIN Number</b> | <b>Name of Federal Program or Cluster</b> |
|--------------------|--------------------|---|
|--------------------|--------------------|---|

Dollar threshold used to distinguish between type A and type B programs:   N/A  

Auditee qualified as low-risk auditee?        Yes        No

MANTUA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**State Awards**

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

Auditee qualified as low-risk auditee?  X  Yes   No

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB’s Circular 15-08?   Yes  X  No

Identification of major programs:

GMIS Numbers

Name of State Program

495-034-5120-078  
495-034-5120-089  
495-034-5120-084  
495-034-5120-098  
495-034-5120-097  
495-034-5120-075

State Aid Public:  
Equalization Aid  
Special Education Categorical Aid  
Security Aid  
PARCC Readiness Aid  
Per Pupil Growth Aid  
Debt Service Aid

**Section II – Financial Statement Findings**

None

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

**FEDERAL AWARDS**

Not applicable

**STATE AWARDS**

None

MANTUA TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Finding 2015-001: Two exceptions were noted based on our review of outstanding purchase orders as of June 30, as to the proper classification of reserve for encumbrances and accounts payable.

Status: Corrective Action taken.

Finding 2015-002: The District purchased tables and benches from a vendor approved as a national cooperative contract, at a cost of \$68,217. However, no board approval was obtained, no documentation of the cost savings determination was made, nor did the contracting unit provide public notice to current contract holders and prospective bidders of their decision to utilize a national cooperative purchasing agreement that would otherwise require public bidding as required by P.L. 2011, c.139.

Status: Corrective Action taken.