

**MANSFIELD TOWNSHIP  
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2017**

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

**MANSFIELD TOWNSHIP  
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2017**

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# *Mansfield Township Board of Education*

50 Port Murray Road, Port Murray, NJ 07865

Phone: 908-689-3212, Ext. 1185

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November 28, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Mansfield Township School District (District) for the fiscal year ending June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) **REPORTING ENTITY AND ITS SERVICES:** Mansfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Mansfield Township Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular classes and special education for handicapped youngsters. The District completed the 2016-17 fiscal year with an enrollment of 646 students, which is 29 student less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight years.

**AVERAGE DAILY ENROLLMENT**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	646	-4.9%
2015-16	679	-3.5%
2014-15	703	0.0%
2013-14	704	0.0%
2012-13	705	-1.7%
2011-12	717	3.17%
2010-11	695	-3.4%
2009-10	719	3.6%

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

3) **MAJOR INITIATIVES:**

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

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

continue to be assessed and addressed as needed. We are currently implementing the next generation science standards and are researching resources. We continued to offer Homework Club to provide after-school support for students needing extra assistance.

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

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

We have an on-line site for professional development. Staff have access to the TEQ Training site 24/7.

The major initiatives in technology for the 2016-2017 school year included purchasing three additional SMART Boards (Model 6065), Grades 2 to 6 are now using Office 365 in the cloud. We will continue to utilize Discovery Video Streaming as a teacher resource. Additionally we will continue to receive e-rate rebates for our eligible technology and communication costs.

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

Improving security continues to be a high priority. We now have a total of 55 IP security cameras. A second server was added for our video surveillance that serves as a failover and our new LPR server for license plate recognition.



2016 PARCC Scores Mansfield Township Elementary School					
	Not Yet Meeting Expectations (Level 1)	Partially Meeting Expectations (Level 2)	Approaching Expectations (Level 3)	Meeting Expectations (Level 4)	Exceeding Expectations (Level 5)
Grade 3 PARCC ELA	12%	12%	231	44%	1%
Grade 3 PARCC Math	3%	23%	28%	40%	5%
Grade 4 PARCC ELA	6%	15%	25%	45%	9%
Grade 4 PARCC Math	6%	26%	28%	38%	3%
Grade 5 PARCC ELA	1%	8%	20%	60%	11%
Grade 5 PARCC Math	1%	14%	33%	49%	2%
Grade 6 PARCC ELA	0%	8%	22%	59%	11%
Grade 6 PARCC Math	3%	7%	36%	44%	9%

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

### NJ ASK 2016 Results

NJASK 4 Science Scores Mansfield Township Elementary School			
	Partially Proficient	Proficient	Advanced Proficient
Grade 4 Science	14.7%	46.8%	38.5%

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure

that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2017.

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

**7) DEBT ADMINISTRATION:** The District's voters approved a \$6,685,000 referendum in March of 2014. There is a zero net cost to the taxpayers for this new debt since the Board timed the new debt to begin after the final payment was made on the 1995 "COP" lease purchase obligation. The referendum monies will be used to replace the fire alarm system, the original boilers and control system, the uni-vent systems in 23 classrooms, bathrooms, lighting, ceilings, the roof on every section except for the 2004 addition, asbestos removal, interior and exterior doors and locks, the original kitchen equipment, finish the final phase of the windows project, replace the windows in the All Purpose Room, add a storage building, add additional storage throughout the school,

replace the clocks throughout the school, water treatment, and parking lot replacement.

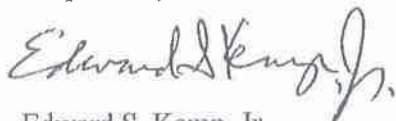
8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Notes 1 and 3. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss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

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

10) **OTHER INFORMATION - INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bedard, Kurowicki & Co. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

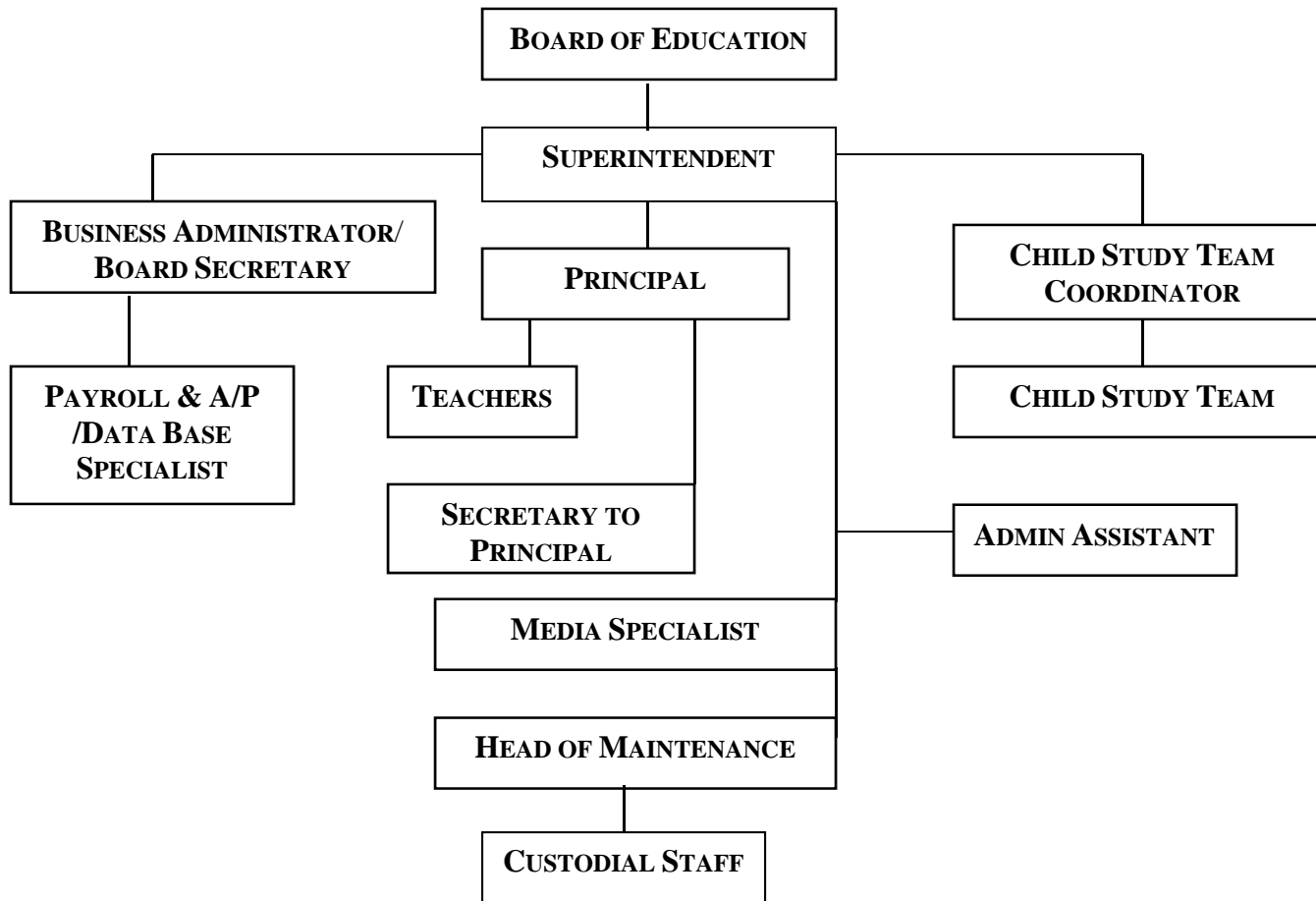


Edward S. Kemp, Jr.  
Superintendent



Paul DeAngelo  
Business Administrator/Board Secretary

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
PORT MURRAY, NJ 07865**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Karri Reyes, President	2019
James Momary, Vice President	2019
Michael Coombs	2017
Christine Bland	2017
John Falco	2018
Annamaria Lalevee	2017
Krysti Mastrolacasa	2017
Jason Winch	2017

<u>Other Officials</u>	
Edward Kemp, Jr.	Superintendent
Paul DeAngelo	Business Administrator/Board Secretary
Andrew Coppola	Treasurer

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

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Bedard, Kurowicki & Co., CPA's, PC  
Certified Public Accountants  
114 Broad Street  
Flemington, NJ 08822

**ATTORNEYS**

Nathanya Simon, Esq.  
Schwartz, Simon, Edelstein, Celso & Kessler  
10 James Street  
Florham Park, NJ 07932

**OFFICIAL DEPOSITORIES**

Fulton Bank of New Jersey  
148 Mountain Avenue  
Hackettstown, NJ 07840



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

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## **Independent Auditors' Report**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mansfield Township School District (the District) in the County of Warren, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board'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.

### **Auditors' Responsibility**

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mansfield Township School District, as of June 30, 2017, 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 Schedules, Schedules of the District's Proportionate Share of Net Pension Liability, and Schedules of the District's Pension Contributions, as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are also not a required part of the basic financial statements.



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

In our opinion, the combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

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



William M. Colantano  
Certified Public Accountant  
Registered Municipal Accountant

November 28, 2017  
Flemington, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

The discussion and analysis of Mansfield Township School District's financial performance provide an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and notes to enhance their understanding of the District's financial performance.

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

**FINANCIAL HIGHLIGHTS**

- In total, net position decreased \$202,042 which is a 4.65 percent decrease from fiscal year 2016.
- General revenue accounted for \$13,505,803 in revenue or 93.0 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,016,938 or 7.0 percent of the total revenue of \$14,522,741.
- The School District had \$14,705,122 in expenses; only \$1,016,938 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,505,803 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$10,351,653 in revenues and \$10,451,308 in expenditures. The General Fund's fund balance decreased by \$99,655 from fiscal year 2016.

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

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

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

**REPORTING THE DISTRICT AS A WHOLE**

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

While this document contains the various funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2017?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

**FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUNDS**

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

**ENTERPRISE FUNDS**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**THE DISTRICT AS A WHOLE**

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

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

Table 1 provides a summary of the District's net position at June 30, 2017, with comparisons to June 30, 2016.

	<b>Table 1 Net Position</b>		Variance	
	06/30/17	06/30/16	Dollars	%
<b>ASSETS</b>				
Current & Other Assets	\$ 1,955,209	\$ 3,774,862	\$ (1,819,653)	(48.20)
Capital Assets	10,806,833	9,104,332	1,702,501	18.70
Total Assets	12,762,042	12,879,194	(117,152)	(.91)
Deferred Outflows of Resources:				
Deferred Amount on Pension Activity	907,630	384,419	523,211	136.10
<b>LIABILITIES</b>				
Long-Term Liabilities	9,332,433	8,768,822	563,611	6.43
Other Liabilities	189,171	113,889	75,282	66.10
Total Liabilities	9,521,604	8,882,711	638,893	7.19
Deferred Inflows of Resources:				
Deferred Amount on Pension Activity	4,176	34,968	(30,792)	(88.06)
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,739,210	4,630,694	108,516	2.34
Restricted	1,174,072	1,357,097	(183,025)	(13.49)
Unrestricted	(1,769,390)	(1,641,857)	(127,533)	(7.77)
Total Net Position	\$ 4,143,892	\$ 4,345,934	\$ (202,042)	(4.65)

\* = Undefined

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2017, with comparisons to June 30, 2016.

**Table 2  
Changes in Net Position**

	Fiscal Year Ending		Variance	
	06/30/17	06/30/16	Dollars	%
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 561,483	\$ 559,129	\$ 2,354	.42
Operating Grants	455,455	447,863	7,592	1.70
General Revenues:				
Property Taxes	5,605,061	5,570,870	34,191	.61
Unrestricted Grants	7,881,826	6,905,423	976,403	14.14
Other	18,916	29,381	(10,465)	(35.62)
<b>Total Revenues</b>	<b>14,522,741</b>	<b>13,512,666</b>	<b>1,010,075</b>	<b>7.48</b>
<b>Program Expenses</b>				
Instruction:				
Regular	6,724,873	6,142,056	582,817	9.49
Special	2,299,647	1,936,241	363,406	18.77
Other	405,011	444,814	(39,803)	(8.95)
Support Services:				
Tuition	93,565	267,121	(173,556)	(64.97)
Student & Instructional Staff	1,892,981	1,454,791	438,190	30.12
General & Business				
Administration	913,959	841,402	72,557	8.62
School Administration	316,344	310,631	5,713	1.84
Maintenance	835,471	684,436	151,035	22.07
Transportation	620,763	630,343	(9,580)	(1.52)
Food Service	224,939	211,802	13,137	6.20
Child Care Program	164,181	192,505	(28,324)	(14.71)
Summer Recreation Program	16,793	12,160	4,633	38.10
Charter Schools	7,280	-	7,280	*
Interest on Long-Term Debt	189,315	202,282	(12,967)	(6.41)
<b>Total Expenses</b>	<b>14,705,122</b>	<b>13,330,584</b>	<b>1,374,538</b>	<b>10.31</b>
Increase (Decrease) before special items	(182,381)	182,082	(364,463)	(200.16)
Special item				
Gain (Loss) on disposal of assets	(19,661)	-	(19,661)	*
<b>Increase (Decrease) in Net Position</b>	<b>\$ (202,042)</b>	<b>\$ 182,082</b>	<b>\$ (384,124)</b>	<b>(210.96)</b>

\* = Undefined

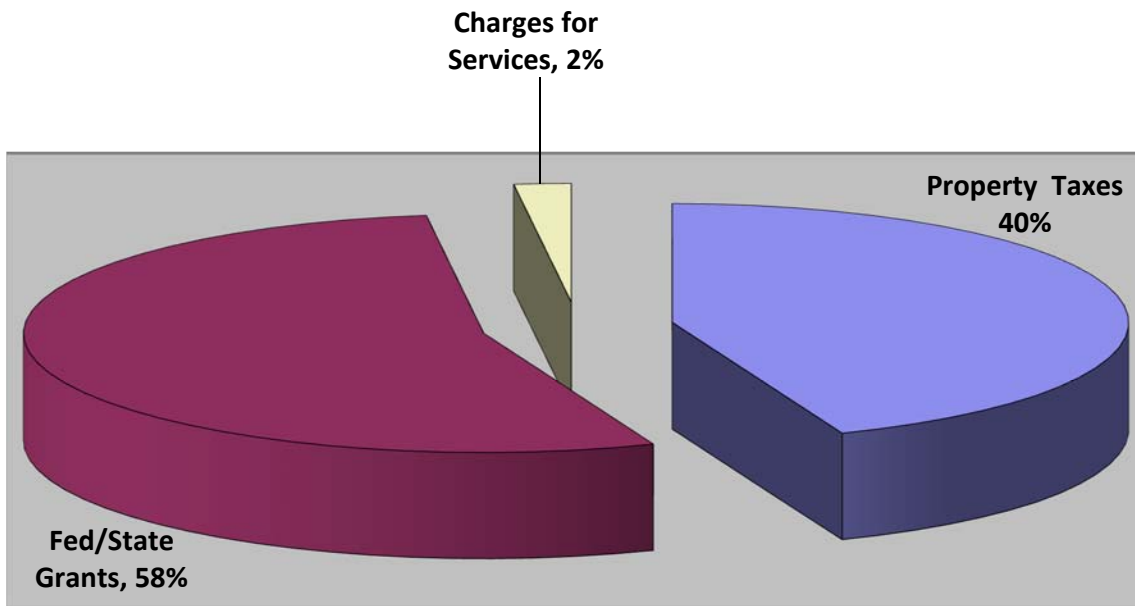
**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

***Governmental Activities***

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 40% of revenues for governmental activities for the Mansfield School District for fiscal year 2017. Federal, state, and local grants accounted for another 58% of the revenues, and 2% was derived from charges for services and from other sources. The District's total revenues for governmental activities were \$14,058,535 for the year ended June 30, 2017.

**REVENUES  
YEAR ENDED 6/30/17**



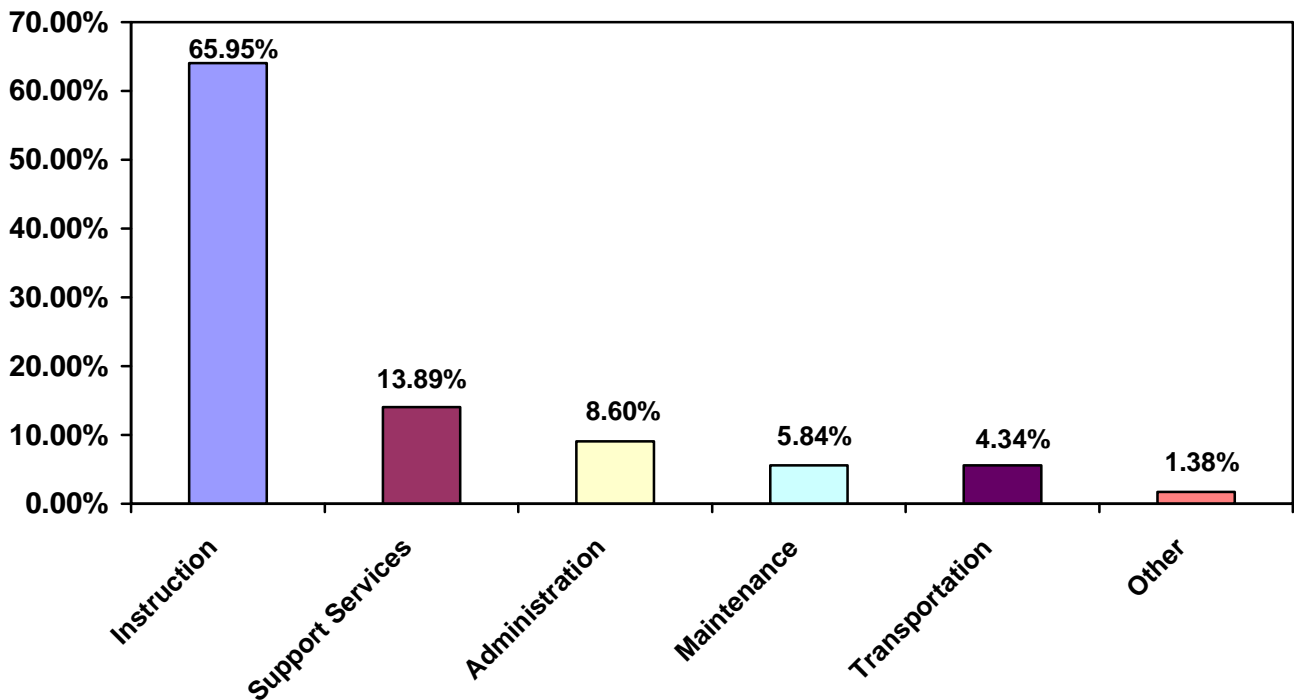


**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
PORT MURRAY, NJ**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

The total cost of all program expenses and services for governmental activities was \$14,299,209. Expenditure categories and associated percentages are shown below.

**EXPENDITURES  
YEAR ENDED 6/30/2017**



***Business-Type Activities***

***Food Service***

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

Food service revenues exceeded expenditures by \$34,523.

Daily food sales amounted to \$130,428. This represents amounts paid by patrons for daily food services.

Federal and State reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$129,034.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

***Child Care Program***

Revenues for the district's child care program were comprised of charges for services. Child care revenues exceeded expenditures by \$2,223.

Charges for services represent \$166,404. This represents amounts paid by patrons for child care services.

***Summer Recreation Program***

Revenues for the district's summer recreation program were comprised of charges for services. Summer recreation revenues exceeded expenditures by \$1,692.

Charges for services represent \$18,485. This represents amounts paid by patrons for summer recreation services.

Table 3 provides a summary of the School District's cost of governmental services in 2017 and 2016.

**Table 3  
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	06/30/17	06/30/16	06/30/17	06/30/16
Instruction	\$ 9,429,531	\$ 8,523,111	\$ 9,219,297	\$ 8,359,458
Support Services:				
Tuition	93,565	267,121	5,526	114,762
Student & Instructional Staff	1,892,981	1,454,791	1,809,374	1,392,533
General & Business Administration	913,959	841,402	912,450	840,611
School Administration	316,344	310,631	316,344	310,631
Plant Operations & Maintenance	835,471	684,436	831,725	683,373
Pupil Transportation	620,763	630,343	435,311	445,557
Food Service	224,939	211,802	(34,523)	(43,686)
Child Care Program	164,181	192,505	(2,223)	17,731
Summer Recreation Program	16,793	12,160	(1,692)	340
Charter Schools	7,280	-	7,280	-
Interest on Long-Term Debt	189,315	202,282	189,315	202,282
<b>Total Expenses</b>	<b>\$ 14,705,122</b>	<b>\$ 13,330,584</b>	<b>\$ 13,688,184</b>	<b>\$ 12,323,592</b>

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

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

**MANSFIELD TOWNSHIP ELEMENTARY SCHOOL  
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**Management's Discussion and Analysis  
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Students and instructional staff include the activities involved with assisting staff with the content and process of teaching to students and includes attendance and health services, guidance, child study teams, library services and curriculum and staff development.

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

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

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

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

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$11,111,993 and expenditures were \$13,050,632 resulting in a decrease in fund balance of \$1,938,639.

**General Fund Budgeting Highlights**

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

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

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

**Capital Assets**

At the end of fiscal year 2017, the district had \$10,806,833 invested in land, buildings, furniture, and equipment.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2017, with comparisons to June 30, 2016.

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

	06/30/17	06/30/16	Variance	
			Dollars	%
Land	\$ 17,722	\$ 17,722	\$ -	0.00
Construction in Progress	6,392,405	4,547,694	1,844,711	40.56
Land Improvements	83,005	80,726	2,279	2.82
Buildings & Improvements	4,013,275	4,134,433	(121,158)	(2.93)
Furniture & Equipment	300,426	323,757	(23,331)	(7.21)
<b>Total</b>	<b>\$ 10,806,833</b>	<b>\$ 9,104,332</b>	<b>\$ 1,702,501</b>	<b>18.70</b>

\* = Undefined

Major capital asset acquisitions included \$1,838,985 for building renovations in connection with a voter approved referendum for building improvements. In addition, the district disposed of obsolete equipment totaling \$105,672.

**Long Term Liabilities – Debt Administration**

As of June 30, 2017, the district had \$9,332,433 of long-term liabilities. This amount is detailed below.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2017, with comparisons to June 30, 2016.

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

	06/30/17	06/30/16	Variance	
			Dollars	%
PERS Net Pension Liability	\$ 2,589,607	\$ 1,839,639	\$ 749,968	40.77
2014 General Obligation Bonds	6,240,000	6,485,000	(245,000)	(3.78)
Unamortized Bond Premium	99,076	104,904	(5,828)	(5.56)
Compensated Absences	403,750	339,279	64,471	19.00
<b>Total</b>	<b>\$ 9,332,433</b>	<b>\$ 8,768,822</b>	<b>\$ 563,611</b>	<b>6.43</b>

\* = Undefined

The general obligation bonded debt of the District is limited by state law to 2.5% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2017 is \$17,578,907. General obligation debt and debt authorized at June 30, 2017 is \$6,240,350, resulting in a legal debt margin of \$11,338,557.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited**

**For the Future**

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

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

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

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

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

**Management's Discussion and Analysis  
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In addition to upgrading our aging facility, we continue initiatives to stay in the forefront of technology. We continue to utilize Discovery Video Streaming as a teacher resource. Additionally, we continue to receive e-Rate rebates for our eligible technology and communication costs.

Our technology goals for 2017-2018 include continued additions to foster the infusion of technology in the classroom and to improve school safety. We anticipate adding new laptops stationed in individual classrooms as well as continuing to replace older Smart Boards as needed. We are looking to deploy a streaming video system that will allow us to broadcast school information throughout the building. We are changing of our telephone system to VoIP with enhanced security options. Also in the area of security, we will deploy additional cameras on the outside of the building and in the parking lot, including a license plate reading camera. The local police department will be able to access the feeds from the cameras. Our PTA and Education Foundation will help support the costs of expanding technology and funding programs.

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

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

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

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

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 458,646	\$ 98,794	\$ 557,440
Due from other funds, net	(66,124)	69,852	3,728
Receivables, net	36,132	8,034	44,166
Inventory	-	3,426	3,426
<b>Restricted assets</b>			
Capital reserve account - cash	739,821	-	739,821
Emergency expense reserve account - cash	143,000	-	143,000
Maintenance reserve account - cash	291,251	-	291,251
Capital projects fund - cash	172,377	-	172,377
<b>Capital assets, net</b>			
Land	17,722	-	17,722
Construction in progress	6,392,405	-	6,392,405
Other capital assets, net of depreciation	4,379,816	16,890	4,396,706
<b>Total assets</b>	<b>12,565,046</b>	<b>196,996</b>	<b>12,762,042</b>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	907,630	-	907,630
<b>Liabilities</b>			
Accounts payable	83,751	-	83,751
Accrued interest	85,324	-	85,324
Unearned revenue	2,479	17,617	20,096
<b>Long-term liabilities</b>			
Due within one year	313,119	-	313,119
Due beyond one year	9,019,314	-	9,019,314
<b>Total liabilities</b>	<b>9,503,987</b>	<b>17,617</b>	<b>9,521,604</b>
<b>Deferred inflows of resources</b>			
Deferred amount on pension liability	4,176	-	4,176
<b>Net position</b>			
Net investment in capital assets	4,722,320	16,890	4,739,210
<b>Restricted for</b>			
Capital reserve	739,821	-	739,821
Emergency expense reserve	143,000	-	143,000
Maintenance reserve	291,251	-	291,251
Unrestricted	(1,931,879)	162,489	(1,769,390)
<b>Total net position</b>	<b>\$ 3,964,513</b>	<b>\$ 179,379</b>	<b>\$ 4,143,892</b>

See accompanying notes to financial statements.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>								
Instruction								
Regular	\$ 3,314,673	\$ 3,410,200	\$ 14,605	\$ 20,875	\$ -	\$ (6,689,393)	\$ -	\$ (6,689,393)
Special education	1,122,016	1,177,631	35,762	15,336	-	(2,248,549)	-	(2,248,549)
Other special instruction	221,219	183,792	-	123,656	-	(281,355)	-	(281,355)
Support services								
Tuition	93,565	-	-	88,039	-	(5,526)	-	(5,526)
Students & instruction related services	971,414	921,567	5,092	78,515	-	(1,809,374)	-	(1,809,374)
General & business administration services	483,377	430,582	1,509	-	-	(912,450)	-	(912,450)
School administration services	159,750	156,594	-	-	-	(316,344)	-	(316,344)
Plant operations & maintenance	661,781	173,690	3,746	-	-	(831,725)	-	(831,725)
Pupil transportation	619,717	1,046	185,452	-	-	(435,311)	-	(435,311)
Charter schools	7,280	-	-	-	-	(7,280)	-	(7,280)
Interest on long-term debt	189,315	-	-	-	-	(189,315)	-	(189,315)
Total governmental activities	<u>7,844,107</u>	<u>6,455,102</u>	<u>246,166</u>	<u>326,421</u>	<u>-</u>	<u>(13,726,622)</u>	<u>-</u>	<u>(13,726,622)</u>
<b>Business-type activities</b>								
Food service	224,939	-	130,428	129,034	-	-	34,523	34,523
Before and after child care	164,181	-	166,404	-	-	-	2,223	2,223
Summer recreation program	16,793	-	18,485	-	-	-	1,692	1,692
Total business-type activities	<u>405,913</u>	<u>-</u>	<u>315,317</u>	<u>129,034</u>	<u>-</u>	<u>-</u>	<u>38,438</u>	<u>38,438</u>
Total primary government	<u>\$ 8,250,020</u>	<u>\$ 6,455,102</u>	<u>\$ 561,483</u>	<u>\$ 455,455</u>	<u>\$ -</u>	<u>(13,726,622)</u>	<u>38,438</u>	<u>(13,688,184)</u>
<b>General revenues, special items &amp; transfers</b>								
Property taxes levied for general purposes						5,334,006	-	5,334,006
Property taxes levied for debt service						271,055	-	271,055
Federal & State aid not restricted						7,881,826	-	7,881,826
Investment earnings						8,726	194	8,920
Miscellaneous income						9,996	-	9,996
Special item - gain (loss) on disposal of capital assets						(19,661)	-	(19,661)
Total general revenues & special items						<u>13,485,948</u>	<u>194</u>	<u>13,486,142</u>
Change in net position						(240,674)	38,632	(202,042)
Net position - beginning						4,205,187	140,747	4,345,934
Net position - ending						<u>\$ 3,964,513</u>	<u>\$ 179,379</u>	<u>\$ 4,143,892</u>

See accompanying notes to financial statements.

## **FUND FINANCIAL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2017**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash & cash equivalents	\$ 431,957	\$ 26,688	\$ -	\$ 1	\$ 458,646
Due from other funds	3,728	-	-	-	3,728
Receivables from other governments					
State	28,356	-	-	-	28,356
Local	7,776	-	-	-	7,776
Restricted cash & equivalents	1,174,072	-	172,377	-	1,346,449
<b>Total assets</b>	<b>\$ 1,645,889</b>	<b>\$ 26,688</b>	<b>\$ 172,377</b>	<b>\$ 1</b>	<b>\$ 1,844,955</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 59,542	\$ 24,209	\$ -	\$ -	\$ 83,751
Due to other funds	69,852	-	-	-	69,852
Unearned revenue	-	2,479	-	-	2,479
<b>Total liabilities</b>	<b>129,394</b>	<b>26,688</b>	<b>-</b>	<b>-</b>	<b>156,082</b>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2017**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (continued)					
Fund balances					
Restricted fund balance					
Capital project fund balance	\$ -	\$ -	\$ 172,377	\$ -	\$ 172,377
Excess surplus	28,802	-	-	-	28,802
Capital reserve account	739,821	-	-	-	739,821
Emergency expense reserve account	143,000	-	-	-	143,000
Maintenance reserve account	291,251	-	-	-	291,251
Committed fund balance					
Year-end encumbrances	409,870	-	-	-	409,870
Assigned fund balance					
Designated for subsequent year's expenditures	25,689	-	-	-	25,689
Unassigned fund balance	(121,938)	-	-	1	(121,937)
Total fund balances	1,516,495	-	172,377	1	1,688,873
Total liabilities and fund balances	\$ 1,645,889	\$ 26,688	\$ 172,377	\$ 1	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$15,127,971 and the accumulated depreciation is \$4,338,028.	10,789,943
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	903,454
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.	(9,332,433)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(85,324)
Total net position of governmental activities	\$ 3,964,513

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
<b>Local sources</b>					
Local tax levy	\$ 5,334,006	\$ -	\$ -	\$ 271,055	\$ 5,605,061
Tuition	50,362	-	-	-	50,362
Interest earned on capital reserve funds	2,822	-	-	-	2,822
Interest on investments	5,904	-	-	-	5,904
Miscellaneous	8,368	1,917	-	-	10,285
Total	<u>5,401,462</u>	<u>1,917</u>	<u>-</u>	<u>271,055</u>	<u>5,674,434</u>
State sources	4,919,950	-	-	162,864	5,082,814
Federal sources	30,241	324,504	-	-	354,745
Total revenues	<u>10,351,653</u>	<u>326,421</u>	<u>-</u>	<u>433,919</u>	<u>11,111,993</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instructional</b>					
Regular instruction	3,277,362	20,875	-	-	3,298,237
Special education instruction	1,106,680	15,336	-	-	1,122,016
Other special instruction	146,664	74,555	-	-	221,219
<b>Support service &amp; undistributed costs</b>					
Tuition	12,806	88,039	-	-	100,845
Student & instruction related services	887,392	78,515	-	-	965,907
General & business administrative services	493,533	-	-	-	493,533
School administrative services	159,750	-	-	-	159,750
Plant operations & maintenance	653,208	-	-	-	653,208
Pupil transportation	434,265	-	-	-	434,265
Unallocated benefits	3,152,699	49,101	-	-	3,201,800

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 124,024	\$ -	\$ 1,838,985	\$ -	\$ 1,963,009
Debt service					
Principal	-	-	-	245,000	245,000
Interest & other charges	2,925	-	-	188,918	191,843
Total expenditures	<u>10,451,308</u>	<u>326,421</u>	<u>1,838,985</u>	<u>433,918</u>	<u>13,050,632</u>
Net change in fund balance	(99,655)	-	(1,838,985)	1	(1,938,639)
Fund balances, July 1	<u>1,616,150</u>	<u>-</u>	<u>2,011,362</u>	<u>-</u>	<u>3,627,512</u>
Fund balances, June 30	<u>\$ 1,516,495</u>	<u>\$ -</u>	<u>\$ 172,377</u>	<u>\$ 1</u>	<u>\$ 1,688,873</u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

Total net changes in fund balances - governmental fund (from B-2) \$ (1,938,639)

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. Proceeds of the disposition of assets is an other financing source in the governmental funds, while only the gain or loss is reported in the Statement of Activities. The difference, which is the cost basis of the assets disposed, is a reduction in the reconciliation. This is the amount by which capital outlays exceeds depreciation and the cost basis of assets disposed:

Capital outlays	\$	1,963,009	
Cost basis of assets disposed		(19,661)	
Depreciation expense		<u>(238,303)</u>	
			1,705,045

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

Debt principal payments	245,000
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Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

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

(195,965)

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds (continued)**  
**For the Fiscal Year Ended June 30, 2017**

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 2,528
In the Statement of Activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	<u>(64,471)</u>
Change in net position of governmental activities	<u><u>\$ (240,674)</u></u>

See accompanying notes to financial statements.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
<b>ASSETS</b>				
Current assets				
Cash & cash equivalents	\$ 46,381	\$ 37,031	\$ 15,382	\$ 98,794
Due from other funds	69,852	-	-	69,852
Receivables from other governments				
State	182	-	-	182
Federal	7,384	-	-	7,384
Other accounts receivable	-	468	-	468
Inventory	3,426	-	-	3,426
Total current assets	<u>127,225</u>	<u>37,499</u>	<u>15,382</u>	<u>180,106</u>
Noncurrent assets				
Capital assets	51,419	-	-	51,419
Less: accumulated depreciation	34,529	-	-	34,529
Total noncurrent assets	<u>16,890</u>	<u>-</u>	<u>-</u>	<u>16,890</u>
Total assets	<u>144,115</u>	<u>37,499</u>	<u>15,382</u>	<u>196,996</u>
<b>LIABILITIES</b>				
Current liabilities				
Unearned revenues	3,927	-	13,690	17,617
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	16,890	-	-	16,890
Unrestricted	123,298	37,499	1,692	162,489
Total net position	<u>\$ 140,188</u>	<u>\$ 37,499</u>	<u>\$ 1,692</u>	<u>\$ 179,379</u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Operating revenues				
Charges for services				
Daily sales - reimbursable programs	\$ 87,478	\$ -	\$ -	\$ 87,478
Daily sales - non-reimbursable programs	42,950	-	-	42,950
Child care program fees	-	166,404	-	166,404
Summer recreation program fees	-	-	18,485	18,485
Total operating revenues	<u>130,428</u>	<u>166,404</u>	<u>18,485</u>	<u>315,317</u>
Operating expenses				
Cost of sales - reimbursable programs	89,262	-	-	89,262
Cost of sales - non-reimbursable programs	2,062	-	-	2,062
Commodity food costs	16,702	-	-	16,702
Salaries	77,804	135,458	15,015	228,277
Employee benefits	13,683	-	1,149	14,832
Purchased property services	2,125	8,173	-	10,298
Supplies and materials (not included in cost of sales)	4,272	19,613	629	24,514
Insurance	1,563	-	-	1,563
Management fee	9,595	-	-	9,595
Other purchased services	4,401	937	-	5,338
Depreciation	2,544	-	-	2,544
Miscellaneous	926	-	-	926
Total operating expenses	<u>224,939</u>	<u>164,181</u>	<u>16,793</u>	<u>405,913</u>
Operating income (loss)	<u>(94,511)</u>	<u>2,223</u>	<u>1,692</u>	<u>(90,596)</u>
Non-operating revenues (expenses)				
State sources				
State school lunch program	2,716	-	-	2,716
Federal sources				
National school breakfast program				
Cash assistance	9,965	-	-	9,965
National school lunch program				
Cash assistance	97,720	-	-	97,720
Non-cash assistance (commodities)	16,702	-	-	16,702
Child and adult care food program				
Cash assistance	1,931	-	-	1,931

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Local sources				
Interest on investments	\$ 194	\$ -	\$ -	\$ 194
Total non-operating revenues (expenses)	<u>129,228</u>	<u>-</u>	<u>-</u>	<u>129,228</u>
Change in net position	34,717	2,223	1,692	(90,402)
Net position, beginning	<u>105,471</u>	<u>35,276</u>	<u>-</u>	<u>140,747</u>
Net position, ending	<u>\$ 140,188</u>	<u>\$ 37,499</u>	<u>\$ 1,692</u>	<u>\$ 179,379</u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Cash flows from operating activities				
Receipts from customers	\$ 130,526	\$ 166,863	\$ 14,400	\$ 311,789
Payments to Food Service Management Company	(188,415)	-	-	(188,415)
Payments to employees	(11,215)	(135,458)	(15,015)	(161,688)
Payments to vendors (net)	(6,275)	(28,723)	(1,778)	(36,776)
Net cash provided by operating activities	<u>(75,379)</u>	<u>2,682</u>	<u>(2,393)</u>	<u>(75,090)</u>
Cash flows from noncapital financing activities				
State sources	2,673	-	-	2,673
Federal sources	107,402	-	-	107,402
General fund interfund activity	(5,309)	-	-	(5,309)
Net cash provided by (used for) noncapital financing activities	<u>104,766</u>	<u>-</u>	<u>-</u>	<u>104,766</u>
Cash flows from investing activities				
Interest on investments	194	-	-	194
Net increase in cash and cash equivalents	29,581	2,682	(2,393)	29,870
Cash and cash equivalents, July 1	16,800	34,349	17,775	68,924
Cash and cash equivalents, June 30	<u>\$ 46,381</u>	<u>\$ 37,031</u>	<u>\$ 15,382</u>	<u>\$ 98,794</u>
Reconciliation of operating income to net cash				
Provided by operating activities				
Operating income (loss)	\$ (94,511)	\$ 2,223	\$ 1,692	\$ (90,596)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	2,544	-	-	2,544
Federal food donation program	16,702	-	-	16,702
(Increase) decrease in other accounts receivable	-	459	-	459
(Increase) decrease in inventory	(390)	-	-	(390)
Increase (decrease) in unearned revenues	276	-	(4,085)	(3,809)
Net cash provided by (used for) operating activities	<u>\$ (75,379)</u>	<u>\$ 2,682</u>	<u>\$ (2,393)</u>	<u>\$ (75,090)</u>

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Position**  
**June 30, 2017**

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 191,302	\$ 46,026	\$ 74,601
Due from other funds	18,354	-	-
Total assets	<u>\$ 209,656</u>	<u>\$ 46,026</u>	<u>\$ 74,601</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ 22,082
Due to student groups	-	46,026	-
Payroll deductions and withholdings	-	-	52,519
Total liabilities	<u>-</u>	<u>\$ 46,026</u>	<u>\$ 74,601</u>
<b>NET POSITION</b>	<u>\$ 209,656</u>		

See accompanying notes to financial statements.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Unemployment Compensation Fund
Additions	
Employee contributions	\$ 9,416
Investment earnings - interest	677
	10,093
Change in net position	10,093
Net position, beginning of the year	199,563
Net position, end of the year	\$ 209,656

See accompanying notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

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

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Warren, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-6. The District had an approximate enrollment at June 30, 2017 of 646 students.

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

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

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



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

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

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

Fiduciary fund types

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

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

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

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

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board Resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

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

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal years 2016-2017 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

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

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

J. Capital assets

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

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

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

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

K. Compensated absences

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

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

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

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

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is 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 credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

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

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



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

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Comparative data/reclassifications

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

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

Note 2 - Tax assessments and property taxes

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

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

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

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

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, cash in banks. As of June 30, 2017, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other State statutes permit investments in obligations issued by local authorities and other State agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

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

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

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

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

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

As of June 30, 2017, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 250,000
Collateralized with securities held by pledging financial institutions	2,081,840
Total bank balances	\$ 2,331,840

Deposits at June 30, 2017 appear in the financial statements as summarized below:

Cash		<u>Ref.</u>	\$ 2,215,818
Unrestricted cash			
Governmental Funds, Balance Sheet	B-1		\$ 458,646
Enterprise Funds, Statement of Net Position	B-4		98,794
Fiduciary Funds, Statement of Net Position	B-7		311,929
Restricted cash			
Governmental Funds, Balance Sheet	B-1		1,346,449
Total cash			\$ 2,215,818

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

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 17,722	\$ -	\$ -	\$ 17,722
Construction in progress	4,547,694	1,844,711	-	6,392,405
Total	<u>4,565,416</u>	<u>1,844,711</u>	<u>-</u>	<u>6,410,127</u>
Capital assets, being depreciated				
Land improvements	339,620	19,125	-	358,745
Building & improvements	7,670,640	21,352	-	7,691,992
Furniture & equipment	694,957	99,174	127,024	667,107
Total	<u>8,705,217</u>	<u>139,651</u>	<u>127,024</u>	<u>8,717,844</u>
Accumulated depreciation				
Land improvements	258,894	16,846	-	275,740
Building & improvements	3,536,207	142,510	-	3,678,717
Furniture & equipment	390,634	78,947	86,010	383,571
Total	<u>4,185,735</u>	<u>238,303</u>	<u>86,010</u>	<u>4,338,028</u>
Total capital assets, being depreciated, net	<u>4,519,482</u>	<u>(98,652)</u>	<u>41,014</u>	<u>4,379,816</u>
Transfer	-	(21,352)	(21,352)	-
Governmental activities capital assets, net	<u>\$ 9,084,898</u>	<u>\$ 1,724,707</u>	<u>\$ 19,662</u>	<u>\$ 10,789,943</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 60,454	\$ -	\$ 9,035	\$ 51,419
Less: accumulated depreciation	41,020	2,544	9,035	34,529
Business type activities capital assets, net	<u>\$ 19,434</u>	<u>\$ (2,544)</u>	<u>\$ -</u>	<u>\$ 16,890</u>

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

Note 4 - Capital assets (continued)

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

Instruction	
Regular	\$ 125,911
Special education	37,244
Other special instruction	7,343
Support services	
Student & instruction	36,677
General & business administration	20,998
School administration	5,303
Plant maintenance	4,827
Total depreciation expense, governmental activities	\$ 238,303

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 6,485,000	\$ -	\$ 245,000	\$ 6,240,000	\$ 255,000
Compensated absences payable	339,279	141,932	77,461	403,750	52,291
PERS net pension liability	1,839,639	1,099,419	349,451	2,589,607	-
Unamortized Bond premium	104,904	-	5,828	99,076	5,828
Total governmental activities long-term liabilities	\$ 8,768,822	\$ 1,241,351	\$ 677,740	\$ 9,332,433	\$ 313,119

Payments on the general obligation bonds are made in the Debt Service Fund from property taxes and State Aid. The other long-term debts are paid in the current expenditures budget of the District's General Fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017, including interest payments are listed as follows:

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

Note 5 - Long-term debt (continued)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 255,000	\$ 183,294	\$ 438,294
2019	265,000	177,113	442,113
2020	275,000	170,362	445,362
2021	285,000	163,362	448,362
2022	300,000	156,050	456,050
2023 - 2027	1,685,000	639,175	2,324,175
2028 - 2032	1,975,000	360,875	2,335,875
2033 - 2034	1,200,000	62,500	1,262,500
Total	<u>\$ 6,240,000</u>	<u>\$ 1,912,731</u>	<u>\$ 8,152,731</u>

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2017, with their outstanding balances are comprised of the following individual issues:

\$6,685,000 - 2014 general obligation bonds, interest at 2.25% to 3.50%, due in annual installments beginning July 15, 2015 to July 15, 2034. \$ 6,240,000

The general obligation bonded debt of the District is limited by State Law to 2.50% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2017 is \$17,578,907. General obligation debt and debt authorized at June 30, 2017 is \$6,240,350, resulting in a legal debt margin of \$11,338,557.

*Debt authorized but not issued* - As of June 30, 2017, the District had authorized but not issued debt for the school facility capital project authorized by the voters on February 17, 2014 for \$6,685,350. The District issued bonds on July 9, 2014 totaling \$6,685,000 resulting in a remaining amount of authorized but not issued debt for \$350.

Note 6 - Pension plans

Description of systems

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

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

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10-years of service, except for medical benefits, which vest after 25-years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective Tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25-years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective Tier.

Allocation methodology and reconciliation to financial statements

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

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

Note 6 - Pension plan (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2016 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2016.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the State fiscal year ended June 30, 2016. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15-years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1<sup>st</sup> until eventually reaching 7.50% of base salary effective July 1, 2018.



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

Note 6 - Pension plan (continued)

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

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2016:

	2016
Total pension liability	\$ 4,325,875
Plan fiduciary net position	1,736,268
Net pension liability	\$ 2,589,607

Plan fiduciary net position as a percentage of the total pension liability	40.14%
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The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases (based on age)	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Investment rate of return	7.65%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set-back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set-back 3 years for males and set forward 1 year for females).

The actuarial assumptions, used in the July 1, 2015 valuation, were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

Note 6 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grad Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

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

Note 6 - Pension plan (continued)

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

Discount rate (continued)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2043, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.98%)	\$ 2,589,607
At a 1% lower rate (2.98%)	3,173,261
At a 1% higher rate (4.98%)	2,107,750

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,159	\$ -
Changes of assumptions	536,428	-
Net difference between projected and actual earnings on pension plan investments	98,744	-
Changes in proportion and differences between District contributions and proportionate share of contributions	146,537	4,176
District contributions subsequent to the measurement date	77,762	-
Total	\$ 907,630	\$ 4,176

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

Note 6 - Pension plan (continued)

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

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

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) of \$77,762 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred outflows of resources				
Changes of assumptions and differences between expected and actual experience	\$ 257,610	\$ 465,731	\$ 138,754	\$ 584,587
Difference between projected and actual earnings on pension plan investments	(31,557)	145,393	15,092	98,744
Net of deferred outflows	<u>\$ 226,053</u>	<u>\$ 611,124</u>	<u>\$ 153,846</u>	<u>\$ 683,331</u>

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

Year ending June 30,

2017	\$ 153,846
2018	153,846
2019	178,236
2020	149,743
2021	47,660
Total	<u>\$ 683,331</u>

Pension expense

For the year ended June 30, 2017, the District recognized net pension expense of \$273,727, which represents the District's proportionate share of allocable plan pension expense of \$247,235, plus the net amortization of deferred amounts from changes in proportion of \$33,708, less other adjustments to the net pension liability of \$7,216. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

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

Note 6 -

Pension plan (continued)

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

Pension expense (continued)

Service cost	\$	84,513
Interest on total pension liability		184,522
Member contributions		(43,803)
Administrative expense		1,398
Expected investment return net of investment expense		(132,965)
Pension expense related to specific liabilities of individual employers		(276)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		126,371
Amortization of expected versus actual experience		12,383
Amortization of projected versus actual investment earnings on pension plan investments		15,092
Pension expense	\$	247,235

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

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after 10-years of service, except for medical benefits, which vest after 25-years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

Note 6 - Pension plan (continued)

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

Plan description (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective Tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25-years of service. Deferred retirement is available to members who have at least 10-years of service credit and have not reached the service retirement age for the respective Tier.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. During the State fiscal year ending June 30, 2016, the State of New Jersey contributed \$373,061 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1<sup>st</sup> until eventually reaching 7.50% of base salary effective July 1, 2018.

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

Note 6 - Pension plan (continued)

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

Components of the net pension liability

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal year ending June 30, 2016 is as follows:

	2016
State's proportionate share of net pension liability	\$ 36,850,083
District's proportionate share of net pension liability	-
Employer pension expense and related revenue	2,768,771
Non-employer contribution	373,061
 Allocable proportionate percentage	 .0468435040%

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

Service cost	\$ 1,093,125
Interest on total pension liability	1,722,855
Member contributions	(355,176)
Administrative expense	6,420
Expected investment return net of investment expense	(882,023)
Pension expense related to specific liabilities of individual employers	(114)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	1,083,880
Amortization of expected versus actual experience	11,588
Amortization of projected versus actual investment earnings on pension plan investments	88,216
Pension expense	\$ 2,768,771

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

Note 6 - Pension plan (continued)

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

Components of net pension liability (continued)

As detailed earlier, the District was not required to report a liability for its proportionate share of net pension expense for TPAF due to a special funding situation. The State's proportionate share of the net pension liability for TPAF as of June 30, 2016 is as follows:

	2016
Total pension liability	\$ 47,443,107
Plan fiduciary net position	10,593,024
Net pension liability	\$ 36,850,083

Plan fiduciary net position as a percentage of the total pension liability	22.33%
--	--------

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (based on age)	
2012 - 2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Pre-retirement, post retirement, and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial study for the period July 1, 2012 to June 30, 2015.

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:



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

Note 6 - Pension plan (continued)  
B. Teacher's pension and annuity fund (TPAF) (continued)  
Long-term expected rate of return (continued)

Asset Class	Target Allocations	Long-Term Expected Rate of Return
Cash	5.00%	.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	.50%	2.87%
Hedge Funds - Multi-Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the rate in the most recent State fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Note 6 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.22%)	\$ 36,850,083
At a 1% lower rate (2.22%)	44,007,234
At a 1% higher rate (4.22%)	31,005,345

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2017) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcprp](http://www.prudential.com/njdcprp).

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ending 2017 was \$988.

D. Other pension plan information

During the year ended June 30, 2017, the State of New Jersey contributed \$436,658 to the TPAF for post-retirement medical benefits, \$18,324 for non-contributory insurance premiums, \$693 for long-term disability insurance, and \$505,732 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$360,899 during the year ended June 30, 2017 for the employer's share of Social Security Contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

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

Note 7 - Post-retirement benefits

Chapter 384 of PL 1987 and Ch. 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25-years of credited service or on a disability retirement. PL 2007, Ch. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees eligible for post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch. 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch. 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25-years of service. In fiscal year 2016, the State paid \$231.2 million toward Ch. 126 benefits for 20,045 eligible retired members.

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

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

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

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

Note 7 - Post-retirement benefits (continued)

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

Note 8 - Deferred compensation

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

- Siracusa Benefits
- AXA Equitable-Equinvest
- Lincoln Investment Planning

Note 9 Interfund receivable and payments

The composition on interfund balances as of June 30, 2017 is as follows:

<u>Fund</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 3,728	\$ 69,852
Food Service	69,852	-
Fiduciary Fund	-	-
Unemployment Compensation Fund	18,354	-
Payroll Agency Fund	-	22,082
Total	<u>\$ 91,934</u>	<u>\$ 91,934</u>

As of June 30, 2017, the following interfunds were on the District's records. The General Fund has an interfund payable to the Food Service Fund for \$69,852 representing subsidy aid that was received in the General Fund but not disbursed to the Food Service Fund. The Payroll Agency Fund had an interfund balance for \$3,728 to the General Fund for interest and canceled balances. The Payroll Agency Fund has an interfund payable for \$18,354 due to the Unemployment Compensation Fund for withholdings not yet transferred as of year-end. These balances are expected to be liquidated within on fiscal year.

Note 10 - Inventory

Inventory in the Food Service Fund as of June 30, 2017 consisted of the following:

Food	\$ 2,331
Supplies	1,095
Total	<u>\$ 3,426</u>

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

Note 11 - Contingent liabilities

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

Receipts and/or receivables from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

*Property and Liability Insurance* - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>Board Contrib.</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016 - 2017	\$ -	\$ 677	\$ 9,416	\$ -	\$ 209,656
2015 - 2016	-	286	8,938	-	199,563
2014 - 2015	-	279	8,817	7,477	190,339

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

Note 13 - Legal reserve accounts

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

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The District made no deposits to the reserve accounts. The following schedule is a summarization of the Legal Reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 922,846	\$ -	\$ 2,822	36,170	\$ 222,017	\$ 739,821
Maintenance	291,251	-	-	-	-	291,251
Emergency	143,000	-	-	-	-	143,000
Total	<u>\$ 1,357,097</u>	<u>\$ -</u>	<u>\$ 2,822</u>	<u>\$ 36,170</u>	<u>\$ 222,017</u>	<u>\$ 1,174,072</u>

Note 14 - Deficit fund balance

The District is reporting a deficit balance in unassigned fund balance in the general fund as of June 30, 2017 of \$(121,938) on Schedule B-1 "Balance Sheet - Governmental Funds". N.J.S.A. 18A:22-44.2 provides that in the event a State school aid payment is not made until the following school budget year, districts must record the last State aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for School Districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the June State aid payments in the subsequent fiscal year, the School District cannot recognize the June State aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June State aid payments, the unreserved, undesignated General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

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

Note 14 - Deficit fund balance (continued)

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned General Fund balance that is reported as a direct result from a delay in the June payments of State aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in unassigned fund balance of \$121,938 is less than the last State aid payment of \$378,077.

Note 15 - Fund balances - Budgetary basis

As described in Note 1 (N), fund balance may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2017 is as follows:

	2017
<b>Restricted</b>	
Excess Surplus – Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year’s budget	\$ 28,802
Capital Reserve Account - Represents funds restricted to capital projects in the Districts long range facilities plan.	739,821
Maintenance Reserve Account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	291,251
Emergency Reserve Account - Represents funds accumulated to finance unanticipated General Fund expenditures required for a thorough and efficient education.	143,000
<b>Committed</b>	
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30	409,870
<b>Assigned</b>	
Additional assigned fund balance - unreserved - designated for subsequent year’s expenditures	25,689
<b>Unassigned</b>	
Undesignated - Represents fund balance which has not been restricted or designated.	256,139
<b>Total fund balance</b>	<b>\$ 1,894,572</b>

Note 16 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve General Fund 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, 2017 is \$28,802.

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

Note 17 - Subsequent events

The District has evaluated subsequent events through November 28, 2017, which is the date the financial statements were available to be issued and noted one item that requires additional disclosure. The District is in the process of completing environmental remediation in connection with a leak that was discovered in the heating oil distribution system in March of 2017. The District contracted with PARS Environmental for remediation services, who has submitted invoices for work performed through August 23, 2017 totaling \$276,752 and the total cost of the remediation is not known at this time. The District has filed claims with the insurance provider and the status of recovery has yet to be determined.

Note 18 - Recent accounting pronouncements not yet effective

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report and which are expected to have a material impact 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 reporting periods beginning after June 15, 2017, is expected to have a material impact on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "*Leases*". This statement, which is effective for reporting periods beginning after June 15, 2019, is expected to have a material impact on the District's financial reporting.

Note 19 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2017 of \$(1,931,879) on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources					
Local tax levy	\$ 5,334,006	\$ -	\$ 5,334,006	\$ 5,334,006	\$ -
Tuition from individuals	12,000	-	12,000	14,600	2,600
Tuition from other LEAs within the state	35,500	-	35,500	35,762	262
Unrestricted miscellaneous revenues	1,200	-	1,200	10,872	9,672
Interest earned on current expense emergency reserve	200	-	200	-	(200)
Interest earned on maintenance reserve	500	-	500	-	(500)
Interest earned on capital reserve funds	500	-	500	2,822	2,322
<b>Total</b>	<b>5,383,906</b>	<b>-</b>	<b>5,383,906</b>	<b>5,398,062</b>	<b>14,156</b>
State sources					
Categorical transportation aid	119,772	-	119,772	119,772	-
Extraordinary aid	-	-	-	4,767	4,767
Categorical special education aid	396,644	-	396,644	396,644	-
Equalization aid	2,956,294	-	2,956,294	2,956,294	-
Categorical security aid	85,007	-	85,007	85,007	-
Under adequacy aid	19,421	-	19,421	19,421	-
PARCC readiness aid	7,110	-	7,110	7,110	-
Per pupil growth aid	7,110	-	7,110	7,110	-
Professional learning community aid	6,490	-	6,490	6,490	-
Other state aids	-	-	-	35,085	35,085
TPAF pension (on-behalf)	-	-	-	524,056	524,056
TPAF Social Security (reimbursed)	-	-	-	360,899	360,899
TPAF post retirement benefits (on-behalf)	-	-	-	436,658	436,658
TPAF long-term disability insurance (on-behalf)	-	-	-	693	693
<b>Total</b>	<b>3,597,848</b>	<b>-</b>	<b>3,597,848</b>	<b>4,960,006</b>	<b>1,362,158</b>
Federal sources					
Medicaid reimbursement	12,317	-	12,317	30,241	17,924
<b>Total</b>	<b>12,317</b>	<b>-</b>	<b>12,317</b>	<b>30,241</b>	<b>17,924</b>
<b>Total Revenues</b>	<b>\$ 8,994,071</b>	<b>\$ -</b>	<b>\$ 8,994,071</b>	<b>\$ 10,388,309</b>	<b>\$ 1,394,238</b>
<b>EXPENDITURES</b>					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 417,584	\$ (71,505)	\$ 346,079	\$ 340,207	\$ 5,872
Grades 1-5	2,258,768	(12,020)	2,246,748	2,246,748	-
Grades 6-8	424,796	54,904	479,700	479,700	-
Home instruction					
Salaries of teacher	-	1,000	1,000	862	138
Purchased technical services	-	8,307	8,307	5,650	2,657
Regular programs - undistributed instruction					
Purchased technical services	400	(400)	-	-	-
Other purchased services	46,425	(14,533)	31,892	31,892	-
General supplies	129,832	40,117	169,949	165,394	4,555
Textbooks	23,535	(12,971)	10,564	10,564	-
<b>Total</b>	<b>3,301,340</b>	<b>(7,101)</b>	<b>3,294,239</b>	<b>3,281,017</b>	<b>13,222</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Special education					
Learning and/or language disabilities					
Salaries of teachers	\$ 80,544	\$ 54,575	\$ 135,119	\$ 135,119	\$ -
Other salaries for instruction	23,818	1,318	25,136	25,136	-
<b>Total</b>	<b>104,362</b>	<b>55,893</b>	<b>160,255</b>	<b>160,255</b>	<b>-</b>
Multiple disabilities					
Salaries of teachers	79,569	3,107	82,676	82,676	-
Other salaries for instruction	53,246	22,448	75,694	75,694	-
<b>Total</b>	<b>132,815</b>	<b>25,555</b>	<b>158,370</b>	<b>158,370</b>	<b>-</b>
Resource room/resource center					
Salaries of teachers	616,246	(54,894)	561,352	561,352	-
Other salaries for instruction	22,322	(16,574)	5,748	5,748	-
<b>Total</b>	<b>638,568</b>	<b>(71,468)</b>	<b>567,100</b>	<b>567,100</b>	<b>-</b>
Autism					
Salaries of teachers	-	1,302	1,302	1,302	-
Other objects	100	(38)	62	-	62
<b>Total</b>	<b>100</b>	<b>1,264</b>	<b>1,364</b>	<b>1,302</b>	<b>62</b>
Preschool disabilities - part-time					
Salaries of teachers	82,369	(72,268)	10,101	9,710	391
Other salaries for instruction	43,107	(13,984)	29,123	29,123	-
<b>Total</b>	<b>125,476</b>	<b>(86,252)</b>	<b>39,224</b>	<b>38,833</b>	<b>391</b>
Preschool disabilities - full-time					
Salaries of teachers	58,169	76,606	134,775	134,775	-
Other salaries for instruction	48,182	(2,137)	46,045	46,045	-
<b>Total</b>	<b>106,351</b>	<b>74,469</b>	<b>180,820</b>	<b>180,820</b>	<b>-</b>
<b>Total special education</b>	<b>1,107,672</b>	<b>(539)</b>	<b>1,107,133</b>	<b>1,106,680</b>	<b>453</b>
Basic skills/remedial					
Salaries of teachers	174,252	(55,264)	118,988	118,988	-
<b>Total</b>	<b>174,252</b>	<b>(55,264)</b>	<b>118,988</b>	<b>118,988</b>	<b>-</b>
Bilingual education - instruction					
Purchased professional - education services	33,023	(5,347)	27,676	27,676	-
<b>Total</b>	<b>33,023</b>	<b>(5,347)</b>	<b>27,676</b>	<b>27,676</b>	<b>-</b>
<b>Total instruction regular</b>	<b>\$ 4,616,287</b>	<b>\$ (68,251)</b>	<b>\$ 4,548,036</b>	<b>\$ 4,534,361</b>	<b>\$ 13,675</b>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to cssd & regional day schools	\$ -	\$ 5,518	\$ 5,518	\$ 5,518	\$ -
Tuition to priv. sch. disabled & other LEAs-spl, o/s state	-	8	8	8	-
<b>Total</b>	<b>-</b>	<b>5,526</b>	<b>5,526</b>	<b>5,526</b>	<b>-</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - attendance & social work					
Salaries	\$ 11,911	\$ 2,451	\$ 14,362	\$ 14,362	\$ -
Total	<u>11,911</u>	<u>2,451</u>	<u>14,362</u>	<u>14,362</u>	<u>-</u>
Undistributed expenditures - health services					
Salaries	79,504	4,562	84,066	84,066	-
Purchased professional and technical services	3,500	300	3,800	3,798	2
Other purchased services	100	-	100	29	71
Supplies and materials	3,052	-	3,052	2,346	706
Total	<u>86,156</u>	<u>4,862</u>	<u>91,018</u>	<u>90,239</u>	<u>779</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	194,263	4,866	199,129	199,129	-
Purchased professional - educational services	10,000	(8,100)	1,900	1,900	-
Total	<u>204,263</u>	<u>(3,234)</u>	<u>201,029</u>	<u>201,029</u>	<u>-</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	79,744	-	79,744	79,744	-
Salaries of secretarial and clerical assistants	5,000	(5,000)	-	-	-
Other purchased services	-	9	9	9	-
Supplies and materials	3,000	(3,000)	-	-	-
Total	<u>87,744</u>	<u>(7,991)</u>	<u>79,753</u>	<u>79,753</u>	<u>-</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	244,789	20,680	265,469	265,469	-
Salaries of secretarial and clerical assistants	51,262	3,503	54,765	54,765	-
Purchased professional - educational services	3,000	(2,195)	805	-	805
Other purchased professional & technical services	-	52	52	-	52
Other purchased services	-	201	201	201	-
Miscellaneous purchased service	-	552	552	552	-
Supplies and materials	4,050	7,110	11,160	11,159	1
Total	<u>303,101</u>	<u>29,903</u>	<u>333,004</u>	<u>332,146</u>	<u>858</u>
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	-	3,750	3,750	3,750	-
Other purchased services	1,500	-	1,500	1,400	100
Total	<u>1,500</u>	<u>3,750</u>	<u>5,250</u>	<u>5,150</u>	<u>100</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	140,288	542	140,830	140,830	-
Other purchased services	-	56	56	56	-
Supplies and materials	7,956	7,205	15,161	15,161	-
Total	<u>148,244</u>	<u>7,803</u>	<u>156,047</u>	<u>156,047</u>	<u>-</u>
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	3,500	(3,387)	113	-	113
Other purchased services	3,970	4,632	8,602	8,602	-
Other objects	-	65	65	64	1
Total	<u>7,470</u>	<u>1,310</u>	<u>8,780</u>	<u>8,666</u>	<u>114</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (cont'd)</b>					
Undistributed expend. - support service - general admin.					
Salaries	\$ 216,696	\$ 6,727	\$ 223,423	\$ 209,936	\$ 13,487
Legal services	15,000	(12,407)	2,593	2,593	-
Audit fees	19,584	-	19,584	19,580	4
Architectural/engineering services	9,063	(7,430)	1,633	-	1,633
Purchased technical services	-	9,452	9,452	9,073	379
Communications/telephone	18,925	(14,690)	4,235	4,235	-
BOE other purchased services	3,110	(1,785)	1,325	1,325	-
Misc purch services	32,600	(2,079)	30,521	30,392	129
General supplies	4,077	128	4,205	4,205	-
Miscellaneous expenditures	2,325	-	2,325	1,804	521
BOE membership dues and fees	6,250	-	6,250	4,932	1,318
<b>Total</b>	<b>327,630</b>	<b>(22,084)</b>	<b>305,546</b>	<b>288,075</b>	<b>17,471</b>
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	105,358	23	105,381	105,358	23
Salaries of secretarial and clerical assistants	47,359	-	47,359	46,429	930
Purchased professional and technical services	4,850	(4,850)	-	-	-
Other purchased services	-	5,000	5,000	5,000	-
Supplies and materials	3,050	(150)	2,900	1,908	992
Other objects	1,500	(445)	1,055	1,055	-
<b>Total</b>	<b>162,117</b>	<b>(422)</b>	<b>161,695</b>	<b>159,750</b>	<b>1,945</b>
Undistributed expenditures - central services					
Salaries	169,512	7,116	176,628	176,628	-
Unused vacation payment to terminated/retired staff	16,158	(16,158)	-	-	-
Purchased professional services	17,785	(15,958)	1,827	850	977
Purchased technical services	6,872	14,814	21,686	21,686	-
Miscellaneous purchased services	825	620	1,445	1,445	-
Supplies and materials	2,290	2,136	4,426	3,396	1,030
Other objects	1,121	332	1,453	1,453	-
<b>Total</b>	<b>214,563</b>	<b>(7,098)</b>	<b>207,465</b>	<b>205,458</b>	<b>2,007</b>
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	87,173	209,626	296,799	141,428	155,371
Lead testing of drinking water	-	3,334	3,334	-	3,334
General supplies	9,220	1,826	11,046	11,046	-
<b>Total</b>	<b>96,393</b>	<b>214,786</b>	<b>311,179</b>	<b>152,474</b>	<b>158,705</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (cont'd)</b>					
Undistributed expenditures - custodial services					
Salaries	\$ 257,512	\$ 6,080	\$ 263,592	\$ 263,592	\$ -
Salaries of non-instructional aides	5,171	(5,171)	-	-	-
Purchased professional and technical services	1,769	2,166	3,935	2,786	1,149
Cleaning, repair, and maintenance service	8,000	4,924	12,924	12,924	-
Insurance	37,651	(730)	36,921	36,597	324
Miscellaneous purchased services	-	602	602	602	-
General supplies	50,502	16,824	67,326	49,565	17,761
Energy (natural gas)	3,000	-	3,000	2,739	261
Energy (electricity)	95,000	(18,553)	76,447	76,447	-
Energy (oil)	92,000	(48,181)	43,819	43,819	-
Other objects	430	415	845	711	134
<b>Total</b>	<b>551,035</b>	<b>(41,624)</b>	<b>509,411</b>	<b>489,782</b>	<b>19,629</b>
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	4,000	6,952	10,952	10,952	-
<b>Total</b>	<b>4,000</b>	<b>6,952</b>	<b>10,952</b>	<b>10,952</b>	<b>-</b>
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	8,329	(6,639)	1,690	1,690	-
Management fee - esc & ctsa trans. program	2,250	130	2,380	2,380	-
Other purchased professional and technical service	12,506	(830)	11,676	11,676	-
Contract service-aid in lieu pymts-non-public schools	18,564	(18,564)	-	-	-
Contract serv-aid in lieu pymts-charter school students	884	(884)	-	-	-
Contract services (between home & school) - vendors	210,317	18,310	228,627	228,627	-
Contr service (oth. than between home & school) - vend	1,000	(1,000)	-	-	-
Contr service (between home & school) - joint agreements	76,408	(18,489)	57,919	57,863	56
Contract service (sp ed stds) - vendors	64,135	(1,335)	62,800	62,800	-
Contract service (reg. students) - escs & ctsas	-	33,001	33,001	33,001	-
Contract service (spl. ed. students) - escs & ctsas	26,520	5,111	31,631	31,631	-
Miscellaneous purchased services - transportation	-	4,597	4,597	4,597	-
<b>Total</b>	<b>420,913</b>	<b>13,408</b>	<b>434,321</b>	<b>434,265</b>	<b>56</b>
Unallocated benefits-employee benefits					
Social Security contributions	84,612	(13,522)	71,090	71,090	-
TPAF contributions - ERIP	13,535	11,346	24,881	24,881	-
Other retirement contributions - PERS	79,924	(2,162)	77,762	77,762	-
Other retirement contributions - ERIP	-	1,317	1,317	988	329
Other retirement contributions - regular	1,317	(1,317)	-	-	-
Unemployment compensation	5,000	(5,000)	-	-	-
Workmen's compensation	42,647	2,063	44,710	44,710	-
Health benefits	1,721,634	(180,880)	1,540,754	1,540,754	-
Tuition reimbursement	22,500	(9,597)	12,903	12,903	-
Other employee benefits	14,400	(12,770)	1,630	1,630	-
Unused sick payment to terminated/retired staff	-	55,675	55,675	55,675	-
<b>Total</b>	<b>1,985,569</b>	<b>(154,847)</b>	<b>1,830,722</b>	<b>1,830,393</b>	<b>329</b>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
On-behalf TPAF pension contribution	\$ -	\$ -	\$ -	\$ 524,056	\$ (524,056)
On-behalf TPAF post retirement medical benefits	-	-	-	436,658	(436,658)
Reimbursed TPAF Social Security contribution	-	-	-	360,899	(360,899)
On-behalf TPAF long-term disability insurance	-	-	-	693	(693)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,322,306</u>	<u>(1,322,306)</u>
 Total undistributed expenditures	 <u>\$ 4,612,609</u>	 <u>\$ 53,451</u>	 <u>\$ 4,666,060</u>	 <u>\$ 5,786,373</u>	 <u>\$ (1,120,313)</u>
 Total current	 <u>\$ 9,228,896</u>	 <u>\$ (14,800)</u>	 <u>\$ 9,214,096</u>	 <u>\$ 10,320,734</u>	 <u>\$ (1,106,638)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 36,790	\$ 26,708	\$ 63,498	\$ 40,619	\$ 22,879
Undistributed expenditures - custodial services	2,214	-	2,214	2,214	-
Undistributed expenditures - security	-	2,800	2,800	-	2,800
Total equipment	<u>39,004</u>	<u>29,508</u>	<u>68,512</u>	<u>42,833</u>	<u>25,679</u>
 Facilities acquisition and construction service					
Architectural/engineering services	1,400	-	1,400	1,400	-
Construction services	215,447	-	215,447	57,540	157,907
Supplies and materials	48,601	(23,208)	25,393	15,196	10,197
Assessment for debt service on SDA funding	2,925	-	2,925	2,925	-
Total facilities acquisition and construction service	<u>268,373</u>	<u>(23,208)</u>	<u>245,165</u>	<u>77,061</u>	<u>168,104</u>
 Total capital outlay	 <u>\$ 307,377</u>	 <u>\$ 6,300</u>	 <u>\$ 313,677</u>	 <u>\$ 119,894</u>	 <u>\$ 193,783</u>
 Transfer of funds to charter schools	 <u>\$ -</u>	 <u>\$ 8,500</u>	 <u>\$ 8,500</u>	 <u>\$ 7,280</u>	 <u>\$ 1,220</u>
 Total expenditures	 <u>\$ 9,536,273</u>	 <u>\$ -</u>	 <u>\$ 9,536,273</u>	 <u>\$ 10,447,908</u>	 <u>\$ (911,635)</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>\$ (542,202)</u>	 <u>\$ -</u>	 <u>\$ (542,202)</u>	 <u>\$ (59,599)</u>	 <u>\$ 482,603</u>
 Fund balances, July 1	 <u>1,954,171</u>	 <u>-</u>	 <u>1,954,171</u>	 <u>1,954,171</u>	 <u>-</u>
Fund balances, June 30	<u>\$ 1,411,969</u>	<u>\$ -</u>	<u>\$ 1,411,969</u>	<u>\$ 1,894,572</u>	<u>\$ 482,603</u>

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (229,092)	\$ -	\$ (229,092)	\$ (229,092)	\$ -
Interest deposit to capital reserve	500	-	500	2,822	2,322
Withdrawal from capital reserve	(222,017)	-	(222,017)	(185,847)	36,170
Interest earned on emergency reserve	200	-	200	-	(200)
Interest earned on maintenance reserve	500	-	500	-	(500)
Budgeted fund balance	(92,293)	-	(92,293)	352,518	444,811
<b>Total</b>	<b>\$ (542,202)</b>	<b>\$ -</b>	<b>\$ (542,202)</b>	<b>\$ (59,599)</b>	<b>\$ 482,603</b>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - current year				\$ 28,802	
Capital reserve				739,821	
Emergency reserve				143,000	
Maintenance reserve				291,251	
Committed fund balance					
Year-end encumbrances				409,870	
Assigned fund balance					
Designated for subsequent year's expenditures				25,689	
Unassigned fund balance				256,139	
Fund balance per budgetary basis				1,894,572	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(378,077)	
Fund balance per governmental funds (GAAP)				\$ 1,516,495	

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources	\$ 4,396	\$ -	\$ 4,396	\$ 1,917	\$ (2,479)
Federal sources	324,504	-	324,504	324,504	-
Total revenues	<u>\$ 328,900</u>	<u>\$ -</u>	<u>\$ 328,900</u>	<u>\$ 326,421</u>	<u>\$ (2,479)</u>
<b>Expenditures</b>					
<b>Instruction</b>					
Other salaries for instruction	\$ 83,183	\$ 17,331	\$ 100,514	\$ 100,514	\$ -
Purchased professional & technical services	5,000	(5,000)	-	-	-
Other purchased services	85,000	3,039	88,039	88,039	-
General supplies	15,733	(3,340)	12,393	10,252	2,141
Total	<u>188,916</u>	<u>12,030</u>	<u>200,946</u>	<u>198,805</u>	<u>2,141</u>
<b>Support services</b>					
Personal services - employee benefits	40,766	8,335	49,101	49,101	-
Purchased professional & technical services	82,891	(8,246)	74,645	74,645	-
Other purchased services	13,138	(10,388)	2,750	2,412	338
General supplies	3,189	(1,731)	1,458	1,458	-
Total	<u>139,984</u>	<u>(12,030)</u>	<u>127,954</u>	<u>127,616</u>	<u>338</u>
Total expenditures	<u>\$ 328,900</u>	<u>\$ -</u>	<u>\$ 328,900</u>	<u>\$ 326,421</u>	<u>\$ 2,479</u>

See independent auditors' report.

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

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

	General Fund	Special Revenue Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 10,388,309	\$ 326,421
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances prior year	-	(215)
Adjustment to prior year encumbrances	-	215
Donations of capital assets were not recorded for budgetary purposes, but treated as a revenue for GAAP purposes	3,400	-
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expenses (GASB 33):		
State aid receivable prior year	338,021	-
State aid receivable current year	(378,077)	-
Total revenues (GAAP Basis)	\$ 10,351,653	\$ 326,421

See independent auditors' report.

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

Explanation of Differences Between Budgetary Inflows and  
Outflows and GAAP Revenues and Expenditures (continued)

Uses/Outflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,447,908	\$ 326,421
Donations of capital assets were not recorded for budgetary purposes, but treated as an expenditure for GAAP purposes	3,400	-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances prior year	-	(215)
Adjustment to prior year encumbrances	-	215
Total expenditures (GAAP Basis)	<u>\$ 10,451,308</u>	<u>\$ 326,421</u>

See independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.008743612%	0.0081951138%	0.0077386119%	0.0077795075%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 2,589,607	\$ 2,350,829	\$ 1,448,880	\$ 1,486,818	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 684,224	\$ 580,461	568,546	557,526	\$ 518,180	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	446.13%	413.48%	259.88%	286.93%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information not available

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 77,762	\$ 70,456	\$ 63,796	\$ 58,617	\$ 61,197	\$ 68,048	\$ 65,536	\$ 53,060	\$ 52,679	\$ 37,240
Contributions in relation to the contractually required contribution	<u>(77,762)</u>	<u>(70,456)</u>	<u>(63,796)</u>	<u>(58,617)</u>	<u>(61,197)</u>	<u>(68,048)</u>	<u>(65,536)</u>	<u>(53,060)</u>	<u>(52,679)</u>	<u>(37,240)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 684,224	\$ 580,461	\$ 568,546	\$ 557,526	\$ 518,180	\$ 532,985	\$ 526,344	\$ 609,219	\$ 582,213	\$ 600,468
Contributions as a percentage of covered employee payroll	11.36%	12.14%	11.22%	10.51%	11.81%	12.77%	12.45%	8.71%	9.05%	6.20%

See independent auditors' report.



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - Percentage	N/A	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	-	36,850,083	29,595,038	25,283,200	22,821,533	-	-	-	-	-
Total	\$ -	\$ 36,850,083	\$ 29,595,038	\$ 25,283,200	\$ 22,821,533	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 5,045,431	\$ 4,944,527	\$ 4,784,251	\$ 4,818,878	\$ 4,649,890	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information not available

See independent auditors' report.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 524,056	\$ 375,047	\$ 253,150	\$ 200,122	\$ 291,778	\$ 145,142	\$ 13,943	\$ 15,646	\$ 14,630	\$ 325,870
Contributions in relation to the contractually required contribution	<u>(524,056)</u>	<u>(375,047)</u>	<u>(253,150)</u>	<u>(200,122)</u>	<u>(291,778)</u>	<u>(145,142)</u>	<u>(13,943)</u>	<u>(15,646)</u>	<u>(14,630)</u>	<u>(325,870)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 5,045,431	\$ 4,944,527	\$ 4,784,251	\$ 4,818,878	\$ 4,649,890	\$ 4,625,593	\$ 4,277,068	\$ 4,550,613	\$ 4,356,958	\$ 4,488,225
Contributions as a percentage of covered employee payroll	10.39%	7.59%	5.29%	4.15%	6.27%	3.14%	0.33%	0.34%	0.34%	7.26%

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2017**

Note 1 - Special funding situation - TPAF

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

Note 2 - Changes in assumptions - TPAF

The discount rate decreased from 4.13% in State fiscal year 2015 to 3.22% in State fiscal year 2016. The inflation rate was 2.50% for State fiscal years 2015 and 2016.

Note 3 - Changes in assumptions - PERS

The discount rate decreased from 4.90% in State fiscal year 2015 to 3.98% in State fiscal year 2016. The inflation rate increased from 3.04% for State fiscal year 2015 to 3.08% for State fiscal year 2016.

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues And Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2017**

	Local Grants	NCLB Title I	NCLB Title IIA	NCLB Title III	IDEA Basic	IDEA Preschool	Total
<b>Revenues</b>							
Local sources	\$ 1,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,917
Federal sources	-	102,457	29,522	14,996	170,346	7,183	324,504
<b>Total revenues</b>	<b>\$ 1,917</b>	<b>\$ 102,457</b>	<b>\$ 29,522</b>	<b>\$ 14,996</b>	<b>\$ 170,346</b>	<b>\$ 7,183</b>	<b>\$ 326,421</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Salaries	\$ -	\$ 66,017	\$ 19,449	\$ -	\$ 7,865	\$ 7,183	\$ 100,514
Other purchased services	-	-	-	-	88,039	-	88,039
General supplies	1,426	-	-	8,538	288	-	10,252
<b>Total</b>	<b>1,426</b>	<b>66,017</b>	<b>19,449</b>	<b>8,538</b>	<b>96,192</b>	<b>7,183</b>	<b>198,805</b>
<b>Support services</b>							
Personal services - employee benefits	-	35,677	8,424	5,000	-	-	49,101
Purchased professional and technical services	491	-	-	-	74,154	-	74,645
Other purchased services	-	763	1,649	-	-	-	2,412
Supplies & materials	-	-	-	1,458	-	-	1,458
<b>Total</b>	<b>491</b>	<b>36,440</b>	<b>10,073</b>	<b>6,458</b>	<b>74,154</b>	<b>-</b>	<b>127,616</b>
<b>Total expenditures</b>	<b>\$ 1,917</b>	<b>\$ 102,457</b>	<b>\$ 29,522</b>	<b>\$ 14,996</b>	<b>\$ 170,346</b>	<b>\$ 7,183</b>	<b>\$ 326,421</b>

See independent auditors' report.

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2017**

<u>Description</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	GAAP		<u>Unexpended Appropriations 06/30/17</u>
			<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	
Renovations to the Mansfield School Building	03/11/2014	\$ 6,685,350	\$ 4,673,638	\$1,838,985	\$ 172,727
		<u>\$ 6,685,350</u>	<u>\$ 4,673,638</u>	<u>\$1,838,985</u>	<u>\$ 172,727</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2017**

Expenditures	
Legal services	\$ 6,305
Architectural/engineering services	28,402
Other purchased professional & services	21,451
Construction services	1,782,827
	<u>1,838,985</u>
Excess (deficiency) of revenues and other financing sources	
Over (under) expenditures and other financing uses	(1,838,985)
Fund balance - beginning	<u>2,011,362</u>
Fund balance - ending	<u><u>\$ 172,377</u></u>

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Renovations to the Mansfield School Building**  
**For the Fiscal Year Ended June 30, 2017**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Bond proceeds	\$ 6,685,000	\$ -	\$ 6,685,000	\$ 6,685,350
Total revenues	<u>6,685,000</u>	<u>-</u>	<u>6,685,000</u>	<u>6,685,350</u>
Expenditures and other financing uses				
Bonding/legal fees	89,423	6,305	95,728	78,265
Architectural/engineering	292,082	28,402	320,484	354,000
Other purchased professional & technical services	39,547	21,451	60,998	85,983
Construction services	4,252,586	1,782,827	6,035,413	6,167,102
Total expenditures	<u>4,673,638</u>	<u>1,838,985</u>	<u>6,512,623</u>	<u>6,685,350</u>
Excess (deficiency) of revenues over (Under) expenditures	<u>\$ 2,011,362</u>	<u>\$ (1,838,985)</u>	<u>\$ 172,377</u>	<u>\$ -</u>

**Additional Project Information**

Project number	2970-050-14-1000
Grant date	N/A
Bond authorization date	03/11/2014
Bonds authorized	\$ 6,685,350
Bonds issued	\$ 6,685,000
Original authorized cost	\$ 6,685,350
Additional authorized cost	\$ -
Revised authorized cost	\$ 6,685,350
Percentage completion	97%

See independent auditors' report.

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash & cash equivalents	\$ 46,381	\$ 37,031	\$ 15,382	\$ 98,794
Due from other funds	69,852	-	-	69,852
Receivables from other governments				
State	182	-	-	182
Federal	7,384	-	-	7,384
Other accounts receivable	-	468	-	468
Inventory	3,426	-	-	3,426
<b>Total current assets</b>	<u>127,225</u>	<u>37,499</u>	<u>15,382</u>	<u>180,106</u>
<b>Noncurrent assets</b>				
Capital assets	51,419	-	-	51,419
Less: accumulated depreciation	34,529	-	-	34,529
<b>Total noncurrent assets</b>	<u>16,890</u>	<u>-</u>	<u>-</u>	<u>16,890</u>
<b>Total assets</b>	<u>144,115</u>	<u>37,499</u>	<u>15,382</u>	<u>196,996</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Unearned revenues	3,927	-	13,690	17,617
<b>Net Position</b>				
Invested in capital assets, net of related debt	16,890	-	-	16,890
Unrestricted	123,298	37,499	1,692	162,489
<b>Total net position</b>	<u>\$ 140,188</u>	<u>\$ 37,499</u>	<u>\$ 1,692</u>	<u>\$ 179,379</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Operating revenues				
Charges for services				
Daily sales - reimbursable programs	\$ 87,478	\$ -	\$ -	\$ 87,478
Daily sales - non-reimbursable programs	42,950	-	-	42,950
Child care program fees	-	166,404	-	166,404
Summer recreation program fees	-	-	18,485	18,485
Total operating revenues	<u>130,428</u>	<u>166,404</u>	<u>18,485</u>	<u>315,317</u>
Operating expenses				
Cost of sales - reimbursable programs	89,262	-	-	89,262
Cost of sales - non-reimbursable programs	2,062	-	-	2,062
Commodity food costs	16,702	-	-	16,702
Salaries	77,804	135,458	15,015	228,277
Employee benefits	13,683	-	1,149	14,832
Purchased property services	2,125	8,173	-	10,298
Supplies and materials (not included in cost of sales)	4,272	19,613	629	24,514
Insurance	1,563	-	-	1,563
Management fee	9,595	-	-	9,595
Other purchased services	4,401	937	-	5,338
Depreciation	2,544	-	-	2,544
Miscellaneous	926	-	-	926
Total operating expenses	<u>224,939</u>	<u>164,181</u>	<u>16,793</u>	<u>405,913</u>
Operating income (loss)	<u>(94,511)</u>	<u>2,223</u>	<u>1,692</u>	<u>(90,596)</u>
Non-operating revenues (expenses)				
State sources				
State school lunch program	2,716	-	-	2,716
Federal sources				
National school breakfast program				
Cash assistance	9,965	-	-	9,965
National school lunch program				
Cash assistance	97,720	-	-	97,720
Non-cash assistance (commodities)	16,702	-	-	16,702
Child and adult care food program				
Cash assistance	1,931	-	-	1,931
Local sources				
Interest on investments	194	-	-	194
Total non-operating revenues (expenses)	<u>129,228</u>	<u>-</u>	<u>-</u>	<u>129,228</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Change in net position	\$ 34,717	\$ 2,223	\$ 1,692	\$ 38,632
Net position, beginning	105,471	35,276	-	140,747
Net position, ending	<u>\$ 140,188</u>	<u>\$ 37,499</u>	<u>\$ 1,692</u>	<u>\$ 179,379</u>

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Cash flows from operating activities				
Receipts from customers	\$ 130,526	\$ 166,863	\$ 14,400	\$ 311,789
Payments to Food Service Management company	(188,415)	-	-	(188,415)
Payments to employees	(11,215)	(135,458)	(15,015)	(161,688)
Payments to vendors (net)	(6,275)	(28,723)	(1,778)	(36,776)
Net cash provided by operating activities	<u>(75,379)</u>	<u>2,682</u>	<u>(2,393)</u>	<u>(75,090)</u>
Cash flows from noncapital financing activities				
State sources	2,673	-	-	2,673
Federal sources	107,402	-	-	107,402
General fund interfund activity	(5,309)	-	-	(5,309)
Net cash provided by (used for) noncapital financing activities	<u>104,766</u>	<u>-</u>	<u>-</u>	<u>104,766</u>
Cash flows from investing activities				
Interest on investments	194	-	-	194
Net increase in cash and cash equivalents	29,581	2,682	(2,393)	29,870
Cash and cash equivalents, July 1	<u>16,800</u>	<u>34,349</u>	<u>17,775</u>	<u>68,924</u>
Cash and cash equivalents, June 30	<u>\$ 46,381</u>	<u>\$ 37,031</u>	<u>\$ 15,382</u>	<u>\$ 98,794</u>
Reconciliation of operating income to net cash				
Provided by operating activities				
Operating income (loss)	\$ (94,511)	\$ 2,223	\$ 1,692	\$ (90,596)
Adjustments to reconcile operating income to				
Net cash provided by operating activities				
Depreciation	2,544	-	-	2,544
Federal food donation program	16,702	-	-	16,702
(Increase) decrease in other accounts receivable	-	459	-	459
(Increase) decrease in inventory	(390)	-	-	(390)
Increase (decrease) in unearned revenues	276	-	(4,085)	(3,809)
Net cash provided by (used for) operating activities	<u>\$ (75,379)</u>	<u>\$ 2,682</u>	<u>\$ (2,393)</u>	<u>\$ (75,090)</u>

See independent auditors' report.

## **FIDUCIARY FUND**

### **DETAIL STATEMENTS**

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

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Net Position**  
**June 30, 2017**

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 191,302	\$ 46,026	\$ 74,601	\$ 311,929
Due from other funds	18,354	-	-	18,354
<b>Total assets</b>	<b><u>\$ 209,656</u></b>	<b><u>\$ 46,026</u></b>	<b><u>\$ 74,601</u></b>	<b><u>\$ 330,283</u></b>
<b>Liabilities</b>				
Due to other funds	\$ -	\$ -	\$ 22,082	\$ 22,082
Due to students groups	-	46,026	-	46,026
Payroll deductions & withholdings	-	-	52,519	52,519
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>46,026</u></b>	<b><u>74,601</u></b>	<b><u>120,627</u></b>
<b>Net position</b>				
Held in trust for unemployment claims & other purposes	<b><u>\$ 209,656</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 209,656</u></b>

See independent auditors' report.



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Unemployment Compensation Fund
Additions	
Employee contributions	\$ 9,416
Investment earnings - interest	677
Change in net position	10,093
Net position - beginning of the year	199,563
Net position - end of the year	\$ 209,656

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2017**

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
<b>Assets</b>				
Cash and cash equivalents	\$ 31,197	\$ 34,131	\$ 19,302	\$ 46,026
<b>Total assets</b>	<b>\$ 31,197</b>	<b>\$ 34,131</b>	<b>\$ 19,302</b>	<b>\$ 46,026</b>
<b>Liabilities</b>				
Due to student groups	\$ 31,197	\$ 34,131	\$ 19,302	\$ 46,026
<b>Total liabilities</b>	<b>\$ 31,197</b>	<b>\$ 34,131</b>	<b>\$ 19,302</b>	<b>\$ 46,026</b>

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**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2017**

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
<b>Assets</b>				
Cash and cash equivalents	\$ 61,326	\$ 6,995,168	\$ 6,981,893	\$ 74,601
<b>Total assets</b>	<b>\$ 61,326</b>	<b>\$ 6,995,168</b>	<b>\$ 6,981,893</b>	<b>\$ 74,601</b>
<b>Liabilities</b>				
Due to other funds	\$ 9,204	\$ 12,878	\$ -	\$ 22,082
Payroll deductions and withholdings	52,122	3,257,497	3,257,100	52,519
Net payroll	-	3,724,793	3,724,793	-
<b>Total liabilities</b>	<b>\$ 61,326</b>	<b>\$ 6,995,168</b>	<b>\$ 6,981,893</b>	<b>\$ 74,601</b>

See independent auditors' report.

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2017**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/2016	Issued	Retired	Balance 06/30/2017
			Date	Amount					
Comprehensive facility upgrades at the Elementary School	07/09/2014	\$ 6,685,000	07/15/2017	\$ 255,000	2.250%	\$ -	\$ -	\$ -	\$ -
			07/15/2018	265,000	2.500%	-	-	-	-
			07/15/2019	275,000	2.500%	-	-	-	-
			07/15/2020	285,000	2.500%	-	-	-	-
			07/15/2021	300,000	2.500%	-	-	-	-
			07/15/2022	310,000	3.000%	-	-	-	-
			07/15/2023	325,000	3.000%	-	-	-	-
			07/15/2024	335,000	3.000%	-	-	-	-
			07/15/2025	350,000	3.000%	-	-	-	-
			07/15/2026	365,000	3.000%	-	-	-	-
			07/15/2027	375,000	3.000%	-	-	-	-
			07/15/2028	400,000	3.000%	-	-	-	-
			07/15/2029	400,000	3.000%	-	-	-	-
			07/15/2030	400,000	3.125%	-	-	-	-
			07/15/2031	400,000	3.250%	-	-	-	-
			07/15/2032	400,000	3.250%	-	-	-	-
			07/15/2033	400,000	3.500%	-	-	-	-
07/15/2034	400,000	3.500%			6,485,000	-	245,000	6,240,000	
					<u>\$ 6,485,000</u>	<u>\$ -</u>	<u>\$ 245,000</u>	<u>\$ 6,240,000</u>	

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources					
Local tax levy	\$ 271,055	\$ -	\$ 271,055	\$ 271,055	\$ -
State sources					
Debt service aid type II	162,864	-	162,864	162,864	-
Total revenues	<u>433,919</u>	<u>-</u>	<u>433,919</u>	<u>433,919</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular debt service					
Redemption of principal	245,000	-	245,000	245,000	-
Interest	188,919	-	188,919	188,918	1
Total expenditures	<u>433,919</u>	<u>-</u>	<u>433,919</u>	<u>433,918</u>	<u>1</u>
Excess (deficiency) of revenues					
Over (under) expenditures	-	-	-	1	1
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Recapitulation of excess (deficiency) of revenue

See independent auditors' report.

## **Statistical Section**

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

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These schedules contain trend 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.	J-10 to J-13
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

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

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Government activities</b>										
Net investment in capital assets	\$ 1,978,629	\$ 2,401,972	\$ 2,594,886	\$ 3,266,569	\$ 3,505,421	\$ 3,927,154	\$ 4,194,470	\$ 4,454,564	\$ 4,611,260	\$ 4,722,320
Restricted	545,336	638,152	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189	1,357,097	1,174,072
Unrestricted	41,016	(104,690)	(296,557)	(239,689)	(85,545)	(157,168)	(1,535,244)	(1,686,960)	(1,763,170)	(1,931,879)
Total governmental activities	<u>\$ 2,564,981</u>	<u>\$ 2,935,434</u>	<u>\$ 2,931,432</u>	<u>\$ 3,660,847</u>	<u>\$ 4,359,370</u>	<u>\$ 4,953,566</u>	<u>\$ 3,914,300</u>	<u>\$ 4,048,793</u>	<u>\$ 4,205,187</u>	<u>\$ 3,964,513</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 19,268	\$ 17,354	\$ 15,439	\$ 13,525	\$ 11,610	\$ 9,695	\$ 7,781	\$ 5,866	\$ 19,434	\$ 16,890
Unrestricted	9,965	27,449	25,430	40,163	66,219	82,755	120,820	109,193	121,313	162,489
Total business-type activities	<u>\$ 29,233</u>	<u>\$ 44,803</u>	<u>\$ 40,869</u>	<u>\$ 53,688</u>	<u>\$ 77,829</u>	<u>\$ 92,450</u>	<u>\$ 128,601</u>	<u>\$ 115,059</u>	<u>\$ 140,747</u>	<u>\$ 179,379</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 1,997,897	\$ 2,419,326	\$ 2,610,325	\$ 3,280,094	\$ 3,517,031	\$ 3,936,849	\$ 4,202,251	\$ 4,460,430	\$ 4,630,694	\$ 4,739,210
Restricted	545,336	638,152	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189	1,357,097	1,174,072
Unrestricted	50,981	(77,241)	(271,127)	(199,526)	(19,326)	(74,413)	(1,414,424)	(1,577,767)	(1,641,857)	(1,769,390)
Total district-wide	<u>\$ 2,594,214</u>	<u>\$ 2,980,237</u>	<u>\$ 2,972,301</u>	<u>\$ 3,714,535</u>	<u>\$ 4,437,199</u>	<u>\$ 5,046,016</u>	<u>\$ 4,042,901</u>	<u>\$ 4,163,852</u>	<u>\$ 4,345,934</u>	<u>\$ 4,143,892</u>

See independent auditors' report.



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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,147,466	\$ 4,293,622	\$ 4,357,749	\$ 3,982,469	\$ 4,273,829	\$ 4,498,884	\$ 4,751,964	\$ 5,492,303	\$ 6,142,056	\$ 6,724,873
Special education	1,343,184	1,332,142	1,437,322	1,309,437	1,402,918	1,483,278	1,409,098	1,692,648	1,936,241	2,299,647
Other special education	374,427	271,390	309,366	359,138	408,872	397,791	383,924	439,260	444,814	405,011
Other instruction	-	-	-	-	-	517	-	-	-	-
Support services										
Tuition	82,815	114,954	232,690	306,557	46,951	1,982	113,700	197,323	267,121	93,565
Student & instruction related services	1,177,123	1,080,325	1,161,165	1,095,002	1,236,731	1,260,806	1,290,658	1,475,824	1,454,791	1,892,981
General & business administrative services	678,334	553,615	559,412	583,913	569,400	594,934	603,309	828,075	841,402	913,959
School administration	232,502	217,405	234,180	211,304	209,801	223,682	221,010	252,182	310,631	316,344
Plant operations & maintenance	689,270	642,171	674,921	568,853	595,046	595,477	690,177	663,945	684,436	835,471
Pupil transportation	579,881	577,866	640,255	559,630	529,235	518,101	589,355	662,703	630,343	620,763
Special schools	35,207	10,089	17,137	-	-	-	-	-	-	-
Transfers to charter schools	9,311	-	3,576	9,219	54,501	66,778	16,516	16,546	-	7,280
Interest on long-term debt	75,721	94,485	78,301	65,867	52,529	40,534	27,636	185,288	202,282	189,315
Total governmental activities expenses	<u>9,425,241</u>	<u>9,188,064</u>	<u>9,706,074</u>	<u>9,051,389</u>	<u>9,379,813</u>	<u>9,682,764</u>	<u>10,097,347</u>	<u>11,906,097</u>	<u>12,914,117</u>	<u>14,299,209</u>
Business-type activities										
Food services	182,330	170,316	202,312	183,609	195,341	196,039	200,386	221,620	211,802	224,939
Before & after school child care	95,259	95,188	98,518	94,688	100,893	109,435	108,512	181,892	192,505	164,181
Summer recreation program	-	-	-	-	-	-	15,615	17,176	12,160	16,793
Total business-type activities	<u>277,589</u>	<u>265,504</u>	<u>300,830</u>	<u>278,297</u>	<u>296,234</u>	<u>305,474</u>	<u>324,513</u>	<u>420,688</u>	<u>416,467</u>	<u>405,913</u>
Total district expenses	<u>\$ 9,702,830</u>	<u>\$ 9,453,568</u>	<u>\$ 10,006,904</u>	<u>\$ 9,329,686</u>	<u>\$ 9,676,047</u>	<u>\$ 9,988,238</u>	<u>\$ 10,421,860</u>	<u>\$ 12,326,785</u>	<u>\$ 13,330,584</u>	<u>\$ 14,705,122</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ -	\$ 15,200	\$ 12,900	\$ 15,200	\$ 14,550	\$ 17,463	\$ 22,952	\$ 9,381	\$ 16,742	\$ 14,605
Special education instruction	27,804	26,677	55,117	27,443	-	28,194	34,726	35,607	36,634	35,762
Student & instruction related services	6,602	13,377	6,313	3,136	-	-	252	188	210	5,092
General & business administrative services	160	-	-	-	-	-	1,416	1,150	791	1,509
Plant operations & maintenance	15,771	8,789	5,432	222	2,838	182	3,467	1,803	1,063	3,746
Pupil transportation	46,163	14,074	154,183	116,207	157,737	153,748	195,698	203,547	184,786	185,452
Special schools	14,934	7,215	9,635	-	-	-	-	-	-	-
Operating grants & contributions	338,608	321,155	326,086	396,710	306,644	294,775	358,956	375,928	324,684	326,421
Capital grants & contributions	-	-	-	195,691	-	-	-	-	-	-
Total governmental activities program revenues	450,042	406,487	569,666	754,609	481,769	494,362	617,467	627,604	564,910	572,587
Business-type activities										
Charges for services										
Food service	125,365	125,546	116,609	109,843	114,379	100,077	103,028	118,658	132,309	130,428
Before & after school child care	95,274	94,026	98,353	103,981	111,459	125,100	143,458	163,609	174,774	166,404
Summer recreation program	-	-	-	-	-	-	16,099	17,032	11,820	18,485
Operating grants & contributions	62,714	61,384	81,398	77,201	94,187	94,822	98,039	107,804	123,179	129,034
Total business-type activities program revenues	283,353	280,956	296,360	291,025	320,025	319,999	360,624	407,103	442,082	444,351
Total district-program revenues	\$ 733,395	\$ 687,443	\$ 866,026	\$ 1,045,634	\$ 801,794	\$ 814,361	\$ 978,091	\$ 1,034,707	\$ 1,006,992	\$ 1,016,938
Net (expense) revenues										
Governmental activities	\$ (8,975,199)	\$ (8,781,577)	\$ (9,136,408)	\$ (8,296,780)	\$ (8,898,044)	\$ (9,188,402)	\$ (9,479,880)	\$ (11,278,493)	\$ (12,349,207)	\$ (13,726,622)
Business-type activities	5,764	15,452	(4,470)	12,728	23,791	14,525	36,111	(13,585)	25,615	38,438
Total district-wide net expenses	\$ (8,969,435)	\$ (8,766,125)	\$ (9,140,878)	\$ (8,284,052)	\$ (8,874,253)	\$ (9,173,877)	\$ (9,443,769)	\$ (11,292,078)	\$ (12,323,592)	\$ (13,688,184)

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 4,469,733	\$ 4,626,544	\$ 4,626,544	\$ 4,771,606	\$ 4,867,038	\$ 4,867,038	\$ 4,927,038	\$ 4,927,038	\$ 5,268,633	\$ 5,334,006
Taxes levied for debt service	328,248	347,102	212,565	343,226	344,783	337,922	342,892	343,200	302,237	271,055
Unrestricted grants & contributions	4,067,587	4,159,141	4,311,169	3,995,416	4,357,864	4,590,032	4,587,705	6,107,203	6,905,423	7,881,826
Investment earnings	50,791	24,744	9,168	4,170	4,733	3,656	3,140	11,596	7,945	8,726
Miscellaneous income	6,385	24,499	23,223	11,777	37,149	23,882	8,040	23,949	21,363	9,996
Transfers in (out)	(54,700)	(30,000)	(55,000)	(100,000)	(15,000)	-	-	-	-	-
Special item-proceeds on disposition of assets	(76,700)	-	-	-	-	-	-	-	-	-
Loss on disposal of capital assets	-	-	(13,762)	-	-	-	-	-	-	(19,661)
<b>Total governmental activities</b>	<b>8,791,344</b>	<b>9,152,030</b>	<b>9,113,907</b>	<b>9,026,195</b>	<b>9,596,567</b>	<b>9,822,530</b>	<b>9,868,815</b>	<b>11,412,986</b>	<b>12,505,601</b>	<b>13,485,948</b>
Business-type activities										
Investment earnings	10	-	144	91	99	62	40	43	73	194
Miscellaneous income	487	118	392	-	251	34	-	-	-	-
<b>Total business-type activities</b>	<b>497</b>	<b>118</b>	<b>536</b>	<b>91</b>	<b>350</b>	<b>96</b>	<b>40</b>	<b>43</b>	<b>73</b>	<b>194</b>
<b>Total district-wide</b>	<b>\$ 8,791,841</b>	<b>\$ 9,152,148</b>	<b>\$ 9,114,443</b>	<b>\$ 9,026,286</b>	<b>\$ 9,596,917</b>	<b>\$ 9,822,626</b>	<b>\$ 9,868,855</b>	<b>\$ 11,413,029</b>	<b>\$ 12,505,674</b>	<b>\$ 13,486,142</b>
Change in net position										
Governmental activities	\$ (183,855)	\$ 370,453	\$ (22,501)	\$ 729,415	\$ 698,523	\$ 634,128	\$ 388,935	\$ 134,493	\$ 156,394	\$ (240,674)
Business-type activities	6,261	15,570	(3,934)	12,819	24,141	14,621	36,151	(13,542)	25,688	38,632
<b>Total district</b>	<b>\$ (177,594)</b>	<b>\$ 386,023</b>	<b>\$ (26,435)</b>	<b>\$ 742,234</b>	<b>\$ 722,664</b>	<b>\$ 648,749</b>	<b>\$ 425,086</b>	<b>\$ 120,951</b>	<b>\$ 182,082</b>	<b>\$ (202,042)</b>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Restricted	\$ 402,240	\$ 599,188	\$ 278,353	\$ 577,188	\$ 939,494	\$ 1,183,489	\$ 1,254,983	\$ 1,281,188	\$ 1,357,097	\$ 1,202,874
Committed		87,379	22,696	28,689	192,469	221,399	233,639	354,235	229,092	409,870
Assigned		6,803		-	89,943	92,293	92,293	92,293	92,293	25,689
Unassigned	106,372	(96,812)	(96,299)	(21,602)	(80,404)	(97,079)	(86,459)	(82,951)	(62,332)	(121,938)
Total general fund	<u>\$ 508,612</u>	<u>\$ 596,558</u>	<u>\$ 204,750</u>	<u>\$ 584,275</u>	<u>\$ 1,141,502</u>	<u>\$ 1,400,102</u>	<u>\$ 1,494,456</u>	<u>\$ 1,644,765</u>	<u>\$ 1,616,150</u>	<u>\$ 1,516,495</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 250,000	\$ -	\$ 354,750	\$ 56,779	\$ -	\$ -	\$ -	\$ 5,555,421	\$ 2,011,362	\$ 172,377
Assigned, Reported In										
Debt service fund	239,563	113,453	-	1	1	91	91	1	-	-
Unassigned, reported in										
Special revenue fund	(2,624)	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	1
Total all other governmental funds	<u>\$ 486,939</u>	<u>\$ 113,453</u>	<u>\$ 354,750</u>	<u>\$ 56,780</u>	<u>\$ 1</u>	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 5,555,422</u>	<u>\$ 2,011,362</u>	<u>\$ 172,378</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 4,797,981	\$ 4,973,646	\$ 4,839,109	\$ 5,114,832	\$ 5,211,821	\$ 5,204,960	\$ 5,269,930	\$ 5,270,238	\$ 5,570,870	\$ 5,605,061
Tuition charges	27,804	48,694	77,320	42,468	14,550	44,194	50,786	44,247	51,834	50,362
Interest earnings	50,791	24,744	9,168	4,170	4,733	3,656	3,140	11,596	7,945	8,726
Miscellaneous	21,349	29,326	23,264	7,629	34,384	21,029	5,373	20,151	16,902	10,285
State sources	4,109,823	4,149,294	3,814,254	3,978,367	4,217,382	4,575,602	4,569,325	4,708,813	5,087,754	5,082,814
State sources - capital projects	-	-	-	195,691	-	-	-	-	-	-
Federal sources	291,632	330,203	821,007	413,395	445,963	307,546	375,991	408,834	333,942	354,745
<b>Total revenues</b>	<b>9,299,380</b>	<b>9,555,907</b>	<b>9,584,122</b>	<b>9,756,552</b>	<b>9,928,833</b>	<b>10,156,987</b>	<b>10,274,545</b>	<b>10,463,879</b>	<b>11,069,247</b>	<b>11,111,993</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	2,776,090	3,020,603	3,010,938	2,722,072	2,891,836	2,970,429	3,294,089	3,169,239	3,442,085	3,277,362
Special education instruction	888,290	877,154	904,573	863,440	905,969	913,914	897,417	958,384	1,044,988	1,106,680
Other special instruction	163,583	149,217	167,407	184,518	195,821	198,995	205,719	207,966	202,036	146,664
Other instruction	-	-	-	-	-	500	-	-	-	-
<b>Support services</b>										
Tuition	-	-	175,109	94,126	-	-	25,986	31,743	114,762	12,806
Student & instructional related servi	777,621	717,752	750,829	698,928	805,899	783,559	828,927	811,811	852,639	887,392
General administration	332,044	260,898	256,256	265,495	248,726	255,185	277,546	278,043	293,201	288,075
School administration services	160,795	151,466	162,033	144,925	144,256	151,528	151,676	151,930	175,650	159,750
Central services	134,787	135,887	137,055	141,356	151,157	165,927	159,576	188,370	171,500	205,458
Plant operations & maintenance	598,927	543,483	566,031	465,284	498,437	486,432	576,612	547,212	547,386	653,208
Pupil transportation	530,730	560,803	485,637	442,890	371,014	363,734	390,111	456,563	442,351	434,265
Employee benefits	1,393,991	1,487,436	1,610,116	1,580,510	1,564,070	1,598,049	1,594,236	1,622,652	1,632,890	1,830,393
On-behalf TPAF pension & Social Security contribution	929,440	627,266	657,061	639,055	790,537	972,745	886,735	1,004,841	1,177,871	1,322,306
Capital outlay	-	13,302	27,467	2,590	52,457	250,622	83,620	59,463	189,056	124,024
Special school	14,306	7,155	11,990	-	-	-	-	-	-	-
Transfer of funds to charter schools	9,311	-	3,576	9,219	54,501	66,778	16,516	16,546	-	-
Special revenue funds	340,233	318,531	326,086	396,710	306,644	294,775	358,956	375,928	324,684	326,421
Capital projects	115,676	325,000	-	493,662	-	-	-	1,246,139	3,544,059	1,838,985
<b>Debt service</b>										
Principal	134,901	515,000	345,000	360,000	375,000	380,000	400,000	415,000	200,000	245,000
Interest & other charges	93,155	100,494	82,469	70,217	57,061	45,125	32,469	17,969	286,764	191,843
<b>Total expenditures</b>	<b>9,393,880</b>	<b>9,811,447</b>	<b>9,679,633</b>	<b>9,574,997</b>	<b>9,413,385</b>	<b>9,898,297</b>	<b>10,180,191</b>	<b>11,559,799</b>	<b>14,641,922</b>	<b>13,050,632</b>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (deficiency) of revenues over (under) expenditures	\$ (94,500)	\$ (255,540)	\$ (95,511)	\$ 181,555	\$ 515,448	\$ 258,690	\$ 94,354	\$ (1,095,920)	\$ (3,572,675)	\$ (1,938,639)
Other financing sources (uses)										
Proceeds from new bond issue	250,000	-	-	-	-	-	-	6,685,000	-	-
Proceeds from refunding bond issue	2,540,000	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	(2,676,700)	-	-	-	-	-	-	-	-	-
Premium on bond issue	32,577	-	-	-	-	-	-	116,560	-	-
Transfers in (out)	(54,700)	(30,000)	(55,000)	(100,000)	(15,000)	-	-	-	-	-
Total other financing sources (uses)	91,177	(30,000)	(55,000)	(100,000)	(15,000)	-	-	6,801,560	-	-
Net change in fund balances	\$ (3,323)	\$ (285,540)	\$ (150,511)	\$ 81,555	\$ 500,448	\$ 258,690	\$ 94,354	\$ 5,705,640	\$ (3,572,675)	\$ (1,938,639)
Debt service as a percentage of non-capital expenditures	2.52%	6.95%	4.63%	4.97%	4.84%	4.61%	4.48%	4.41%	4.67%	4.10%

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Interest income	\$ 34,629	\$ 24,744	\$ 9,168	\$ 4,170	\$ 4,733	\$ 3,656	\$ 3,140	\$ 11,596	\$ 7,945	\$ 8,726
Tuition	27,804	48,694	77,320	42,468	14,550	44,194	50,786	44,247	51,834	50,362
Payroll balances transferred	-	-	-	-	-	-	-	228	-	-
Miscellaneous refunds	84	133	-	-	-	-	3,425	50	197	4,200
Prior year accounts payable canceled	-	-	-	-	-	-	-	-	2,691	-
Prior year refunds	1,552	19,640	10,077	6,054	5,676	9,823	-	9,002	12,385	721
Rentals	12,320	8,540	2,559	-	584	-	500	269	-	-
Miscellaneous other	1,327	73	54	4	4	3	103	-	262	47
Vendor rebates	-	-	4,245	-	-	-	-	-	-	-
Donations	-	-	4,000	1,050	26,957	9,544	-	1,250	-	3,400
Outstanding checks voided	1,326	141	335	157	-	-	-	4,342	-	-
<b>Annual totals</b>	<b>\$ 79,042</b>	<b>\$ 101,965</b>	<b>\$ 107,758</b>	<b>\$ 53,903</b>	<b>\$ 52,504</b>	<b>\$ 67,220</b>	<b>\$ 57,954</b>	<b>\$ 70,984</b>	<b>\$ 75,314</b>	<b>\$ 67,456</b>

Source: District Records

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 15,458,200	\$ 13,896,400	\$ 12,975,500	\$ 12,083,200	\$ 11,755,100	\$ 11,751,900	\$ 10,220,500	\$ 10,653,600	\$ 9,501,000	\$ 16,515,150
Residential	431,684,500	431,329,200	430,605,100	430,604,600	425,685,800	424,374,700	404,138,600	404,308,500	408,991,800	409,053,900
Farm regular	50,829,400	51,820,800	51,652,000	51,652,000	55,172,200	54,693,000	54,345,900	54,221,800	52,751,300	52,604,700
Q farm	2,668,700	3,612,000	2,903,275	2,959,050	2,943,150	2,782,050	3,544,000	3,476,790	4,246,265	3,342,165
Commercial	94,972,200	94,831,500	95,113,500	95,234,500	95,234,500	90,238,000	108,831,100	108,509,200	116,176,000	115,894,250
Industrial	16,094,300	16,094,300	16,100,300	16,100,300	16,099,500	16,099,500	17,129,400	17,493,500	17,323,500	17,323,500
Apartment	49,799,900	49,799,900	40,656,000	40,656,000	40,656,000	40,656,000	66,001,000	66,001,000	66,001,000	60,062,400
<b>Total assessed value</b>	<b>661,507,200</b>	<b>661,384,100</b>	<b>650,005,675</b>	<b>649,289,650</b>	<b>647,546,250</b>	<b>640,595,150</b>	<b>664,210,500</b>	<b>664,664,390</b>	<b>674,990,865</b>	<b>674,796,065</b>
Public utilities (a)	1,304,575	1,335,310	1,434,922	1,262,054	1,346,173	1,315,776	1,017,159	954,436	862,441	804,295
<b>Net valuation taxable</b>	<b>\$ 662,811,775</b>	<b>\$ 662,719,410</b>	<b>\$ 651,440,597</b>	<b>\$ 650,551,704</b>	<b>\$ 648,892,423</b>	<b>\$ 641,910,926</b>	<b>\$ 665,227,659</b>	<b>\$ 665,618,826</b>	<b>\$ 675,853,306</b>	<b>\$ 675,600,360</b>
Estimated actual county equalized value	\$ 947,686,266	\$ 973,509,210	\$ 889,703,083	\$ 835,647,661	\$ 763,942,104	\$ 724,259,197	\$ 683,265,878	\$ 691,839,545	\$ 713,904,411	\$ 717,654,940
Percentage of net valuation to estimated actual equalized value	69.94%	68.08%	73.22%	77.85%	84.94%	88.63%	97.36%	96.21%	94.67%	94.14%
<b>Total direct school tax rate (b)</b>	<b>\$ 0.75</b>	<b>\$ 0.73</b>	<b>\$ 0.78</b>	<b>\$ 0.80</b>	<b>\$ 0.80</b>	<b>\$ 0.82</b>	<b>\$ 0.79</b>	<b>\$ 0.84</b>	<b>\$ 0.83</b>	<b>\$ 0.85</b>

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies  
(b) Tax rates are per \$100

\* Revalued/Reassessed

See independent auditors' report.



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

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Municipality		County		
2008	\$ 0.70	\$ 0.05	\$ 0.75	\$ 0.86	\$ 0.39	\$ 0.87	\$ 2.87	
2009	0.70	0.03	0.73	0.91	0.45	0.89	2.98	
2010	0.73	0.05	0.78	0.89	0.52	0.84	3.03	
2011	0.75	0.05	0.80	0.90	0.56	0.81	3.07	
2012	0.75	0.05	0.80	0.90	0.58	0.80	3.08	
2013	0.77	0.05	0.82	0.92	0.59	0.81	3.14	
2014	* 0.74	0.05	0.79	0.87	0.61	0.78	3.05	
2015	0.79	0.05	0.84	0.89	0.61	0.81	3.15	
2016	0.79	0.04	0.83	0.96	0.62	0.81	3.22	
2017	0.81	0.04	0.85	1.01	0.62	0.81	3.29	

Sources: Municipal Tax Collector

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

\* Revalued/Reassessed

See independent auditors' report.

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

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Village	\$ 37,000,000	1	5.48%	\$ 32,248,900	1	4.87%
Green Eagle Property Res. L.P.	33,190,600	2	4.91%	26,000,000	2	3.92%
Mansfield Plaza LLC	26,043,100	3	3.85%	21,999,800	3	3.32%
Middlebury Associates	18,839,000	4	2.79%	14,000,000	5	2.11%
Mansfield Plaza Associates LLC	15,033,000	5	2.23%	14,149,800	4	2.13%
NYK Services Center	5,891,300	6	0.87%	3,605,800	7	0.54%
Borealis Compounds LLC	5,751,400	7	0.85%	6,553,100	6	0.99%
WH Realty I LLC	4,405,000	8	0.65%	-	-	-
The Shoppes at Mansfield LLC	3,719,300	9	0.55%	-	-	-
Walgreen Company	3,489,500	10	0.52%	-	-	-
Sarva Mangal LLC	-	-	-	3,077,900	9	0.46%
Eden Mansfield LLC	-	-	-	2,667,600	10	0.40%
Mansfield Commons II LLC	-	-	-	3,324,900	8	0.50%
	<u>\$ 153,362,200</u>		<u>22.70%</u>	<u>\$ 127,627,800</u>		<u>19.24%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 18,365,546	\$ 17,972,662	97.86%
2008	19,109,031	18,564,828	97.15%
2009	19,752,369	19,164,940	97.03%
2010	19,759,480	19,238,201	97.36%
2011	20,004,296	19,516,406	97.56%
2012	20,010,651	19,305,229	96.47%
2013	20,176,996	19,633,194	97.30%
2014	20,312,252	19,783,910	97.40%
2015	21,067,968	20,434,860	96.99%
2016	21,947,592	21,339,062	97.22%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Governmental Activities				Business-Type	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Activities Capital Leases			
2008	\$ 2,790,000	\$ -	\$ -	\$ -	\$ -	\$ 2,790,000	0.82%	\$ 343
2009	2,275,000	-	-	-	-	2,275,000	0.63%	280
2010	1,930,000	-	-	-	-	1,930,000	0.55%	239
2011	1,570,000	-	-	-	-	1,570,000	0.46%	204
2012	1,195,000	-	-	-	-	1,195,000	0.34%	156
2013	815,000	-	-	-	-	815,000	0.23%	107
2014	415,000	-	-	-	-	415,000	0.12%	55
2015	6,685,000	-	-	-	-	6,685,000	1.82%	888
2016	6,485,000	-	-	-	-	6,485,000	1.70%	864
2017	6,240,000	-	-	-	-	6,240,000	N/A	835

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

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

N/A Information is not available

See independent auditors' report.

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 2,790,000	\$ -	\$ 2,790,000	0.42%	\$ 344
2009	2,275,000	-	2,275,000	0.34%	281
2010	1,930,000	-	1,930,000	0.30%	251
2011	1,570,000	-	1,570,000	0.24%	205
2012	1,195,000	-	1,195,000	0.18%	157
2013	815,000	-	815,000	0.13%	108
2014	415,000	-	415,000	0.06%	55
2015	6,685,000	-	6,685,000	1.00%	891
2016	6,485,000	-	6,485,000	0.96%	868
2017	6,240,000	-	6,240,000	0.92%	N/A

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

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

N/A Information is not available

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2016**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality	\$ 2,212,721	100.00%	\$ 2,212,721
Regional High School	18,859,000	31.18%	5,880,674
County general obligation debt	6,870,000	6.59%	<u>452,938</u>
Subtotal, overlapping debt			8,546,332
School district direct debt			<u>6,240,350</u>
Total direct and overlapping debt			<u><u>\$ 14,786,682</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized Valuation Basis
	2016      \$    717,007,505
	2015             702,085,550
	2014             690,375,741
	\$   2,109,468,796
Average equalized valuation of taxable property	\$    703,156,265
Debt limit (2.5% of average equalization value)	\$    17,578,907
Total net debt applicable to limit	6,240,350
Legal debt margin	\$    11,338,557

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 19,416,446	\$ 18,077,816	\$ 17,460,866	\$ 17,223,100	\$ 17,578,907
Total net debt applicable	815,000	7,100,350	6,685,350	6,485,350	6,240,350
Legal debt margin	\$ 18,601,446	\$ 10,977,466	\$ 10,775,516	\$ 10,737,750	\$ 11,338,557
Total net debt applicable to the limit as a percentage of debt limit	4.20%	39.28%	38.29%	37.65%	35.50%

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$ 21,625,565	\$ 23,023,989	\$ 23,374,421	\$ 22,568,180	\$ 20,855,329
Total net debt applicable	2,790,000	2,275,000	1,930,000	1,570,000	1,195,000
Legal debt margin	\$ 18,835,565	\$ 20,748,989	\$ 21,444,421	\$ 20,998,180	\$ 19,660,329
Total net debt applicable to the limit as a percentage of debt limit	12.90%	9.88%	8.26%	6.96%	5.73%

Source: Equalized Valuation Bases were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2008	8,120	\$ 362,281,920	\$ 44,616	5.2%
2009	8,088	352,814,736	43,622	9.2%
2010	7,701	338,913,309	44,009	9.5%
2011	7,646	348,986,378	45,643	8.8%
2012	7,591	355,797,761	46,871	8.6%
2013	7,526	356,581,880	47,380	6.9%
2014	7,525	367,415,650	48,826	5.4%
2015	7,507	382,121,314	50,902	4.8%
2016	7,472	N/A	N/A	4.1%
2017	N/A	N/A	N/A	N/A

Sources:

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

See independent auditors' report.



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

2017

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

2008

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

See independent auditors' report.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function/Program										
Instruction										
Regular	48.0	44.0	46.0	42.1	42.1	42.1	44.2	44.2	44.2	44.2
Special education	11.5	13.5	14.0	12.0	12.0	12.0	12.0	12.0	15.0	15.0
Other special education	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Other instruction	4.5	8.5	8.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support services										
Student and instruction related services	6.6	6.0	6.0	7.4	7.5	7.5	7.5	7.5	7.5	7.5
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration services	2.0	2.0	2.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Central services	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5
Administrative information technology	1.0	1.0	1.0	-	-	0.5	0.5	0.5	0.5	0.5
Plant operations and maintenance	6.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Child care	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total	<u>94.6</u>	<u>93.5</u>	<u>96.0</u>	<u>85.8</u>	<u>85.9</u>	<u>85.9</u>	<u>88.0</u>	<u>88.0</u>	<u>91.0</u>	<u>91.0</u>

Source: District Personnel Records

See independent auditors' report.

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

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment ( ADE ) ( c )	Average Daily Attendance ( ADA ) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	707	\$ 9,050,148	\$ 12,801	4.31%	65	1 to 10.88	715.6	685.4	1.32%	95.78%
2009	697	8,857,651	12,708	-0.73%	65	1 to 10.81	690.2	656.0	-3.55%	95.04%
2010	723	9,224,697	12,759	0.40%	67	1 to 10.79	722.9	691.2	4.74%	95.61%
2011	695	8,648,528	12,444	-2.47%	57	1 to 12.20	695.8	659.9	-3.75%	94.84%
2012	717	8,928,867	12,453	0.07%	57	1 to 12.53	717.8	688.0	3.16%	95.85%
2013	705	9,222,550	13,082	5.05%	57	1 to 12.33	703.9	670.5	-1.94%	95.26%
2014	705	9,664,102	13,708	4.79%	57	1 to 12.40	708.1	676.0	0.60%	95.47%
2015	703	9,821,228	13,970	1.91%	57	1 to 12.33	705.6	672.9	-0.35%	95.37%
2016	680	10,422,043	15,327	9.71%	57	1 to 11.93	682.6	652.9	-3.26%	95.65%
2017	646	10,650,780	16,487	7.57%	57	1 to 11.34	643.4	613.5	-5.74%	95.35%

Source: District Records

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

See independent auditors' reports.

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

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mansfield Township School (1964)										
Square feet	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Capacity (students)	835	835	835	835	835	835	835	835	835	835
Enrollment	703	689	710	683	721	706	708	696	660	644

Number of Schools at June 30, 2017

Elementary = 1

Source: District Facilities Office

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

See independent auditors' reports.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Required Maintenance Expenditures by School Facility**  
**Last Ten Fiscal Years**

Undistributed Expenditures - Required Maintenance for School Facilities

* School facilities	Mansfield Township Elementary School	Total
<u>Fiscal Year Ending</u>	<u>School</u>	<u>Total</u>
2008	\$ 79,318	\$ 79,318
2009	69,706	69,706
2010	90,010	90,010
2011	21,634	21,634
2012	72,121	72,121
2013	34,417	34,417
2014	50,002	50,002
2015	67,363	67,363
2016	47,496	47,496
2017	152,474	152,474
Total school facilities	<u>\$ 684,541</u>	<u>\$ 684,541</u>

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

Source: District Records

See independent auditors' reports.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2017**  
**(Unaudited)**

	Coverage	Deductible
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
Property - Blanket Building & Contents (Fund Limit)	\$ 400,000,000	\$ 5,000
Accounts Receivable	250,000	5,000
Automobile Physical Damage	In blanket limit	5,000
Electronic Data Processing Equipment	100,000	1,000
Comprehensive General Liability	11,000,000	-
Automobile Liability	11,000,000	-
Employee Benefit Liability	11,000,000	1,000
Blanket Employee Dishonesty	50,000	500
School Board Legal Liability - NJSIG:		
Policy Limit	11,000,000	5,000
Worker's Compensation - NJSIG:		
Injury by Accident per Accident	5,000,000	-
Injury by Disease per Employee	5,000,000	-
Injury by Fisease Policy Limit	5,000,000	-
Environmental Impairment Liability - NJSIG through Zurich Insurance Company:		
Per Incident	1,000,000	10,000
Fund Aggregate Limit	25,000,000	-
Public Employees' Faithful Performance - Selective Insurance Company:		
Treasurer's Bond	195,000	-
Public Employees' Faithful Performance - NJSIG:		
Board Secretary's Bond	195,000	1,000

Source: District Records

See independent auditors' reports.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Mansfield Township School District, County of Warren, the State of New Jersey, (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2017.

**Internal Control over Financial Reporting**

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

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

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


### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

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

November 28, 2017  
Flemington, New Jersey





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

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

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

We have audited the Mansfield Township School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular Letter 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2017. Mansfield Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

In our opinion, the Mansfield Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2017.

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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



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

November 28, 2017  
Flemington, New Jersey

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards - Schedule A**  
**For the Fiscal Year Ended June 30, 2017**

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/16	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2017		
	CFDA Number				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Health and Human Services General fund Medical assistance program	93.778	1705NJ5MAP	N/A	\$ 30,241	07/01/16	06/30/17	\$ -	\$ -	\$ 30,241	\$ 30,241	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education passed through State Department of Education Special revenue fund															
NCLB Title I A	84.010A	S010S150030	NCLB-297016	90,658	07/01/15	06/30/16	(44,574)	-	60,658	16,084	-	-	-	-	-
NCLB Title I A	84.010A	S010S160030	NCLB-297017	86,373	07/01/16	06/30/17	-	-	86,373	86,373	-	-	-	-	-
NCLB Title II A	84.367A	S367A150029	NCLB-297016	28,437	07/01/15	06/30/16	(1,175)	-	3,690	2,515	-	-	-	-	-
NCLB Title II A	84.367A	S367A160029	NCLB-297017	27,007	07/01/16	06/30/17	-	-	27,007	27,007	-	-	-	-	-
NCLB Title III	84.365A	S365A150030	NCLB-297016	12,483	07/01/15	06/30/16	(3,127)	-	3,127	-	-	-	-	-	-
NCLB Title III	84.365A	S365A160030	NCLB-297017	14,996	07/01/16	06/30/17	-	-	14,996	14,996	-	-	-	-	-
IDEA basic	84.027	H027A150100	IDEA-297016	180,739	07/01/15	06/30/16	(5,086)	(215)	5,086	-	215	-	-	-	-
IDEA basic - carryover	84.027	H027A150100	IDEA-297016	180,739	07/01/16	06/30/17	-	215	-	215	-	-	-	-	-
IDEA basic	84.027	H027A160100	IDEA-297017	170,131	07/01/16	06/30/17	-	-	170,131	170,131	-	-	-	-	-
IDEA preschool	84.173	H173S150114	IDEA-297016	7,170	07/01/15	06/30/16	(769)	-	769	-	-	-	-	-	-
IDEA preschool	84.173	H173S160114	IDEA-297017	7,183	07/01/16	06/30/17	-	-	7,183	7,183	-	-	-	-	-
Total special revenue fund							(54,731)	-	379,020	324,504	215	-	-	-	-
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise fund															
Child nutrition center															
National school lunch program Food donation program	10.555	16161NJ304N1099	N/A	16,115	07/01/15	06/30/16	1,150	-	-	1,150	-	-	-	-	-
National school lunch program Food donation program	10.555	171NJ304N1099	N/A	16,881	10/01/16	09/30/17	-	-	16,881	15,552	-	-	-	1,329	-
National school lunch program Breakfast program	10.553	16161NJ304N1099	N/A	7,153	07/01/15	06/30/16	(385)	-	385	-	-	-	-	-	-
National school lunch program Breakfast program	10.553	171NJ304N1099	N/A	9,965	10/01/16	09/30/17	-	-	9,085	9,965	-	-	(880)	-	-
National school lunch program Lunch program	10.555	16161NJ304N1099	N/A	96,729	07/01/15	06/30/16	(4,728)	-	4,728	-	-	-	-	-	-
National school lunch program Lunch program	10.555	171NJ304N1099	N/A	97,720	10/01/16	09/30/17	-	-	91,328	97,720	-	-	(6,392)	-	-
National school lunch program Child and adult care food program	10.558	16161NJ304N1099	N/A	1,204	07/01/15	06/30/16	(57)	-	57	-	-	-	-	-	-
National school lunch program Child and adult care food program	10.558	171NJ314N1099	N/A	1,931	10/01/16	09/30/17	-	-	1,819	1,931	-	-	(112)	-	-
Total enterprise fund							(4,020)	-	124,283	126,318	-	-	(7,384)	1,329	-
Total federal financial assistance							\$ (58,751)	\$ -	\$ 533,544	\$ 481,063	\$ 215	\$ -	\$ (7,384)	\$ 1,329	\$ -

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of State Awards - Schedule A**  
**For the Fiscal Year Ended June 30, 2017**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2017			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General fund														
Equalization aid	17-495-034-5120-078	\$ 2,956,294	07/01/16	06/30/17	\$ -	\$ -	\$ 2,645,634	\$ 2,956,294	\$ -	\$ -	\$ -	\$ -	\$ (310,660)	\$ 2,956,294
Special education categorical aid	17-495-034-5120-089	396,644	07/01/16	06/30/17	-	-	354,963	396,644	-	-	-	-	(41,681)	396,644
Transportation aid	17-495-034-5120-014	119,772	07/01/16	06/30/17	-	-	107,186	119,772	-	-	-	-	(12,586)	119,772
Security aid	17-495-034-5120-084	85,007	07/01/16	06/30/17	-	-	76,074	85,007	-	-	-	-	(8,933)	85,007
Under adequacy aid	17-495-034-5120-096	19,421	07/01/16	06/30/17	-	-	17,380	19,421	-	-	-	-	(2,041)	19,421
Per pupil growth aid	17-495-034-5120-097	7,110	07/01/16	06/30/17	-	-	6,363	7,110	-	-	-	-	(747)	7,110
PARCC readiness aid	17-495-034-5120-098	7,110	07/01/16	06/30/17	-	-	6,363	7,110	-	-	-	-	(747)	7,110
Professional learning community aid	17-495-034-5120-101	6,490	07/01/16	06/30/17	-	-	5,808	6,490	-	-	-	-	(682)	6,490
Extraordinary special education costs aid	16-495-034-5120-044	24,042	07/01/15	06/30/16	(24,042)	-	24,042	-	-	-	-	-	-	24,042
Extraordinary special education costs aid	17-495-034-5120-044	4,767	07/01/16	06/30/17	-	-	-	4,767	-	(4,767)	-	-	-	4,767
Non-public transportation aid	16-495-034-5120-014	1,907	07/01/15	06/30/16	(1,907)	-	1,907	-	-	-	-	-	-	1,907
Non-public transportation aid	17-495-034-5120-014	1,372	07/01/16	06/30/17	-	-	-	1,372	-	(1,372)	-	-	-	1,372
Payment for institutionalized children-unknown district of residence	16-495-034-5120-005	119,801	07/01/15	06/30/16	(115,372)	-	115,372	-	-	-	-	-	-	119,801
Payment for institutionalized children-Unknown district of residence	17-495-034-5120-005	33,713	07/01/16	06/30/17	-	-	29,448	33,713	-	(4,265)	-	-	-	33,713
Reimbursed TPAF Social Security contribution	16-495-034-5094-003	356,246	07/01/15	06/30/16	(35,031)	-	35,031	-	-	-	-	-	-	356,246
Reimbursed TPAF Social Security contribution	17-495-034-5094-003	360,899	07/01/16	06/30/17	-	-	342,947	360,899	-	(17,952)	-	-	-	360,899
On-Behalf TPAF pension contribution-Post retirement medical	17-495-034-5094-001	436,658	07/01/16	06/30/17	-	-	436,658	436,658	-	-	-	-	-	436,658
On-Behalf TPAF pension contribution-Normal cost and accrued liability	17-495-034-5094-002	505,732	07/01/16	06/30/17	-	-	505,732	505,732	-	-	-	-	-	505,732
On-Behalf TPAF pension contribution-non-contributory insurance	17-495-034-5094-004	18,324	07/01/16	06/30/17	-	-	18,324	18,324	-	-	-	-	-	18,324
On-Behalf TPAF pension contribution-Long-term disability insurance	17-495-034-5094-004	693	07/01/16	06/30/17	-	-	693	693	-	-	-	-	-	693
Total general fund					<u>(176,352)</u>	<u>-</u>	<u>4,729,925</u>	<u>4,960,006</u>	<u>-</u>	<u>(28,356)</u>	<u>-</u>	<u>-</u>	<u>(378,077)</u>	<u>5,462,002</u>
Debt service fund:														
Debt service aid-state support	17-495-034-5120-017	162,864	07/01/16	06/30/17	-	-	162,864	162,864	-	-	-	-	-	162,864
Total debt service fund					<u>-</u>	<u>-</u>	<u>162,864</u>	<u>162,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,864</u>
State Department of Agriculture														
Enterprise fund														
State school lunch program	16-100-010-3350-023	2,834	07/01/15	06/30/16	(139)	-	139	-	-	-	-	-	-	2,834
State school lunch program	17-100-010-3350-023	2,716	07/01/16	06/30/17	-	-	2,534	2,716	-	(182)	-	-	-	2,716
Total enterprise fund					<u>(139)</u>	<u>-</u>	<u>2,673</u>	<u>2,716</u>	<u>-</u>	<u>(182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,550</u>
Total state financial assistance					<u>\$ (176,491)</u>	<u>\$ -</u>	<u>\$ 4,895,462</u>	<u>5,125,586</u>	<u>\$ -</u>	<u>\$ (28,538)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (378,077)</u>	<u>\$ 5,630,416</u>
Less: On behalf TPAF pension system contributions								<u>(961,407)</u>						
Total for state financial assistance - major program determination								<u>\$ 4,164,179</u>						

See independent auditors' report.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Federal Awards and State Financial Assistance**  
**June 30, 2017**

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$40,056) for the General Fund and \$0 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Federal Awards and State Financial Assistance**  
**June 30, 2017**

Note 3 - Relationship of financial statements (continued)

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

	Local	Federal	State	Total
General Fund	\$ -	\$ 30,241	\$ 4,919,950	\$ 4,950,191
Special Revenue Fund	1,917	324,504	-	326,421
Debt Service Fund	-	-	162,864	162,864
Food Service Fund	-	126,318	2,716	129,034
	<u>\$ 1,917</u>	<u>\$ 481,063</u>	<u>\$ 5,085,530</u>	<u>\$ 5,568,510</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 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2017.

Note 6 - Adjustment on schedule of expenditures of federal awards (K-3)

The adjustment reported for IDEA Basic for fiscal year 2016 of \$215 was the result of a cancelation of a prior year encumbrance.

Note 7 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs - Section I**  
**For the Fiscal Year Ended June 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? \_\_\_ Yes    X No
2. Were significant deficiencies identified? \_\_\_ Yes    X None reported

Noncompliance material to basic financial statements noted?

\_\_\_ Yes    X No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? \_\_\_ Yes    \_\_\_ No
2. Were significant deficiencies identified? \_\_\_ Yes    \_\_\_ None reported

What was the type of auditor's report issued on compliance for major programs?

\_\_\_\_\_

Were 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:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

What was the dollar threshold used to distinguish between Type A and Type B programs?

\_\_\_\_\_

Did the auditee qualify as a low-risk auditee?

\_\_\_ Yes    \_\_\_ No



**MANSFIELD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs - Section I**  
**For the Fiscal Year Ended June 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee?  Yes  No

Internal Control Over Major Programs:

1. Were material weakness(es) identified?  Yes  No
2. Were there significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?  Yes  No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>17-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>17-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>17-495-034-5120-084</i>	<i>Security Aid</i>
<i>17-495-034-5120-096</i>	<i>Under Adequacy Aid</i>
<i>17-495-034-5120-097</i>	<i>Per Pupil Growth Aid</i>
<i>17-495-034-5120-098</i>	<i>PARCC Readiness Aid</i>
<i>17-495-034-5120-101</i>	<i>Professional Learning Community Aid</i>
<i>17-495-034-5094-003</i>	<i>Reimbursed TPAF Social Security Aid</i>

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs - Section II and III  
For the Fiscal Year Ended June 30, 2017**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2017.

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

There were no findings or questioned costs for the year ended June 30, 2017.

**MANSFIELD TOWNSHIP SCHOOL DISTRICT  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2017**

Status of Prior Year Findings

There were no prior year findings or questioned costs.