

**MANSFIELD TOWNSHIP
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

June 30, 2019

**Responsibility of the Management of
Mansfield Township School District
Warren County, New Jersey**



**MANSFIELD TOWNSHIP
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

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Mansfield Township School District

50 Port Murray Road, Port Murray, NJ 07865

Phone: 908-689-3212, Ext. 1185

Fax: 908-689-9504

December 9, 2019

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, 2019, 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 District. 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: introduction, financial, statistical and single audit. The introduction 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 2018-19 fiscal year with an enrollment of 629 students, which is 2 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-19	615	-0.8%
2017-18	620	-4.0%
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.

The major initiatives in technology for the 2018-2019 school year included purchasing 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, we are continuing Northwest Evaluation Association's Measure of Academic Progress (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 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 58 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.

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, 2019.

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.

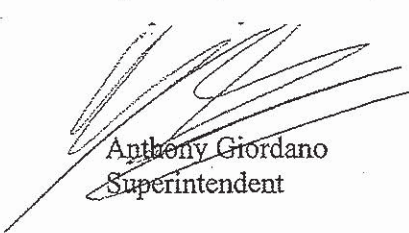
8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements, Notes 1 and 3. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss 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.

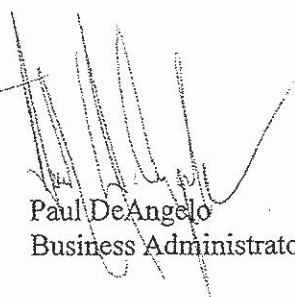
10) **OTHER INFORMATION - INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the 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 OMB Circular Letter 15-08. The auditor's report on the general purples 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 for assistance with preparing the CAFR.

Respectfully submitted,



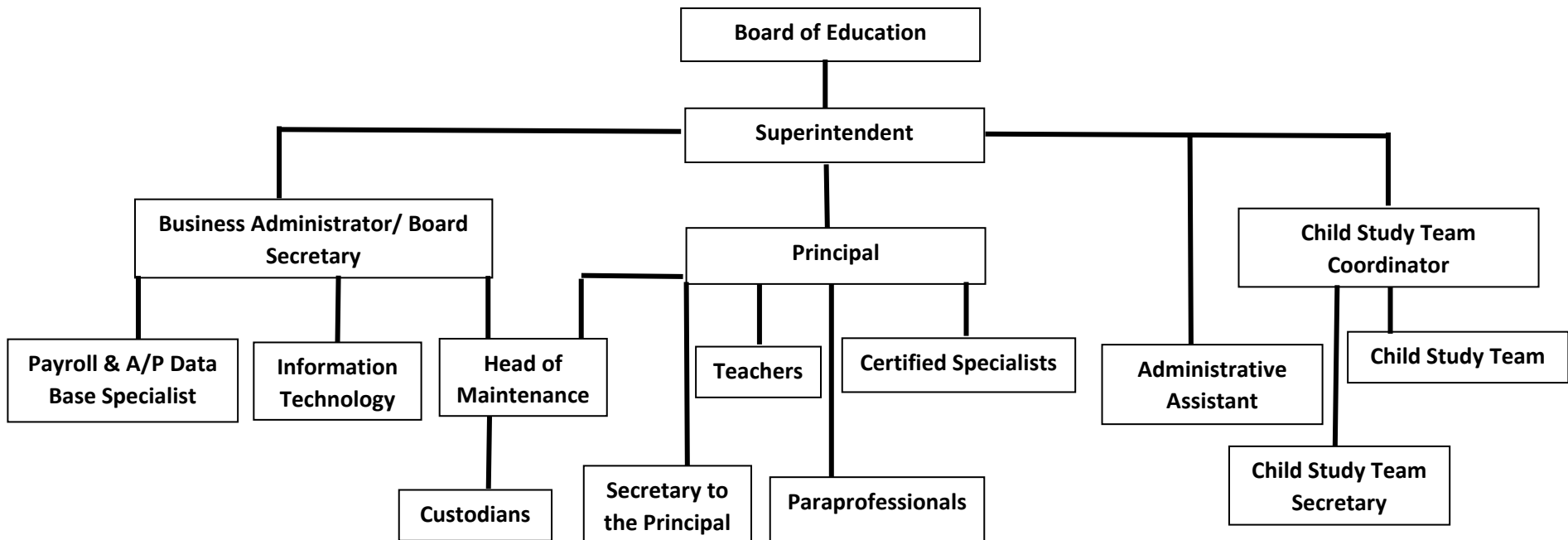
Anthony Giordano
Superintendent



Paul DeAngelo
Business Administrator/Board Secretary

Organizational Chart 2018-2019

Mansfield Township School District



MANSFIELD TOWNSHIP SCHOOL DISTRICT
50 Port Murray Road
Port Murray, NJ 07865
June 30, 2019

Roster of Officials

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Karri Reyes, President	2019
James Momary, Vice President	2019
Mark Smith	2019
Annamaria Lalevee	2020
Krysti Mastrolacasa	2020
Joseph Rodriguez	2020
Darlene Bertoldi	2021
Michael Coombs	2021
John Falco	2021

<u>Other Officials</u>	
Anthony Giordano	Superintendent
Paul DeAngelo	Business Administrator/Board Secretary
Andrew Coppola	Treasurer

MANSFIELD TOWNSHIP SCHOOL DISTRICT
50 Port Murray Road
Port Murray, NJ 07865
June 30, 2019

Consultants & Advisors

AUDITOR

BKC, CPAs, PC
Certified Public Accountants
114 Broad Street
Flemington, NJ 08822

ATTORNEYS

Marc H. Zitomer, Partner
Schenck, Price, Smith & King, LLP
220 Park Avenue
PO Box 991
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

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, 2019, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 opinion.

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, 2019, 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, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual 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 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 introduction 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 December 9, 2019 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

December 9, 2019
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
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, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and notes to enhance their understanding of the District's financial performance.

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

FINANCIAL HIGHLIGHTS

- In total, net position increased \$570,590 which is a 13.53 percent increase from Fiscal Year 2018.
- General revenue accounted for \$14,279,231 in revenue or 93.62 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$972,400 or 6.38 percent of the total revenue of \$15,251,631.
- The School District had \$14,681,041 in expenses; only \$972,400 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and state aid) of \$14,279,231 were adequate to provide for these programs.
- Among governmental funds, the general fund had \$11,334,136 in revenues and \$10,925,272 in expenditures. The general fund's fund balance increased by \$408,864 from Fiscal Year 2018.

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 SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
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 2019?" 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 measure and report the "operating results" by measuring cash on hand and other assets that can be easily converted into 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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

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.

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 SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 1 provides a summary of the District's net position at June 30, 2019, with comparisons to June 30, 2018.

Table 1
Net Position

	06/30/19	06/30/18	Variance	
			Dollars	%
Assets				
Current & Other Assets	\$ 2,169,711	\$ 1,831,572	\$ 338,139	18.46%
Capital Assets	10,856,989	10,895,795	(38,806)	(0.36)%
Total Assets	<u>13,026,700</u>	<u>12,727,367</u>	<u>299,333</u>	<u>2.35%</u>
Deferred Outflows of Resources				
Deferred Amount on Pension Activity	<u>749,129</u>	<u>658,218</u>	<u>90,911</u>	<u>13.81%</u>
Liabilities				
Long-Term Liabilities	8,095,084	8,462,020	(366,936)	(4.34)%
Other Liabilities	<u>232,094</u>	<u>283,134</u>	<u>(51,040)</u>	<u>(18.03)%</u>
Total Liabilities	<u>8,327,178</u>	<u>8,745,154</u>	<u>(417,976)</u>	<u>(4.78)%</u>
Deferred Inflows of Resources				
Deferred Amount on Pension Activity	<u>662,123</u>	<u>424,493</u>	<u>237,630</u>	<u>55.98%</u>
Net Position				
Net Investment in Capital Assets	5,136,989	4,910,795	226,194	4.61%
Restricted	1,532,390	1,337,416	194,974	14.58%
Unrestricted	<u>(1,882,851)</u>	<u>(2,032,273)</u>	<u>149,422</u>	<u>(7.35)%</u>
Total Net Position	<u>\$ 4,786,528</u>	<u>\$ 4,215,938</u>	<u>\$ 570,590</u>	<u>13.53%</u>

* = 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 SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2019, with comparisons to fiscal year ending June 30, 2018.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/19	06/30/18	Dollars	%
Revenues				
Program Revenues				
Charges for Services	\$ 530,575	\$ 536,620	\$ (6,045)	(1.13)%
Operating Grants	441,825	427,765	14,060	3.29%
General Revenues				
Property Taxes	5,825,670	5,714,474	111,196	1.95%
Unrestricted Grants	8,410,025	9,077,459	(667,434)	(7.35)%
Other	43,536	52,522	(8,986)	(17.11)%
Total Revenues	<u>15,251,631</u>	<u>15,808,840</u>	<u>(557,209)</u>	<u>(3.52)%</u>
Program Expenses				
Instruction				
Regular	6,837,398	7,341,676	(504,278)	(6.87)%
Special	2,506,982	2,577,511	(70,529)	(2.74)%
Other	321,254	339,438	(18,184)	(5.36)%
Support Services				
Tuition	-	131,965	(131,965)	(100.00)%
Student & Instructional Staff	1,804,425	1,888,328	(83,903)	(4.44)%
General & Business				
Administration	856,416	898,506	(42,090)	(4.68)%
School Administration	307,024	322,476	(15,452)	(4.79)%
Maintenance	770,838	1,024,170	(253,332)	(24.74)%
Transportation	636,734	621,589	15,145	2.44%
Food Service	246,619	239,862	6,757	2.82%
Child Care Program	163,661	151,461	12,200	8.05%
Summer Recreation Program	12,987	13,961	(974)	(6.98)%
Charter Schools	45,531	8,089	37,442	462.88%
Interest on Long-Term Debt	171,172	177,762	(6,590)	(3.71)%
Total Expenses	<u>14,681,041</u>	<u>15,736,794</u>	<u>(1,055,753)</u>	<u>(6.71)%</u>
Increase (Decrease) in Net Position	<u>\$ 570,590</u>	<u>\$ 72,046</u>	<u>\$ 498,544</u>	<u>691.98%</u>

* = Undefined

MANSFIELD TOWNSHIP SCHOOL DISTRICT
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Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 39% of revenues for governmental activities for the Mansfield School District for fiscal year 2019. Federal, state, and local grants accounted for another 59% of the revenues, and 2% was derived from charges for services and from other sources. The District's total revenues for governmental activities were \$14,836,902 for the year ended June 30, 2019.

The total cost of all program expenses and services for governmental activities was \$14,257,774.

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 \$13,471.

Daily food sales amounted to \$121,205. 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 \$137,302.

Child Care Program

Revenues for the District's child care program were comprised of charges for services. Child care expenditures exceeded revenues by \$21,882.

Charges for services represent \$141,779. This represents amounts paid by patrons for child care services.

Summer Recreation Program

Revenues for the District's summer recreation program were comprised of charges for services. Summer recreation expenditures exceeded revenues by \$127.

Charges for services represent \$12,860. This represents amounts paid by patrons for summer recreation services.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2019 and fiscal year ending June 30, 2018.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/19	06/30/18	06/30/19	06/30/18
Instruction	\$ 9,665,634	\$ 10,258,625	\$ 9,388,246	\$ 10,078,693
Support Services				
Tuition	-	131,965	-	36,966
Student & Instructional Staff	1,804,425	1,888,328	1,712,358	1,808,079
General & Business Administration	856,416	898,506	854,882	896,972
School Administration	307,024	322,476	307,024	322,476
Plant Operations & Maintenance	770,838	1,024,170	786,214	1,022,077
Pupil Transportation	636,734	621,589	451,093	438,709
Food Service	246,619	239,862	(11,888)	(14,867)
Child Care Program	163,661	151,461	21,882	(2,028)
Summer Recreation Program	12,987	13,961	127	(519)
Charter Schools	45,531	8,089	45,531	8,089
Interest on Long-Term Debt	171,172	177,762	171,172	177,762
Total Expenses	<u>\$ 14,681,041</u>	<u>\$ 15,736,794</u>	<u>\$ 13,708,641</u>	<u>\$ 14,772,409</u>

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.

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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
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Unaudited

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 \$12,080,771 and expenditures were \$11,675,439 resulting in an increase in fund balance of \$405,332.

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.

Capital Assets

At the end of Fiscal Year 2019, the District had \$10,856,989 invested in land, buildings, furniture, and equipment.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2019, with comparisons to June 30, 2018.

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

	06/30/19	06/30/18	Variance	
			Dollars	%
Land	\$ 17,722	\$ 17,722	-	0.00%
Construction in Progress	2,375	-	2,375	*
Land Improvements	164,549	188,710	(24,161)	(12.80)%
Buildings & Improvements	10,277,372	10,286,209	(8,837)	(0.09)%
Furniture & Equipment	394,971	403,154	(8,183)	(2.03)%
Total	\$ 10,856,989	\$ 10,895,795	\$ (38,806)	0.36%

* = Undefined

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
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Long Term Liabilities - Debt Administration

As of June 30, 2019, the District had \$8,095,084 of long-term liabilities. This amount is detailed below.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2019, with comparisons to June 30, 2018.

Table 5
Long-term Liabilities at Year-end

	06/30/19	06/30/18	Variance	
			Dollars	%
PERS Net Pension Liability	\$ 1,934,632	\$ 2,012,400	\$ (77,768)	(3.86)%
2014 General Obligation Bonds	5,720,000	5,985,000	(265,000)	(4.43)%
Unamortized Bond Premium	87,420	93,248	(5,828)	(6.25)%
Compensated Absences	353,032	371,372	(18,340)	(4.94)%
Total	\$ 8,095,084	\$ 8,462,020	\$ (366,936)	(4.34)%

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, 2019 is \$18,256,129. General obligation debt and debt authorized at June 30, 2019 is \$5,720,000 resulting in a legal debt margin of \$12,536,129.

For the Future

Essential upgrades were completed at Mansfield Elementary to adequately serve the community and our students for the foreseeable future. In that spirit, the Board of Education and Administration held a bond referendum in March of 2014 for \$6,685,350 in school improvements.

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 were:

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 existing T-12 fixtures.
5. Doors: all exterior, Kindergarten, 3rd, 5th, and 6th bathrooms.
6. ADA hardware throughout the entire building.
7. Bathrooms: 3rd, 5th, 6th grade bathrooms, and faculty bathrooms, new bathroom in Room 31, renovated existing bathroom in Room 40.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
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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.).

In addition to upgrading our facility, we continue initiatives to stay in the forefront of technology. We continue to utilize Discovery Video Streaming as a teacher resource. We also subscribe to the TEQ on-line training site to provide teachers with continuing professional development. Additionally, we continue to receive e-Rate rebates for our eligible technology and communication costs.

Our technology goals for 2018-2019 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 and upgrade 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 changed our telephone system to VoIP with enhanced security options. Also in the area of security, we will deployed 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. To improve safety we will be adding additional lighting to the front exterior of our building. We will also be installing a repeater to insure seamless communication for our walkie talkies throughout the entire school grounds. Our PTA and Education Foundation will help support the costs of expanding technology and funding programs along with funding from our annual school safety grant.

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 - 3 teachers in Project Read. We continue to improve our Intervention and Referral Services and our Response to Intervention services. These changes better support teachers by providing them with alternative methodologies to address the specific needs of an individual student. These changes will support students who are experiencing difficulties in the classroom. To meet the New Jersey Next Generation Science Standards for grades K - 5, we are purchasing the National Geographic textbook series and other resources. We procured the Go Math series for the next five school years beginning with the 2018-19 school year. Go Math 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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Mansfield Township School District has been committed to financial excellence. We are constantly looking for ways to maximize the taxpayer's investment in our district by seeking out the best prices for purchases, by joining purchasing cooperatives, by consulting with Township officials for shared services, and by attending meetings for shared services between school districts and with municipalities. We now share a behaviorist, a curriculum coordinator, an ESL teacher, and Title III funding 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.

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, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 223,529	\$ 45,125	\$ 268,654
Due from other funds, net	-	123,665	123,665
Receivables, net	228,845	10,859	239,704
Inventory	-	5,298	5,298
Restricted assets			
Capital reserve account - cash	1,016,860	-	1,016,860
Emergency expense reserve account - cash	143,000	-	143,000
Maintenance reserve account - cash	366,251	-	366,251
Capital projects fund - cash	6,279	-	6,279
Capital assets, net			
Land	17,722	-	17,722
Construction in progress	2,375	-	2,375
Other capital assets, net of depreciation	10,811,893	24,999	10,836,892
Total assets	<u>12,816,754</u>	<u>209,946</u>	<u>13,026,700</u>
Deferred outflows of resources			
Deferred amount on pension activity	749,129	-	749,129
Liabilities			
Accounts payable	8,936	-	8,936
Payables to other governments	518	-	518
Due to other funds, net	120,177	-	120,177
Accrued interest	79,658	-	79,658
Unearned revenue	2,479	20,326	22,805
Long-term liabilities			
Due within one year	331,693	-	331,693
Due beyond one year	7,763,391	-	7,763,391
Total liabilities	<u>8,306,852</u>	<u>20,326</u>	<u>8,327,178</u>
Deferred inflows of resources			
Deferred amount on pension liability	662,123	-	662,123
Net position			
Net investment in capital assets	5,111,990	24,999	5,136,989
Restricted for			
Capital reserve	1,016,860	-	1,016,860
Emergency expense reserve	143,000	-	143,000
Maintenance reserve	366,251	-	366,251
Capital projects	6,279	-	6,279
Unrestricted	(2,047,472)	164,621	(1,882,851)
Total net position	<u>\$ 4,596,908</u>	<u>\$ 189,620</u>	<u>\$ 4,786,528</u>

See accompanying notes to financial statements.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,228,251	\$ 3,609,147	\$ 16,000	\$ 23,500	\$ -	\$ (6,797,898)	\$ -	\$ (6,797,898)
Special education	1,252,018	1,254,964	48,601	82,635	-	(2,375,746)	-	(2,375,746)
Other special instruction	192,519	128,735	-	106,652	-	(214,602)	-	(214,602)
Support services								
Students & instruction related services	966,263	838,162	331	91,736	-	(1,712,358)	-	(1,712,358)
General & business administration services	556,412	300,004	1,534	-	-	(854,882)	-	(854,882)
School administration services	168,203	138,821	-	-	-	(307,024)	-	(307,024)
Plant operations & maintenance	594,086	176,752	2,624	-	-	(768,214)	-	(768,214)
Pupil transportation	636,470	264	185,641	-	-	(451,093)	-	(451,093)
Charter schools	45,531	-	-	-	-	(45,531)	-	(45,531)
Interest on long-term debt	171,172	-	-	-	-	(171,172)	-	(171,172)
Total governmental activities	<u>7,810,925</u>	<u>6,446,849</u>	<u>254,731</u>	<u>304,523</u>	<u>-</u>	<u>(13,698,520)</u>	<u>-</u>	<u>(13,698,520)</u>
Business-type activities								
Food service	246,619	-	121,205	137,302	-	-	11,888	11,888
Before and after child care	163,661	-	141,779	-	-	-	(21,882)	(21,882)
Summer recreation program	12,987	-	12,860	-	-	-	(127)	(127)
Total business-type activities	<u>423,267</u>	<u>-</u>	<u>275,844</u>	<u>137,302</u>	<u>-</u>	<u>-</u>	<u>(10,121)</u>	<u>(10,121)</u>
Total primary government	<u>\$ 8,234,192</u>	<u>\$ 6,446,849</u>	<u>\$ 530,575</u>	<u>\$ 441,825</u>	<u>\$ -</u>	<u>(13,698,520)</u>	<u>(10,121)</u>	<u>(13,708,641)</u>
			General revenues, special items and transfers					
			Property taxes levied for general purposes			5,549,498	-	5,549,498
			Property taxes levied for debt service			276,172	-	276,172
			Federal and state aid not restricted			8,410,025	-	8,410,025
			Investment earnings			41,943	982	42,925
			Miscellaneous income			10	601	611
			Total general revenues and special items			<u>14,277,648</u>	<u>1,583</u>	<u>14,279,231</u>
			Change in net position			579,128	(8,538)	570,590
			Net position - beginning			4,017,780	198,158	4,215,938
			Net position - ending			<u>\$ 4,596,908</u>	<u>\$ 189,620</u>	<u>\$ 4,786,528</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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 219,745	\$ 3,783	\$ -	\$ 1	\$ 223,529
Due from other funds	3,488	-	-	-	3,488
Receivables from other governments					
State	221,798	-	-	-	221,798
Local	3,188	-	-	-	3,188
Other accounts receivable	3,859	-	-	-	3,859
Restricted cash and equivalents	1,526,111	-	6,279	-	1,532,390
Total assets	\$ 1,978,189	\$ 3,783	\$ 6,279	\$ 1	\$ 1,988,252
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 8,150	\$ 786	\$ -	\$ -	\$ 8,936
Payables to governments					
Federal	-	518	-	-	518
Due to other funds	123,665	-	-	-	123,665
Unearned revenue	-	2,479	-	-	2,479
Total liabilities	131,815	3,783	-	-	135,598

See accompanying notes to financial statements.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (continued)					
Fund balances					
Restricted fund balance					
Capital project fund balance	\$ -	\$ -	\$ 6,279	\$ -	\$ 6,279
Capital reserve account	1,016,860	-	-	-	1,016,860
Emergency expense reserve account	143,000	-	-	-	143,000
Maintenance reserve account	366,251	-	-	-	366,251
Committed fund balance					
Year-end encumbrances	84,781	-	-	-	84,781
Assigned fund balance					
Designated for subsequent year's expenditures	155,342	-	-	-	155,342
Unassigned fund balance	80,140	-	-	1	80,141
Total fund balances	1,846,374	-	6,279	1	1,852,654
Total liabilities and fund balances	\$ 1,978,189	\$ 3,783	\$ 6,279	\$ 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 \$15,532,360 and the accumulated depreciation is \$4,700,370.	10,831,990
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	87,006
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.	(8,095,084)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(79,658)
Total net position of governmental activities	\$ 4,596,908

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 5,549,498	\$ -	\$ -	\$ 276,172	\$ 5,825,670
Tuition	64,601	-	-	-	64,601
Interest on investments	41,943	-	-	-	41,943
Miscellaneous	10	-	-	-	10
Total local sources	5,656,052	-	-	276,172	5,932,224
State sources	5,650,216	-	-	165,940	5,816,156
Federal sources	27,868	304,523	-	-	332,391
Total revenues	11,334,136	304,523	-	442,112	12,080,771
Expenditures					
Current					
Instructional					
Regular instruction	3,204,751	23,500	-	-	3,228,251
Special education instruction	1,169,383	82,635	-	-	1,252,018
Other special instruction	102,598	89,921	-	-	192,519
Support service and undistributed costs					
Student and instruction related services	874,196	91,736	-	-	965,932
General and business administrative services	554,878	-	-	-	554,878
School administrative services	168,203	-	-	-	168,203
Plant operations and maintenance	591,462	-	-	-	591,462
Pupil transportation	450,829	-	-	-	450,829
Unallocated benefits	3,694,323	16,731	-	-	3,711,054

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 66,193	\$ -	\$ 3,532	\$ -	\$ 69,725
Transfers of funds to charter schools	45,531	-	-	-	45,531
Debt service					
Principal	-	-	-	265,000	265,000
Interest and other charges	2,925	-	-	177,112	180,037
Total expenditures	<u>10,925,272</u>	<u>304,523</u>	<u>3,532</u>	<u>442,112</u>	<u>11,675,439</u>
Net change in fund balance	408,864	-	(3,532)	-	405,332
Fund balances, July 1	<u>1,437,510</u>	<u>-</u>	<u>9,811</u>	<u>1</u>	<u>1,447,322</u>
Fund balances, June 30	<u><u>\$ 1,846,374</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,279</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1,852,654</u></u>

See accompanying notes to financial statements.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Total net changes in fund balances - governmental fund (from B-2)	\$	405,332
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>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. the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital outlays - governmental fund	\$ 69,725	
Depreciation expense	<u>(119,183)</u>	(49,458)
<p>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:</p>		
Debt principal payments		265,000
<p>Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:</p>		
Amortization of bond premium		5,828
<p>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.</p>		
		(68,951)
<p>In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		3,037
<p>In the Statement of Activities, compensated absences and 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.</p>		
		<u>18,340</u>
Change in net position of governmental activities	\$	<u><u>579,128</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, 2019

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 11,060	\$ 15,756	\$ 18,309	\$ 45,125
Due from other funds	123,665	-	-	123,665
Receivables from other governments				
State	214	-	-	214
Federal	8,756	-	-	8,756
Other accounts receivable	-	1,889	-	1,889
Inventory	5,298	-	-	5,298
Total current assets	<u>148,993</u>	<u>17,645</u>	<u>18,309</u>	<u>184,947</u>
Noncurrent assets				
Capital assets	65,187	-	-	65,187
Less: accumulated depreciation	<u>40,188</u>	<u>-</u>	<u>-</u>	<u>40,188</u>
Total noncurrent assets	<u>24,999</u>	<u>-</u>	<u>-</u>	<u>24,999</u>
Total assets	<u>173,992</u>	<u>17,645</u>	<u>18,309</u>	<u>209,946</u>
Liabilities				
Current liabilities				
Unearned revenues	<u>4,101</u>	<u>-</u>	<u>16,225</u>	<u>20,326</u>
Net position				
Invested in capital assets, net of related debt	24,999	-	-	24,999
Unrestricted	<u>144,892</u>	<u>17,645</u>	<u>2,084</u>	<u>164,621</u>
Total net position	<u>\$ 169,891</u>	<u>\$ 17,645</u>	<u>\$ 2,084</u>	<u>\$ 189,620</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, 2019

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Operating revenues				
Charges for services				
Daily sales - reimbursable programs	\$ 87,159	\$ -	\$ -	\$ 87,159
Daily sales - non-reimbursable programs	34,046	-	-	34,046
Child care program fees	-	141,779	-	141,779
Summer recreation program fees	-	-	12,860	12,860
Total operating revenues	<u>121,205</u>	<u>141,779</u>	<u>12,860</u>	<u>275,844</u>
Operating expenses				
Cost of sales - reimbursable programs	95,806	-	-	95,806
Cost of sales - non-reimbursable programs	3,120	-	-	3,120
Commodity food costs	14,729	-	-	14,729
Salaries	92,656	157,296	12,320	262,272
Employee benefits	9,704	-	-	9,704
Purchased professional/technical services	2,574	-	-	2,574
Purchased property services	1,524	980	-	2,504
Other purchased services				
Insurance	8,115	-	-	8,115
Management fee	10,070	-	-	10,070
Other purchased services	-	1,097	-	1,097
Supplies and materials (not included in cost of sales)	1,893	4,278	667	6,838
Depreciation	3,116	-	-	3,116
Miscellaneous	3,312	10	-	3,322
Total operating expenses	<u>246,619</u>	<u>163,661</u>	<u>12,987</u>	<u>423,267</u>
Operating income (loss)	<u>(125,414)</u>	<u>(21,882)</u>	<u>(127)</u>	<u>(147,423)</u>
Non-operating revenues (expenses)				
State sources				
State school lunch program	2,964	-	-	2,964
Federal sources				
National school lunch program				
Cash assistance	119,609	-	-	119,609
Non-cash assistance (commodities)	14,729	-	-	14,729

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, 2019

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Local sources				
Interest on investments	\$ 982	\$ -	\$ -	\$ 982
Miscellaneous	601	-	-	601
Total non-operating revenues (expenses)	<u>138,885</u>	<u>-</u>	<u>-</u>	<u>138,885</u>
Change in net position	13,471	(21,882)	(127)	(8,538)
Net position, beginning	<u>156,420</u>	<u>39,527</u>	<u>2,211</u>	<u>198,158</u>
Net position, ending	<u>\$ 169,891</u>	<u>\$ 17,645</u>	<u>\$ 2,084</u>	<u>\$ 189,620</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, 2019

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
Cash flows from operating activities				
Receipts from customers	\$ 121,014	\$ 141,050	\$ 17,465	\$ 279,529
Payments to Food Service Management Company	(203,694)	-	-	(203,694)
Payments to employees	(20,629)	(157,296)	(12,320)	(190,245)
Payments to vendors (net)	(4,427)	(6,365)	(667)	(11,459)
Net cash provided by (used for) operating activities	<u>(107,736)</u>	<u>(22,611)</u>	<u>4,478</u>	<u>(125,869)</u>
Cash flows from non-capital financing activities				
State sources	2,946	-	-	2,946
Federal sources	117,995	-	-	117,995
General fund interfund activity	(53,813)	-	-	(53,813)
Miscellaneous	601	-	-	601
Net cash provided by (used for) noncapital financing activities	<u>67,729</u>	<u>-</u>	<u>-</u>	<u>67,729</u>
Cash flows from capital financing activities				
Acquisition of equipment	(13,768)	-	-	(13,768)
Cash flows from investing activities				
Interest on investments	982	-	-	982
Net increase in cash and cash equivalents	(52,793)	(22,611)	4,478	(70,926)
Cash and cash equivalents, July 1	<u>63,853</u>	<u>38,367</u>	<u>13,831</u>	<u>116,051</u>
Cash and cash equivalents, June 30	<u>\$ 11,060</u>	<u>\$ 15,756</u>	<u>\$ 18,309</u>	<u>\$ 45,125</u>

See accompanying notes to financial statements.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2019

	Food Service Fund	Before & After School Child Care Fund	Summer Recreation Program Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reconciliation of operating income to net cash				
Provided by operating activities				
Operating income (loss)	\$ (125,414)	\$ (21,882)	\$ (127)	\$ (147,423)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	3,116	-	-	3,116
Federal food donation program	14,729	-	-	14,729
(Increase) decrease in other accounts receivable	-	(329)	-	(329)
(Increase) decrease in inventory	358	-	-	358
Increase (decrease) in unearned revenues	<u>(525)</u>	<u>(400)</u>	<u>4,605</u>	<u>3,680</u>
Net cash provided by (used for) operating activities	<u><u>\$ (107,736)</u></u>	<u><u>\$ (22,611)</u></u>	<u><u>\$ 4,478</u></u>	<u><u>\$ (125,869)</u></u>

See accompanying notes to financial statements.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2019

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 196,903	\$ 17,938	\$ 97,738
Due from other funds	37,685	-	-
Total assets	<u>\$ 234,588</u>	<u>\$ 17,938</u>	<u>\$ 97,738</u>
Liabilities			
Due to other funds	\$ -	\$ -	\$ 41,173
Due to student groups	-	17,938	-
Payroll deductions and withholdings	-	-	56,565
Total liabilities	<u>-</u>	<u>\$ 17,938</u>	<u>\$ 97,738</u>
 Net position	 <u>\$ 234,588</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, 2019

	Unemployment Compensation Fund
	Fund
Additions	
Employee contributions	\$ 9,754
Investment earnings - interest	4,032
Total additions	13,786
Change in net position	13,786
Net position, beginning of the year	220,802
Net position, end of the year	\$ 234,588

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

See accompanying notes to financial statements.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Mansfield Township School District (the 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, 2019 of 629 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 Activities) 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 postemployment 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 childcare fund and the summer recreation fund.

All proprietary funds are accounted for on a current financial resource's 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
-----------	----------

Fiduciary fund types

Trust and Agency Funds - This fund is 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.

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 Year 2018-2019 are 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, 2019.

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 for the food service fund. 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 for the food service fund. Unearned revenue in the remaining enterprise funds represents cash, which has been received but not yet earned.

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 sum of assets and deferred outflows of resources, and the sum 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. Use of estimates

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

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, and cash in banks. As of June 30, 2019, 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 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

As of June 30, 2019, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	1,961,278
Total bank balances	\$ 2,211,278

Deposits at June 30, 2019 appear in the financial statements as summarized below:

Cash		\$ 2,113,623
	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 223,529
Enterprise funds, Statement of Net Position	B-4	45,125
Fiduciary funds, Statement of Net Position	B-7	312,579
Restricted cash		
Governmental funds, Balance Sheet	B-1	1,532,390
Total cash		\$ 2,113,623

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2019 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 17,722	\$ -	\$ -	\$ 17,722
Construction in progress	-	2,375	-	2,375
Total	<u>17,722</u>	<u>2,375</u>	<u>-</u>	<u>20,097</u>
Capital assets, being depreciated				
Land improvements	485,910	-	-	485,910
Building and improvements	14,173,591	7,889	-	14,181,480
Furniture and equipment	793,188	59,461	7,776	844,873
Total	<u>15,452,689</u>	<u>67,350</u>	<u>7,776</u>	<u>15,512,263</u>
Accumulated depreciation				
Land improvements	297,200	24,161	-	321,361
Building and improvements	3,887,382	16,726	-	3,904,108
Furniture and equipment	404,381	78,296	7,776	474,901
Total	<u>4,588,963</u>	<u>119,183</u>	<u>7,776</u>	<u>4,700,370</u>
Total capital assets, being depreciated, net	<u>10,863,726</u>	<u>(51,833)</u>	<u>-</u>	<u>10,811,893</u>
Governmental activities capital assets, net	<u>\$ 10,881,448</u>	<u>\$ (49,458)</u>	<u>\$ -</u>	<u>\$ 10,831,990</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture and equipment	\$ 51,419	\$ 13,768	\$ -	\$ 65,187
Less: accumulated depreciation	37,072	3,116	-	40,188
Business type activities capital assets, net	<u>\$ 14,347</u>	<u>\$ 10,652</u>	<u>\$ -</u>	<u>\$ 24,999</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	\$	64,434
Special education		16,213
Other special instruction		2,609
Support services		
Student and instruction		17,316
General and business administration		11,743
School administration		2,280
Plant maintenance		4,588
Total depreciation expense, governmental activities	<u>\$</u>	<u>119,183</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 5,985,000	\$ -	\$ 265,000	\$ 5,720,000	\$ 275,000
Compensated absences payable	371,372	33,671	52,011	353,032	50,865
PERS net pension liability	2,012,400	-	77,768	1,934,632	-
Unamortized bond premium	93,248	-	5,828	87,420	5,828
Total governmental activities long-term liabilities	<u>\$ 8,462,020</u>	<u>\$ 33,671</u>	<u>\$ 400,607</u>	<u>\$ 8,095,084</u>	<u>\$ 331,693</u>

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.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2019, including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 275,000	\$ 170,362	\$ 445,362
2021	285,000	163,362	448,362
2022	300,000	156,050	456,050
2023	310,000	147,650	457,650
2024	325,000	138,125	463,125
2025 - 2029	1,825,000	534,025	2,359,025
2030 - 2034	2,400,000	242,750	2,642,750
Total	<u>\$ 5,720,000</u>	<u>\$ 1,552,324</u>	<u>\$ 7,272,324</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2019, with their outstanding balances are comprised of the following individual issues:

\$6,685,000 - 2014 general obligation bonds, interest at 2.25% to 3.50%, due in annual installments beginning July 15, 2015 to July 15, 2034.	<u>\$ 5,720,000</u>
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The general obligation bonded debt of the District is limited by state law to 2.50% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2019 is \$18,256,129. General obligation debt and debt authorized at June 30, 2019 is \$5,720,000, resulting in a legal debt margin of \$12,536,129.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following 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 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.

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.

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 1, 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.

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

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2018.

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, 2018. 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 Year 2018, the State's pension contribution was less than the actuarial determined amount.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Contributions (continued)

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 District's contractually required contribution rate for the year ended June 30, 2019 was 13.04% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.20% effective July 1, 2016 and increased annually on July 1st until reaching 7.50% of base salary effective July 1, 2018. The District contributed \$98,034 for the year ending June 30, 2019.

The components of the District's allocable share of the net pension liability for PERS as of measurement date June 30, 2019:

Total pension liability	\$ 4,169,200
Plan fiduciary net position	2,234,568
Net pension liability	\$ 1,934,632

Plan fiduciary net position as a percentage of the total pension liability	53.60%
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The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary increases (based on age)	
Through 2026	1.65% - 4 15%
Thereafter	2.65% - 5.15%
Investment rate of return	7.00%

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Contributions (continued)

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back two years for males and seven years for females. In addition, the tables 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. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one 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 three years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2017 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.

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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)

A. Public employees' retirement systems (PERS) (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, 2018 measurement date, 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:

District's Proportionate Share of the Net Pension Liability

At current discount rate (5.66%)	\$ 1,934,632
At a 1% lower rate (4.66%)	2,432,577
At a 1% higher rate (6.66%)	1,516,888

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2018 measurement, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,894	\$ 9,976
Changes of assumptions	318,795	618,592
Net difference between projected and actual earnings on pension plan investments	-	18,147
Changes in proportion and differences between District contributions and proportionate share of contributions	295,706	15,408
District contributions subsequent to the measurement date	97,734	-
Total	<u>\$ 749,129</u>	<u>\$ 662,123</u>

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, 2019, the plan measurement date is June 30, 2018) of \$97,734 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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 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, 2018 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 47,385	\$ (10,491)	\$ 36,894
Changes of assumptions	405,429	(86,634)	318,795
Differences between projected actual investment earnings on pension plan investments	13,703	(13,703)	-
Deferred inflows of resources			
Differences between expected and actual experience		(9,976)	(9,976)
Changes of assumptions	(403,943)	(214,649)	(618,592)
Differences between projected actual investment earnings on pension plan investments	-	(18,147)	(18,147)
Net of deferred outflows	<u>\$ 62,574</u>	<u>\$ (353,600)</u>	<u>\$ (291,026)</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,

2019	\$ 13,427
2020	(18,590)
2021	(133,308)
2022	(115,553)
2023	(37,002)
Total	<u>\$ (291,026)</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Pension expense

For the year ended June 30, 2019, the District recognized net pension expense of \$166,685, which represents the District's proportionate share of allocable plan pension expense of \$107,247, plus the net amortization of deferred amounts from changes in proportion of \$77,086 less other adjustments to the net pension liability of \$17,648. 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, 2018 measurement date are as follows:

Service cost	\$ 91,319
Interest on total pension liability	219,534
Member contributions	(52,439)
Administrative expense	1,453
Expected investment return net of investment expense	(137,832)
Pension expense related to specific liabilities of individual employers	(807)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	14,809
Amortization of expected versus actual experience	(17,050)
Amortization of projected versus actual investment earnings on pension plan investments	(11,740)
Pension expense	\$ 107,247

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.

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.

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)

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members enrolled prior to July 1, 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.

Contributions

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 2018, the State’s pension contribution was less than the actuarial determined amount.

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)

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, 2018, the State of New Jersey contributed \$523,174 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.20% effective July 1, 2016 and increased annually on July 1st until reaching 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

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 ended June 30, 2019 measurement date is as follows:

State's proportionate share of net pension liability	\$ 29,979,673
District's proportionate share of net pension liability	-
Employer pension expense and related revenue	1,747,710
Non-employer contribution	712,361
Allocable proportionate percentage	.0471246229%

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Collective net pension liability and actuarial information (continued)
Components of net pension liability (continued)

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ended June 30, 2018 measurement date are as follows:

Service cost	\$ 1,047,504
Interest on total pension liability	1,812,785
Member contributions	(381,005)
Administrative expense	6,212
Expected investment return net of investment expense	(721,773)
Pension expense related to specific liabilities of individual employers	(163)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	92,836
Amortization of expected versus actual experience	(46,266)
Amortization of projected versus actual investment earnings on pension plan investments	(62,420)
Pension expense	<u>\$ 1,747,710</u>

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, 2018 measurement date is as follows:

Total pension liability	\$ 40,782,143
Plan fiduciary net position	<u>10,802,470</u>
Net pension liability	<u>\$ 29,979,673</u>

Plan fiduciary net position as a percentage of the total pension liability	26.49%
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MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Collective net pension liability and actuarial information (continued)

Components of net pension liability (continued)

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases (based on age)	
2011 - 2026	1.55 - 4.55%
Thereafter	2.00 - 5.45%
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial study for the period July 1, 2012 to June 30, 2015.

Preretirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Postretirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

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

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long- Term Expected Rate of Return</u>
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 50% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2018 measurement date, 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:

District’s Proportionate Share of the Net Pension Liability

At current discount rate (4.86%)	\$ 29,979,673
At a 1% lower rate (3.86%)	35,435,404
At a 1% higher rate (5.86%)	25,457,005

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 (\$8,400 in 2019) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

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 2019 was \$0.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

D. Other pension plan information

During the year ended June 30, 2019, the State of New Jersey contributed \$431,297 to the TPAF for postretirement medical benefits, \$19,495 for non-contributory insurance premiums, \$639 for long-term disability insurance, and \$931,341 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 \$340,478 during the year ended June 30, 2019 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 Statement No. 68.

Note 7 - Postretirement benefits

The State provides postretirement medical (PRM) benefits for certain state and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 state and local retirees.

The State funds postretirement medical benefits on a pay-as-you-go basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for state-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

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In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2018 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 46,110,832,982
District's proportionate share of the State's OPEB liability	20,947,273
Employer OPEB expense and related revenue	818,291
Allocable proportionate percentage	0.0454280950%

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2017	\$ 24,703,270
Service cost	797,064
Interest cost	903,317
Change of benefit terms	-
Differences between expected and actual experiences	(2,511,810)
Changes of assumptions	(2,403,804)
Member contributions	19,359
Gross benefit payments	(560,123)
Total OPEB liability at June 30, 2018	<u>\$ 20,947,273</u>

There were no changes of the benefit terms from June 30, 2017 to June 30, 2018.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The total non-employer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate		2.50%
	TPAF	PERS
	(based on years	(based on age)
Salary increases	of service)	
Through 2026	1.55% - 4.55%	2.15% - 4.15%
Thereafter	2.00% - 5.45%	3.15% - 5.15%

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 June 30, 2015, July 1, 2011 June 30, 2014, and July 1, 2010 June 30, 2013 for TPAF, PERS and PFRS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health care trend assumptions

For Pre-Medicare Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Discount rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2018 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (3.87%)	\$ 20,947,273
At a 1% lower rate (2.87%)	24,763,941
At a 1% higher rate (4.87%)	17,913,416

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$ 20,947,273
At a 1% lower rate (1% decrease)	17,314,141
At a 1% higher rate (1% increase)	25,752,229

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of \$818,291 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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-Equivest Lincoln Investment Planning	Security Benefits Program FTJ Fundchoice LLC Oppenheimer
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Note 9 - Interfund receivable and payments

The composition on interfund balances as of June 30, 2019 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 3,488	\$ 123,665
Food service enterprise fund	123,665	-
Fiduciary funds		
Unemployment compensation fund	37,685	-
Payroll agency fund	-	41,173
Total	\$ 164,838	\$ 164,838

As of June 30, 2019, the following interfunds were on the District's records. The general fund had an interfund payable to the food service fund for \$123,665 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 \$3,488 to the general fund for interest and canceled balances. The payroll agency fund has an interfund payable for \$37,685 due to the unemployment compensation fund for withholdings not yet transferred as of year-end.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2019 consisted of the following:

Food	\$ 3,931
Supplies	1,367
Total	\$ 5,298

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Contingent liabilities

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 fiscal 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>
2018 - 2019	\$ -	\$ 4,032	\$ 9,754	\$ -	\$ 234,588
2017 - 2018	-	2,188	9,577	619	220,802
2016 - 2017	-	677	9,416	-	209,656

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

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Legal reserve accounts(continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$202,000 to their capital reserve account and \$75,000 to their maintenance reserve account by Board Resolution. 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	\$ 893,354	\$ 202,000	\$ -	\$ 466,506	\$ 545,000	\$ 1,016,860
Maintenance	291,251	75,000	-	-	-	366,251
Emergency	143,000	-	-	143,000	143,000	143,000
Total	<u>\$ 1,327,605</u>	<u>\$ 277,000</u>	<u>\$ -</u>	<u>\$ 609,506</u>	<u>\$ 688,000</u>	<u>\$ 1,526,111</u>

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2019 is as follows:

Restricted

Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 1,016,860
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).	366,251
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	143,000

Committed

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.	84,781
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Assigned

Designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	155,342
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	<u>453,301</u>
Total fund balance	2,219,535
Last state aid payments not recognized on GAAP basis	<u>(373,161)</u>
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 1,846,374</u>

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund 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, 2019 is \$0.

Note 16 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 *Leases*. This statement, which is effective for reporting periods beginning after December 15, 2019, is not expected to have a material impact on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement, which is effective for reporting periods beginning after December 15, 2018, is not expected to have a material impact on the District's financial reporting.

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2019 of \$(2,047,472) 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.

Note 18 - Subsequent events

The District has evaluated subsequent events through December 9, 2019, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

MANSFIELD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 5,549,498	\$ -	\$ 5,549,498	\$ 5,549,498	\$ -
Tuition from individuals	10,828	-	10,828	16,000	5,172
Tuition from other LEAs within the state	35,500	-	35,500	48,601	13,101
Unrestricted miscellaneous revenues	1,200	-	1,200	41,953	40,753
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	-	(500)
Total	5,598,226	-	5,598,226	5,656,052	57,826
State sources					
Categorical transportation aid	273,159	-	273,159	273,159	-
Categorical special education aid	396,644	-	396,644	396,644	-
Equalization aid	2,979,731	-	2,979,731	2,979,731	-
Categorical security aid	85,007	-	85,007	85,007	-
Other state aid	-	-	-	204,700	204,700
TPAF Pension (on-behalf)	-	-	-	950,836	950,836
TPAF Social Security (reimbursed)	-	-	-	340,478	340,478
TPAF Postretirement benefits	-	-	-	431,297	431,297
TPAF Long-term disability insurance	-	-	-	639	639
Total	3,734,541	-	3,734,541	5,662,491	1,927,950
Federal sources					
Medicaid reimbursement	12,809	-	12,809	27,868	15,059
Total	12,809	-	12,809	27,868	15,059
Total revenues	\$ 9,345,576	\$ -	\$ 9,345,576	\$ 11,346,411	\$ 2,000,835
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 382,898	\$ (80)	\$ 382,818	\$ 377,876	\$ 4,942
Grades 1-5	2,162,615	87,941	2,250,556	2,239,113	11,443
Grades 6-8	380,607	21,867	402,474	402,474	-
Home instruction					
Salaries of teacher	-	2,450	2,450	2,450	-
Regular programs - undistributed instruction					
Purchased technical services	400	(400)	-	-	-
Other purchased services	56,129	(23,057)	33,072	33,072	-
General supplies	65,038	63,602	128,640	103,487	25,153
Textbooks	10,000	36,279	46,279	46,279	-
Total	3,057,687	188,602	3,246,289	3,204,751	41,538

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Special education					
Learning and/or language disabilities					
Salaries of teachers	\$ 57,406	\$ 2,711	\$ 60,117	\$ 60,117	\$ -
Other salaries for instruction	20,992	16,478	37,470	37,470	-
Total	<u>78,398</u>	<u>19,189</u>	<u>97,587</u>	<u>97,587</u>	<u>-</u>
Multiple disabilities					
Salaries of teachers	143,353	-	143,353	130,126	13,227
Other salaries for instruction	84,542	21,115	105,657	105,657	-
Total	<u>227,895</u>	<u>21,115</u>	<u>249,010</u>	<u>235,783</u>	<u>13,227</u>
Resource room/resource center					
Salaries of teachers	672,489	4,094	676,583	658,583	18,000
Other salaries for instruction	-	60,980	60,980	60,980	-
Total	<u>672,489</u>	<u>65,074</u>	<u>737,563</u>	<u>719,563</u>	<u>18,000</u>
Autism					
Salaries of teachers	-	2,935	2,935	2,935	-
Total	<u>-</u>	<u>2,935</u>	<u>2,935</u>	<u>2,935</u>	<u>-</u>
Preschool disabilities - part-time					
Salaries of teachers	58,575	-	58,575	-	58,575
Other salaries for instruction	32,383	-	32,383	24,275	8,108
Total	<u>90,958</u>	<u>-</u>	<u>90,958</u>	<u>24,275</u>	<u>66,683</u>
Preschool disabilities - full-time					
Salaries of teachers	85,613	2,760	88,373	70,550	17,823
Other salaries for instruction	-	18,690	18,690	18,690	-
Total	<u>85,613</u>	<u>21,450</u>	<u>107,063</u>	<u>89,240</u>	<u>17,823</u>
Total special education	<u>1,155,353</u>	<u>129,763</u>	<u>1,285,116</u>	<u>1,169,383</u>	<u>115,733</u>
Basic skills/remedial					
Salaries of teachers	122,211	-	122,211	68,134	54,077
Total	<u>122,211</u>	<u>-</u>	<u>122,211</u>	<u>68,134</u>	<u>54,077</u>
Bilingual education - instruction					
Purchased professional - education services	34,200	264	34,464	34,464	-
Total	<u>34,200</u>	<u>264</u>	<u>34,464</u>	<u>34,464</u>	<u>-</u>
Total instruction regular	<u>\$ 4,369,451</u>	<u>\$ 318,629</u>	<u>\$ 4,688,080</u>	<u>\$ 4,476,732</u>	<u>\$ 211,348</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ 25,000	\$ (25,000)	\$ -	\$ -	\$ -
Tuition to priv. school for the disabled w/i state	148,878	(148,878)	-	-	-
Total	<u>173,878</u>	<u>(173,878)</u>	<u>-</u>	<u>-</u>	<u>-</u>

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - attendance & social work					
Salaries	\$ 15,711	\$ -	\$ 15,711	\$ 15,701	\$ 10
Total	15,711	-	15,711	15,701	10
Undistributed expenditures - health services					
Salaries	66,027	5,883	71,910	71,910	-
Purchased professional and technical services	3,500	(500)	3,000	-	3,000
Other purchased services	100	(100)	-	-	-
Supplies and materials	3,000	(1,303)	1,697	1,697	-
Total	72,627	3,980	76,607	73,607	3,000
Undistributed expenditures - speech, ot, pt & related services					
Salaries	202,676	8,510	211,186	211,186	-
Purchased professional - educational services	10,000	(10,000)	-	-	-
Supplies and materials	-	212	212	212	-
Total	212,676	(1,278)	211,398	211,398	-
Undistributed expenditures - guidance					
Salaries of other professional staff	82,909	1,397	84,306	84,306	-
Salaries of secretarial and clerical assistants	5,000	-	5,000	-	5,000
Supplies and materials	3,200	(3,196)	4	-	4
Total	91,109	(1,799)	89,310	84,306	5,004
Undistributed expenditures - child study teams					
Salaries of other professional staff	237,822	13,226	251,048	251,048	-
Salaries of secretarial and clerical assistants	51,519	9,554	61,073	61,073	-
Purchased professional - educational services	3,000	(2,438)	562	451	111
Other purchased services	-	70	70	70	-
Miscellaneous purchased service	-	624	624	624	-
Supplies and materials	4,050	3,919	7,969	7,813	156
Total	296,391	24,955	321,346	321,079	267
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	-	1,300	1,300	1,300	-
Other purchased services	1,500	(1,500)	-	-	-
Total	1,500	(200)	1,300	1,300	-
Undistributed expenditures - edu. media service/sch. library					
Salaries	149,354	-	149,354	130,273	19,081
Supplies and materials	21,232	(9,120)	12,112	8,324	3,788
Total	170,586	(9,120)	161,466	138,597	22,869
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	7,000	21,000	28,000	20,000	8,000
Other purchased services	15,549	(7,341)	8,208	8,208	-
Total	22,549	13,659	36,208	28,208	8,000

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - support service - general admin.					
Salaries	\$ 236,020	\$ (8,000)	\$ 228,020	\$ 222,422	\$ 5,598
Legal services	15,606	11,344	26,950	26,950	-
Audit fees	20,150	500	20,650	20,650	-
Architectural/engineering services	9,064	(9,064)	-	-	-
Purchased technical services	10,310	(2,875)	7,435	7,435	-
Communications/telephone	8,615	11,067	19,682	19,682	-
BOE other purchased services	3,172	(1,496)	1,676	1,676	-
Misc purch services	35,942	(4,518)	31,424	31,424	-
General supplies	3,200	2,049	5,249	5,249	-
Miscellaneous expenditures	2,325	3,072	5,397	2,209	3,188
BOE membership dues and fees	6,250	(1,318)	4,932	4,932	-
Total	350,654	761	351,415	342,629	8,786
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	111,124	-	111,124	110,584	540
Salaries of secretarial and clerical assistants	47,520	2,085	49,605	49,605	-
Purchased professional and technical services	4,850	(4,850)	-	-	-
Other purchased services	-	16,953	16,953	5,200	11,753
Supplies and materials	3,050	(1,291)	1,759	1,759	-
Other objects	1,500	(445)	1,055	1,055	-
Total	168,044	12,452	180,496	168,203	12,293
Undistributed expenditures - central services					
Salaries	155,650	2,886	158,536	158,536	-
Purchased professional services	17,995	(6,896)	11,099	7,526	3,573
Purchased technical services	3,100	14,983	18,083	18,083	-
Miscellaneous purchased services	825	444	1,269	1,269	-
Supplies and materials	1,800	(817)	983	870	113
Other objects	1,121	169	1,290	1,290	-
Total	180,491	10,769	191,260	187,574	3,686
Undistributed expenditures - req. maint. for school facilities					
Cleaning, repair, and maintenance services	22,827	54,885	77,712	74,912	2,800
General supplies	10,393	(4,916)	5,477	5,477	-
Total	33,220	49,969	83,189	80,389	2,800
Undistributed expenditures - custodial services					
Salaries	266,536	3,393	269,929	268,927	1,002
Purchased professional and technical services	3,719	5,226	8,945	8,945	-
Cleaning, repair, and maintenance service	8,000	17,708	25,708	24,317	1,391
Insurance	36,510	(4,414)	32,096	32,096	-
Miscellaneous purchased services	-	388	388	388	-
General supplies	44,873	20,392	65,265	44,260	21,005
Energy (natural gas)	3,000	(652)	2,348	2,006	342
Energy (electricity)	85,000	(7,330)	77,670	77,670	-
Energy (oil)	82,000	(46,519)	35,481	35,481	-
Other objects	430	151	581	581	-
Total	530,068	(11,657)	518,411	494,671	23,740

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	\$ 4,000	\$ 15,600	\$ 19,600	\$ 15,700	\$ 3,900
Total	4,000	15,600	19,600	15,700	3,900
Undistributed expenditures - security					
Salaries	40,000	(40,000)	-	-	-
Purchased professional and technical services	58,000	(57,298)	702	702	-
Cleaning, repair, and maintenance service	45,400	(45,400)	-	-	-
Total	143,400	(142,698)	702	702	-
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	1,848	-	1,848	1,847	1
Management fee - esc & ctsa trans. program	2,250	133	2,383	2,383	-
Other purchased professional and technical service	13,788	(1,637)	12,151	12,151	-
Contract serv-aid in lieu pymts - non-public schools	19,492	(13,492)	6,000	6,000	-
Contract serv-aid in lieu pymts-charter school students	1,200	(1,200)	-	-	-
Contract serv (between home & school) - vendors	226,000	(8,972)	217,028	217,028	-
Contract serv (oth. than between home & school) - vendors	1,000	(1,000)	-	-	-
Contract serv (between home & school) - joint agreements	79,310	(1,516)	77,794	77,794	-
Contract serv (sp. Ed. stds) - vendors	70,709	2,934	73,643	73,643	-
Contract serv (reg. students) - escs & ctsas	-	59,983	59,983	59,983	-
Contract serv (spl. ed. students) - escs & ctsas	27,846	(27,846)	-	-	-
Total	443,443	7,387	450,830	450,829	1
Allocated benefits - employee benefits					
Support services - general administration					
Unused sick payment to terminated/retired staff	-	24,675	24,675	24,675	-
Total	-	24,675	24,675	24,675	-
Total allocated benefits - employees	\$ -	\$ 24,675	\$ 24,675	\$ 24,675	\$ -
Unallocated benefits - employee benefits					
Social Security contributions	\$ 84,612	\$ 12,409	\$ 97,021	\$ 97,021	\$ -
TPAF contributions - ERIP	14,000	10,627	24,627	24,627	-
Other retirement contributions - PERS	84,000	14,034	98,034	98,034	-
Other retirement contributions - regular	1,400	(1,400)	-	-	-
Workmen's compensation	47,018	669	47,687	47,687	-
Health benefits	1,927,189	(261,808)	1,665,381	1,657,882	7,499
Tuition reimbursement	22,500	-	22,500	19,245	3,255
Other employee benefits	14,000	35,565	49,565	2,937	46,628
Unused sick payment to terminated/retired staff	-	23,640	23,640	23,640	-
Total	2,194,719	(166,264)	2,028,455	1,971,073	57,382

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
On-behalf TPAF Pension contribution	\$ -	\$ -	\$ -	\$ 950,836	\$ (950,836)
On-behalf TPAF Postretirement medical benefits	-	-	-	431,297	(431,297)
On-behalf TPAF Long-term disability insurance	-	-	-	639	(639)
Reimbursed TPAF Social Security contribution	-	-	-	340,478	(340,478)
Total	-	-	-	1,723,250	(1,723,250)
 Total undistributed expenditures	<u>\$ 5,105,066</u>	<u>\$ (342,687)</u>	<u>\$ 4,762,379</u>	<u>\$ 6,333,891</u>	<u>\$ (1,571,512)</u>
 Total current	<u>\$ 9,474,517</u>	<u>\$ (24,058)</u>	<u>\$ 9,450,459</u>	<u>\$ 10,810,623</u>	<u>\$ (1,360,164)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 4,315	\$ 21,596	\$ 25,911	\$ 24,041	\$ 1,870
Undistributed expenditures - custodial services	-	3,935	3,935	3,574	361
Undistributed expenditures - security	-	28,773	28,773	28,773	-
Total equipment	<u>4,315</u>	<u>54,304</u>	<u>58,619</u>	<u>56,388</u>	<u>2,231</u>
 Facilities acquisition and construction service					
Architectural/engineering services	10,400	-	10,400	-	10,400
Construction services	577,301	(49,271)	528,030	9,805	518,225
Assessment for debt service on SDA funding	2,925	-	2,925	2,925	-
Total facilities acquisition and construction service	<u>590,626</u>	<u>(49,271)</u>	<u>541,355</u>	<u>12,730</u>	<u>528,625</u>
Total capital outlay	<u>\$ 594,941</u>	<u>\$ 5,033</u>	<u>\$ 599,974</u>	<u>\$ 69,118</u>	<u>\$ 530,856</u>
 Transfer of funds to charter schools	<u>\$ 24,267</u>	<u>\$ 24,025</u>	<u>\$ 48,292</u>	<u>\$ 45,531</u>	<u>\$ 2,761</u>
Total expenditures	<u>\$ 10,093,725</u>	<u>\$ 5,000</u>	<u>\$ 10,098,725</u>	<u>\$ 10,925,272</u>	<u>\$ (826,547)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (748,149)</u>	<u>\$ (5,000)</u>	<u>\$ (753,149)</u>	<u>\$ 421,139</u>	<u>\$ 1,174,288</u>
Other financing sources (uses)					
Operating transfer out					
Transfer to fiduciary fund - board contribution	(5,000)	5,000	-	-	-
Total other financing sources (uses)	<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(753,149)	-	(753,149)	421,139	1,174,288
Fund balances, July 1	1,798,396	-	1,798,396	1,798,396	-
Fund balances, June 30	<u>\$ 1,045,247</u>	<u>\$ -</u>	<u>\$ 1,045,247</u>	<u>\$ 2,219,535</u>	<u>\$ 1,174,288</u>

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original	Budget	Final		
	Budget	Transfers	Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (30,508)	\$ -	\$ (30,508)	\$ (30,508)	\$ -
Increase in capital reserve	-	-	-	202,000	202,000
Interest deposit to capital reserve	500	-	500	-	(500)
Withdrawal from capital reserve	(545,500)	-	(545,500)	(78,494)	467,006
Interest earned on emergency reserve	200	-	200	-	(200)
Withdrawal from Emergency Reserve	(143,400)	-	(143,400)	-	143,400
Increase in maintenance reserve	-	75,000	75,000	75,000	-
Interest earned on maintenance reserve	500	-	500	-	(500)
Budgeted fund balance	(34,941)	(75,000)	(109,941)	253,141	363,082
Total	\$ (753,149)	\$ -	\$ (753,149)	\$ 421,139	\$ 1,174,288
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 1,016,860	
Emergency reserve				143,000	
Maintenance reserve				366,251	
Committed fund balance					
Year-end encumbrances				84,781	
Assigned fund balance					
Designated for subsequent year's expenditures				155,342	
Unassigned fund balance				<u>453,301</u>	
Fund balance per budgetary basis				2,219,535	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(373,161)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 1,846,374</u>	

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 2,479	\$ -	\$ 2,479	\$ -	\$ (2,479)
Federal sources	304,523	-	304,523	304,523	-
Total revenues	<u>\$ 307,002</u>	<u>\$ -</u>	<u>\$ 307,002</u>	<u>\$ 304,523</u>	<u>\$ (2,479)</u>
Expenditures					
Instruction					
Salaries for instruction	\$ 93,867	\$ -	\$ 93,867	\$ 93,867	\$ -
Other purchased services	55,800	-	55,800	55,800	-
General supplies	48,868	-	48,868	46,389	2,479
Total	<u>198,535</u>	<u>-</u>	<u>198,535</u>	<u>196,056</u>	<u>2,479</u>
Support services					
Personal services - employee benefits	16,731	-	16,731	16,731	-
Purchased professional & technical services	88,453	-	88,453	88,453	-
General supplies	3,283	-	3,283	3,283	-
Total	<u>108,467</u>	<u>-</u>	<u>108,467</u>	<u>108,467</u>	<u>-</u>
Total expenditures	<u>\$ 307,002</u>	<u>\$ -</u>	<u>\$ 307,002</u>	<u>\$ 304,523</u>	<u>\$ 2,479</u>

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2019

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 11,346,411	\$ 304,523
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	360,886	-
State aid receivable current year	<u>(373,161)</u>	<u>-</u>
Total revenues (GAAP Basis)	<u>\$ 11,334,136</u>	<u>\$ 304,523</u>
<u>Uses/Outflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 10,925,272</u>	<u>\$ 304,523</u>
Total expenditures (GAAP Basis)	<u>\$ 10,925,272</u>	<u>\$ 304,523</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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset) - percentage	N/A	0.0098257030%	0.0086449253%	0.008743612%	0.0081951138%	0.0077386119%	0.0077795075%	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 1,934,632	\$ 2,012,400	\$ 2,589,607	\$ 2,350,829	\$ 1,448,880	\$ 1,486,818	\$ -	\$ -	\$ -
District's covered employee payroll	751,552	710,933	684,224	580,461	568,546	557,526	518,180	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	272.13%	294.11%	446.13%	413.48%	259.88%	286.93%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A

N/A = Information is not available

See independent auditors' report.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 97,734	\$ 80,086	\$ 77,762	\$ 70,456	\$ 63,796	\$ 58,617	\$ 61,197	\$ 68,048	\$ 65,536	\$ 53,060
Contributions in relation to the contractually required contribution	(97,734)	(80,086)	(77,762)	(70,456)	(63,796)	(58,617)	(61,197)	(68,048)	(65,536)	(53,060)
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	\$ 751,552	\$ 710,933	\$ 684,224	\$ 580,461	\$ 568,546	\$ 557,526	\$ 518,180	\$ 532,985	\$ 526,344	\$ 609,219
Contributions as a percentage of covered employee payroll	13.00%	11.26%	11.36%	12.14%	11.22%	10.51%	11.81%	12.77%	12.45%	8.71%

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset) - Percentage	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	NA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	29,979,673	31,413,247	36,850,083	29,595,038	25,283,200	22,821,533	-	-	-
Total	\$ -	\$ 29,979,673	\$ 31,413,247	\$ 36,850,083	\$ 29,595,038	\$ 25,283,200	\$ 22,821,533	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 4,737,450	\$ 4,946,272	\$ 5,045,431	\$ 4,944,527	\$ 4,784,251	\$ 4,818,878	\$ 4,649,890	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%	0.00%	0.00%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A

N/A = Information is not available

See independent auditors' report.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 950,836	\$ 632,324	\$ 524,056	\$ 375,047	\$ 253,150	\$ 200,122	\$ 291,778	\$ 145,142	\$ 13,943	\$ 15,646
Contributions in relation to the contractually required contribution	<u>(950,836)</u>	<u>(632,324)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 4,737,450	\$ 4,946,272	\$ 5,045,431	\$ 4,944,527	\$ 4,784,251	\$ 4,818,878	\$ 4,649,890	\$ 4,625,593	\$ 4,277,068	\$ 4,550,613
Contributions as a percentage of covered employee payroll	20.07%	12.78%	10.39%	7.59%	5.29%	4.15%	6.27%	3.14%	0.33%	0.34%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	N/A	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	20,947,273	24,703,270	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 20,947,273	\$ 24,703,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 5,657,205	\$ 5,729,655	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information not available

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2019

- Note 1 - Special funding situation - TPAF and other postretirement benefits
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 and other postretirement benefits (OPEB) 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 and OPEB 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 and for OPEB 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 was 4.25% in State Fiscal Year 2017 and 4.86% in State Fiscal Year 2018. The inflation rate was 2.25% for State Fiscal Years 2017 and 2.25% in State Fiscal Year 2018.
- Note 3 - Changes in assumptions - PERS
The discount rate was 5.00% in State Fiscal Year 2017 and 5.66% in State Fiscal Year 2018. The inflation rate was 2.25% for State Fiscal Year 2017 and 2.25% for State Fiscal Year 2018.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.58% in State Fiscal Year 2017 to 3.87% in State Fiscal Year 2018. The inflation rate was 2.50% for State Fiscal Year 2017 and 2018.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For Pre-Medicare Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There were no changes of the benefit terms from June 30, 2017 to June 30, 2018.

SPECIAL REVENUE FUND

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, 2019

	ESSA Title I	ESSA Title IIA	ESSA Title III	ESSA Title IV	IDEA Basic	IDEA Preschool	Total
Revenues							
Federal sources	\$ 87,933	\$ 18,038	\$ 16,817	\$ 10,000	\$ 164,516	\$ 7,219	\$ 304,523
Total revenues	<u>\$ 87,933</u>	<u>\$ 18,038</u>	<u>\$ 16,817</u>	<u>\$ 10,000</u>	<u>\$ 164,516</u>	<u>\$ 7,219</u>	<u>\$ 304,523</u>
Expenditures							
Instruction							
Salaries	\$ 53,148	\$ 13,500	\$ -	\$ 2,000	\$ 18,000	\$ 7,219	\$ 93,867
Other purchased services	-	-	-	-	55,800	-	55,800
General supplies	22,239	-	14,534	8,000	1,616	-	46,389
Total	<u>75,387</u>	<u>13,500</u>	<u>14,534</u>	<u>10,000</u>	<u>75,416</u>	<u>7,219</u>	<u>196,056</u>
Support services							
Personal services - employee benefits	12,546	4,185	-	-	-	-	16,731
Purchased professional and technical services	-	353	-	-	88,100	-	88,453
Supplies & materials	-	-	2,283	-	1,000	-	3,283
Total	<u>12,546</u>	<u>4,538</u>	<u>2,283</u>	<u>-</u>	<u>89,100</u>	<u>-</u>	<u>108,467</u>
Total expenditures	<u>\$ 87,933</u>	<u>\$ 18,038</u>	<u>\$ 16,817</u>	<u>\$ 10,000</u>	<u>\$ 164,516</u>	<u>\$ 7,219</u>	<u>\$ 304,523</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

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, 2019

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/19
			Prior Years	Current Year	
Renovations to the Mansfield School Building	03/11/14	\$ 6,685,000	\$ 6,675,189	\$ 3,532	\$ 6,279
		<u>\$ 6,685,000</u>	<u>\$ 6,675,189</u>	<u>\$ 3,532</u>	<u>\$ 6,279</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, 2019

Expenditures		
Architectural/engineering	\$	3,532
		3,532
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		(3,532)
Fund balance - beginning		9,811
Fund balance - ending	\$	6,279

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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Bond proceeds	\$ 6,685,000	\$ -	\$ 6,685,000	\$ 6,685,350
Total revenues	6,685,000	-	6,685,000	6,685,350
Expenditures and other financing uses				
Bonding/legal fees	95,728	-	95,728	78,265
Architectural/engineering	320,484	3,532	324,016	354,000
Other purchased professional & technical services	60,998	-	60,998	85,983
Construction services	6,197,979	-	6,197,979	6,167,102
Total expenditures	6,675,189	3,532	6,678,721	6,685,350
Excess (deficiency) of revenues over (under) expenditures	\$ 9,811	\$ (3,532)	\$ 6,279	\$ -

Additional Project Information

Project number	2970-050-14-1000
Grant date	N/A
Bond authorization date	03/11/14
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	99.90%

See independent auditors' report.

PROPRIETARY FUND

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.

See Statements B-4, B-5, and B-6

FIDUCIARY FUNDS

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, 2019

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 196,903	\$ 17,938	\$ 97,738	\$ 312,579
Due from other funds	37,685	-	-	37,685
Total assets	\$ 234,588	\$ 17,938	\$ 97,738	\$ 350,264
Liabilities				
Due to other funds	\$ -	\$ -	\$ 41,173	\$ 41,173
Due to students groups	-	17,938	-	17,938
Payroll deductions & withholdings	-	-	56,565	56,565
Total liabilities	-	17,938	97,738	115,676
Net position				
Held in trust for unemployment claims & other purposes	\$ 234,588	\$ -	\$ -	\$ 234,588

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Unemployment Compensation Fund</u>
Additions	
Employee contributions	\$ 9,754
Investment earnings - interest	<u>4,032</u>
Change in net position	13,786
Net position - beginning of the year	<u>220,802</u>
Net position - end of the year	<u><u>\$ 234,588</u></u>

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, 2019

	<u>Balance 07/01/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/19</u>
Assets				
Cash and cash equivalents	\$ 22,684	\$ 28,637	\$ 33,383	\$ 17,938
Total assets	<u>\$ 22,684</u>	<u>\$ 28,637</u>	<u>\$ 33,383</u>	<u>\$ 17,938</u>
Liabilities				
Due to student groups	\$ 22,684	\$ 28,637	\$ 33,383	\$ 17,938
Total liabilities	<u>\$ 22,684</u>	<u>\$ 28,637</u>	<u>\$ 33,383</u>	<u>\$ 17,938</u>

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2019

	Balance 07/01/18	Additions	Reductions	Balance 06/30/19
Assets				
Cash and cash equivalents	\$ 38,308	\$ 7,048,830	\$ 6,989,400	\$ 97,738
Total assets	\$ 38,308	\$ 7,048,830	\$ 6,989,400	\$ 97,738
Liabilities				
Due to other funds	\$ 33,213	\$ 14,084	\$ 6,124	\$ 41,173
Payroll deductions and withholdings	5,095	3,035,230	2,983,760	56,565
Net payroll	-	3,999,516	3,999,516	-
Total liabilities	\$ 38,308	\$ 7,048,830	\$ 6,989,400	\$ 97,738

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, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/18	Issued	Retired	Balance 06/30/19
			Date	Amount					
Comprehensive facility upgrades at the Elementary School	07/09/14	\$ 6,685,000	07/15/19	\$ 275,000	2.500%	\$ 5,985,000	\$ -	\$ 265,000	\$ 5,720,000
			07/15/20	285,000	2.500%	-	-	-	-
			07/15/21	300,000	2.500%	-	-	-	-
			07/15/22	310,000	3.000%	-	-	-	-
			07/15/23	325,000	3.000%	-	-	-	-
			07/15/24	335,000	3.000%	-	-	-	-
			07/15/25	350,000	3.000%	-	-	-	-
			07/15/26	365,000	3.000%	-	-	-	-
			07/15/27	375,000	3.000%	-	-	-	-
			07/15/28	400,000	3.000%	-	-	-	-
			07/15/29	400,000	3.000%	-	-	-	-
			07/15/30	400,000	3.125%	-	-	-	-
			07/15/31	400,000	3.250%	-	-	-	-
			07/15/32	400,000	3.250%	-	-	-	-
			07/15/33	400,000	3.500%	-	-	-	-
07/15/34	400,000	3.500%	-	-	-	-			
						<u>\$ 5,985,000</u>	<u>\$ -</u>	<u>\$ 265,000</u>	<u>\$ 5,720,000</u>

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2019

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 276,172	\$ -	\$ 276,172	\$ 276,172	\$ -
State sources					
Debt service aid type II	165,940	-	165,940	165,940	-
Total revenues	<u>442,112</u>	<u>-</u>	<u>442,112</u>	<u>442,112</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	265,000	-	265,000	265,000	-
Interest	177,112	-	177,112	177,112	-
Total expenditures	<u>442,112</u>	<u>-</u>	<u>442,112</u>	<u>442,112</u>	<u>-</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
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
DEBT CAPACITY	
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
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules are 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 Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Government activities										
Net investment in capital assets	\$ 2,594,886	\$ 3,266,569	\$ 3,505,421	\$ 3,927,154	\$ 4,194,470	\$ 4,454,564	\$ 4,611,260	\$ 4,722,320	\$ 4,896,448	\$ 5,111,990
Restricted	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189	1,357,097	1,174,072	1,337,416	1,532,390
Unrestricted	(296,557)	(239,689)	(85,545)	(157,168)	(1,535,244)	(1,686,960)	(1,763,170)	(1,931,879)	(2,216,084)	(2,047,472)
Total governmental activities	<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>	<u>\$ 4,017,780</u>	<u>\$ 4,596,908</u>
Business-type activities										
Net investment in capital assets	\$ 15,439	\$ 13,525	\$ 11,610	\$ 9,695	\$ 7,781	\$ 5,866	\$ 19,434	\$ 16,890	\$ 14,347	\$ 24,999
Unrestricted	25,430	40,163	66,219	82,755	120,820	109,193	121,313	162,489	183,811	164,621
Total business-type activities	<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>	<u>\$ 198,158</u>	<u>\$ 189,620</u>
District-wide										
Net investment in capital assets	\$ 2,610,325	\$ 3,280,094	\$ 3,517,031	\$ 3,936,849	\$ 4,202,251	\$ 4,460,430	\$ 4,630,694	\$ 4,739,210	\$ 4,910,795	\$ 5,136,989
Restricted	633,103	633,967	939,494	1,183,580	1,255,074	1,281,189	1,357,097	1,174,072	1,337,416	1,532,390
Unrestricted	(271,127)	(199,526)	(19,326)	(74,413)	(1,414,424)	(1,577,767)	(1,641,857)	(1,769,390)	(2,032,273)	(1,882,851)
Total district-wide	<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>	<u>\$ 4,215,938</u>	<u>\$ 4,786,528</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,357,749	\$ 3,982,469	\$ 4,273,829	\$ 4,498,884	\$ 4,751,964	\$ 5,492,303	\$ 6,142,056	\$ 6,724,873	\$ 7,341,676	\$ 6,837,398
Special education	1,437,322	1,309,437	1,402,918	1,483,278	1,409,098	1,692,648	1,936,241	2,299,647	2,577,511	2,506,982
Other special education	309,366	359,138	408,872	397,791	383,924	439,260	444,814	405,011	339,438	321,254
Other instruction	-	-	-	517	-	-	-	-	-	-
Support services										
Tuition	232,690	306,557	46,951	1,982	113,700	197,323	267,121	93,565	131,965	-
Student & instruction related services	1,161,165	1,095,002	1,236,731	1,260,806	1,290,658	1,475,824	1,454,791	1,892,981	1,888,328	1,804,425
General & business administrative services	559,412	583,913	569,400	594,934	603,309	828,075	841,402	913,959	898,506	856,416
School administration	234,180	211,304	209,801	223,682	221,010	252,182	310,631	316,344	322,476	307,024
Plant operations & maintenance	674,921	568,853	595,046	595,477	690,177	663,945	684,436	835,471	1,024,170	770,838
Pupil transportation	640,255	559,630	529,235	518,101	589,355	662,703	630,343	620,763	621,589	636,734
Special schools	17,137	-	-	-	-	-	-	-	-	-
Transfers to charter schools	3,576	9,219	54,501	66,778	16,516	16,546	-	7,280	8,089	45,531
Interest on long-term debt	78,301	65,867	52,529	40,534	27,636	185,288	202,282	189,315	177,762	171,172
Total governmental activities expenses	<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>	<u>15,331,510</u>	<u>14,257,774</u>
Business-type activities										
Food services	202,312	183,609	195,341	196,039	200,386	221,620	211,802	224,939	239,862	246,619
Before & after school child care	98,518	94,688	100,893	109,435	108,512	181,892	192,505	164,181	151,461	163,661
Summer recreation program	-	-	-	-	15,615	17,176	12,160	16,793	13,961	12,987
Total business-type activities	<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>	<u>405,284</u>	<u>423,267</u>
Total district expenses	<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>	<u>\$ 15,736,794</u>	<u>\$ 14,681,041</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 12,900	\$ 15,200	\$ 14,550	\$ 17,463	\$ 22,952	\$ 9,381	\$ 16,742	\$ 14,605	\$ 16,000	\$ 16,000
Special education instruction	55,117	27,443	-	28,194	34,726	35,607	36,634	35,762	36,061	48,601
Student & instruction related services	6,313	3,136	-	-	252	188	210	5,092	274	331
General & business administrative services	-	-	-	-	1,416	1,150	791	1,509	1,534	1,534
Plant operations & maintenance	5,432	222	2,838	182	3,467	1,803	1,063	3,746	2,093	2,624
Pupil transportation	154,183	116,207	157,737	153,748	195,698	203,547	184,786	185,452	182,880	185,641
Special schools	9,635	-	-	-	-	-	-	-	-	-
Operating grants & contributions	326,086	396,710	306,644	294,775	358,956	375,928	324,684	326,421	302,845	304,523
Capital grants & contributions	-	195,691	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>569,666</u>	<u>754,609</u>	<u>481,769</u>	<u>494,362</u>	<u>617,467</u>	<u>627,604</u>	<u>564,910</u>	<u>572,587</u>	<u>541,687</u>	<u>559,254</u>
Business-type activities										
Charges for services										
Food service	116,609	109,843	114,379	100,077	103,028	118,658	132,309	130,428	129,809	121,205
Before & after school child care	98,353	103,981	111,459	125,100	143,458	163,609	174,774	166,404	153,489	141,779
Summer recreation program	-	-	-	-	16,099	17,032	11,820	18,485	14,480	12,860
Operating grants & contributions	81,398	77,201	94,187	94,822	98,039	107,804	123,179	129,034	124,920	137,302
Total business-type activities program revenues	<u>296,360</u>	<u>291,025</u>	<u>320,025</u>	<u>319,999</u>	<u>360,624</u>	<u>407,103</u>	<u>442,082</u>	<u>444,351</u>	<u>422,698</u>	<u>413,146</u>
Total district-program revenues	<u>\$ 866,026</u>	<u>\$ 1,045,634</u>	<u>\$ 801,794</u>	<u>\$ 814,361</u>	<u>\$ 978,091</u>	<u>\$ 1,034,707</u>	<u>\$ 1,006,992</u>	<u>\$ 1,016,938</u>	<u>\$ 964,385</u>	<u>\$ 972,400</u>
Net (expense) revenues										
Governmental activities	\$ (9,136,408)	\$ (8,296,780)	\$ (8,898,044)	\$ (9,188,402)	\$ (9,479,880)	\$ (11,278,493)	\$ (12,349,207)	\$ (13,726,622)	\$ (14,789,823)	\$ (13,698,520)
Business-type activities	(4,470)	12,728	23,791	14,525	36,111	(13,585)	25,615	38,438	17,414	(10,121)
Total district-wide net expenses	<u>\$ (9,140,878)</u>	<u>\$ (8,284,052)</u>	<u>\$ (8,874,253)</u>	<u>\$ (9,173,877)</u>	<u>\$ (9,443,769)</u>	<u>\$ (11,292,078)</u>	<u>\$ (12,323,592)</u>	<u>\$ (13,688,184)</u>	<u>\$ (14,772,409)</u>	<u>\$ (13,708,641)</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for										
general purposes, net	\$ 4,626,544	\$ 4,771,606	\$ 4,867,038	\$ 4,867,038	\$ 4,927,038	\$ 4,927,038	\$ 5,268,633	\$ 5,334,006	\$ 5,440,686	\$ 5,549,498
Taxes levied for debt service	212,565	343,226	344,783	337,922	342,892	343,200	302,237	271,055	273,788	276,172
Unrestricted grants & contributions	4,311,169	3,995,416	4,357,864	4,590,032	4,587,705	6,107,203	6,905,423	7,881,826	9,077,459	8,410,025
Investment earnings	9,168	4,170	4,733	3,656	3,140	11,596	7,945	8,726	20,815	41,943
Miscellaneous income	23,223	11,777	37,149	23,882	8,040	23,949	21,363	9,996	30,342	10
Transfers in (out)	(55,000)	(100,000)	(15,000)	-	-	-	-	-	-	-
Loss on disposal of capital assets	(13,762)	-	-	-	-	-	-	(19,661)	-	-
Total governmental activities	<u>9,113,907</u>	<u>9,026,195</u>	<u>9,596,567</u>	<u>9,822,530</u>	<u>9,868,815</u>	<u>11,412,986</u>	<u>12,505,601</u>	<u>13,485,948</u>	<u>14,843,090</u>	<u>14,277,648</u>
Business-type activities										
Investment earnings	144	91	99	62	40	43	73	194	547	982
Miscellaneous income	392	-	251	34	-	-	-	-	818	601
Total business-type activities	<u>536</u>	<u>91</u>	<u>350</u>	<u>96</u>	<u>40</u>	<u>43</u>	<u>73</u>	<u>194</u>	<u>1,365</u>	<u>1,583</u>
Total district-wide	<u>\$ 9,114,443</u>	<u>\$ 9,026,286</u>	<u>\$ 9,596,917</u>	<u>\$ 9,822,626</u>	<u>\$ 9,868,855</u>	<u>\$ 11,413,029</u>	<u>\$ 12,505,674</u>	<u>\$ 13,486,142</u>	<u>\$ 14,844,455</u>	<u>\$ 14,279,231</u>
Change in net position										
Governmental activities	\$ (22,501)	\$ 729,415	\$ 698,523	\$ 634,128	\$ 388,935	\$ 134,493	\$ 156,394	\$ (240,674)	\$ 53,267	\$ 579,128
Business-type activities	(3,934)	12,819	24,141	14,621	36,151	(13,542)	25,688	38,632	18,779	(8,538)
Total district	<u>\$ (26,435)</u>	<u>\$ 742,234</u>	<u>\$ 722,664</u>	<u>\$ 648,749</u>	<u>\$ 425,086</u>	<u>\$ 120,951</u>	<u>\$ 182,082</u>	<u>\$ (202,042)</u>	<u>\$ 72,046</u>	<u>\$ 570,590</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Restricted	\$ 278,353	\$ 577,188	\$ 939,494	\$ 1,183,489	\$ 1,254,983	\$ 1,281,188	\$ 1,357,097	\$ 1,202,874	\$ 1,356,407	\$ 1,526,111
Committed	22,696	28,689	192,469	221,399	233,639	354,235	229,092	409,870	30,508	84,781
Assigned	-	-	89,943	92,293	92,293	92,293	92,293	25,689	6,138	155,342
Unassigned	(96,299)	(21,602)	(80,404)	(97,079)	(86,459)	(82,951)	(62,332)	(121,938)	44,457	80,140
Total general fund	<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>	<u>\$ 1,437,510</u>	<u>\$ 1,846,374</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 354,750	\$ 56,779	\$ -	\$ -	\$ -	\$ 5,555,421	\$ 2,011,362	\$ 172,377	\$ 9,811	\$ 6,279
Assigned, reported In										
Debt service fund	-	1	1	91	91	1	-	-	-	-
Unassigned, reported in										
Debt service fund	-	-	-	-	-	-	-	1	1	1
Total all other governmental funds	<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>	<u>\$ 9,812</u>	<u>\$ 6,280</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 Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax levy	\$ 4,839,109	\$ 5,114,832	\$ 5,211,821	\$ 5,204,960	\$ 5,269,930	\$ 5,270,238	\$ 5,570,870	\$ 5,605,061	\$ 5,714,474	\$ 5,825,670
Tuition charges	77,320	42,468	14,550	44,194	50,786	44,247	51,834	50,362	52,061	64,601
Interest earnings	9,168	4,170	4,733	3,656	3,140	11,596	7,945	8,726	20,815	41,943
Miscellaneous	23,264	7,629	34,384	21,029	5,373	20,151	16,902	10,285	30,342	10
State sources	3,814,254	3,978,367	4,217,382	4,575,602	4,569,325	4,708,813	5,087,754	5,082,814	5,482,573	5,816,156
State sources - capital projects	-	195,691	-	-	-	-	-	-	-	-
Federal sources	821,007	413,395	445,963	307,546	375,991	408,834	333,942	354,745	326,113	332,391
Total revenues	9,584,122	9,756,552	9,928,833	10,156,987	10,274,545	10,463,879	11,069,247	11,111,993	11,626,378	12,080,771
Expenditures										
Instruction										
Regular instruction	3,010,938	2,722,072	2,891,836	2,970,429	3,294,089	3,169,239	3,442,085	3,277,362	3,214,869	3,204,751
Special education instruction	904,573	863,440	905,969	913,914	897,417	958,384	1,044,988	1,106,680	1,147,400	1,169,383
Other special instruction	167,407	184,518	195,821	198,995	205,719	207,966	202,036	146,664	154,907	102,598
Other instruction	-	-	-	500	-	-	-	-	-	-
Support services										
Tuition	175,109	94,126	-	-	25,986	31,743	114,762	12,806	36,966	-
Student & instructional related services	750,829	698,928	805,899	783,559	828,927	811,811	852,639	887,392	840,440	874,196
General administration	256,256	265,495	248,726	255,185	277,546	278,043	293,201	288,075	326,421	367,304
School administration services	162,033	144,925	144,256	151,528	151,676	151,930	175,650	159,750	168,158	168,203
Central services	137,055	141,356	151,157	165,927	159,576	188,370	171,500	205,458	174,093	187,574
Plant operations & maintenance	566,031	465,284	498,437	486,432	576,612	547,212	547,386	653,208	820,491	591,462
Pupil transportation	485,637	442,890	371,014	363,734	390,111	456,563	442,351	434,265	438,216	450,829
Employee benefits	1,610,116	1,580,510	1,564,070	1,598,049	1,594,236	1,622,652	1,632,890	1,830,393	1,870,086	1,971,073
On-behalf TPAF Pension & Social Security contribution	657,061	639,055	790,537	972,745	886,735	1,004,841	1,177,871	1,322,306	1,522,428	1,723,250
Capital outlay	27,467	2,590	52,457	250,622	83,620	59,463	189,056	124,024	238,735	66,193
Special school	11,990	-	-	-	-	-	-	-	-	-
Transfer of funds to charter schools	3,576	9,219	54,501	66,778	16,516	16,546	-	-	8,089	45,531
Special revenue funds	326,086	396,710	306,644	294,775	358,956	375,928	324,684	326,421	302,845	304,523
Capital projects	-	493,662	-	-	-	1,246,139	3,544,059	1,838,985	162,566	3,532
Debt service										
Principal	345,000	360,000	375,000	380,000	400,000	415,000	200,000	245,000	255,000	265,000
Interest & other charges	82,469	70,217	57,061	45,125	32,469	17,969	286,764	191,843	186,219	180,037
Total expenditures	9,679,633	9,574,997	9,413,385	9,898,297	10,180,191	11,559,799	14,641,922	13,050,632	11,867,929	11,675,439

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 Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess (deficiency) of revenues over (under) expenditures	\$ (95,511)	\$ 181,555	\$ 515,448	\$ 258,690	\$ 94,354	\$ (1,095,920)	\$ (3,572,675)	\$ (1,938,639)	\$ (241,551)	\$ 405,332
Other financing sources (uses)										
Proceeds from new bond issue	-	-	-	-	-	6,685,000	-	-	-	-
Premium on bond issue	-	-	-	-	-	116,560	-	-	-	-
Transfers in (out)	(55,000)	(100,000)	(15,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(55,000)	(100,000)	(15,000)	-	-	6,801,560	-	-	-	-
Net change in fund balances	<u>\$ (150,511)</u>	<u>\$ 81,555</u>	<u>\$ 500,448</u>	<u>\$ 258,690</u>	<u>\$ 94,354</u>	<u>\$ 5,705,640</u>	<u>\$ (3,572,675)</u>	<u>\$ (1,938,639)</u>	<u>\$ (241,551)</u>	<u>\$ 405,332</u>
Debt service as a percentage of non-capital expenditures	4.63%	4.97%	4.84%	4.61%	4.48%	4.41%	4.67%	4.10%	4.00%	3.99%

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay.

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 Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Interest income	\$ 9,168	\$ 4,170	\$ 4,733	\$ 3,656	\$ 3,140	\$ 11,596	\$ 7,945	\$ 8,726	\$ 20,815	\$ 41,943
Tuition	77,320	42,468	14,550	44,194	50,786	44,247	51,834	50,362	52,061	64,601
Payroll balances transferred	-	-	-	-	-	228	-	-	-	-
Miscellaneous refunds	-	-	-	-	3,425	50	197	4,200	-	-
Prior year accounts payable canceled	-	-	-	-	-	-	2,691	-	18	-
Prior year refunds	10,077	6,054	5,676	9,823	-	9,002	12,385	721	19,915	-
Rentals	2,559	-	584	-	500	269	-	-	-	-
Miscellaneous other	54	4	4	3	103	-	262	47	1,229	10
Vendor rebates	4,245	-	-	-	-	-	-	-	-	-
Donations	4,000	1,050	26,957	9,544	-	1,250	-	3,400	6,125	-
Outstanding checks voided	335	157	-	-	-	4,342	-	-	3,055	-
Annual totals	\$ 107,758	\$ 53,903	\$ 52,504	\$ 67,220	\$ 57,954	\$ 70,984	\$ 75,314	\$ 67,456	\$ 103,218	\$ 106,554

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 Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Vacant land	\$ 12,975,500	\$ 12,083,200	\$ 11,755,100	\$ 11,751,900	\$ 10,220,500	\$ 10,653,600	\$ 9,501,000	\$ 16,515,150	\$ 13,782,200	\$ 15,066,700
Residential	430,605,100	430,604,600	425,685,800	424,374,700	404,138,600	404,308,500	408,991,800	409,053,900	410,640,200	413,661,400
Farm regular	51,652,000	51,652,000	55,172,200	54,693,000	54,345,900	54,221,800	52,751,300	52,604,700	51,939,900	49,904,500
Q farm	2,903,275	2,959,050	2,943,150	2,782,050	3,544,000	3,476,790	4,246,265	3,342,165	3,345,415	3,214,625
Commercial	95,113,500	95,234,500	95,234,500	90,238,000	108,831,100	108,509,200	116,176,000	115,894,250	115,863,850	114,656,750
Industrial	16,100,300	16,100,300	16,099,500	16,099,500	17,129,400	17,493,500	17,323,500	17,323,500	17,323,500	17,323,500
Apartment	40,656,000	40,656,000	40,656,000	40,656,000	66,001,000	66,001,000	66,001,000	60,062,400	60,062,400	59,623,400
Total assessed value	650,005,675	649,289,650	647,546,250	640,595,150	664,210,500	664,664,390	674,990,865	674,796,065	672,957,465	673,450,875
Public utilities (a)	1,434,922	1,262,054	1,346,173	1,315,776	1,017,159	954,436	862,441	804,295	291,360	-
Net valuation taxable	\$ 651,440,597	\$ 650,551,704	\$ 648,892,423	\$ 641,910,926	\$ 665,227,659	\$ 665,618,826	\$ 675,853,306	\$ 675,600,360	\$ 673,248,825	\$ 673,450,875
Estimated actual county equalized value	\$ 889,703,083	\$ 835,647,661	\$ 763,942,104	\$ 724,259,197	\$ 683,265,878	\$ 691,839,545	\$ 713,904,411	\$ 717,654,940	\$ 741,209,165	\$ 745,710,193
Percentage of net valuation to estimated actual equalized value	73.22%	77.85%	84.94%	88.63%	97.36%	96.21%	94.67%	94.14%	90.83%	90.31%
Total direct school tax rate (b)	\$ 0.78	\$ 0.80	\$ 0.80	\$ 0.82	\$ 0.79	\$ 0.84	\$ 0.83	\$ 0.85	\$ 0.87	\$ 0.88

Source: Municipal Tax Assessor

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

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic	General	(From J-6)		Municipality	County	
	Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate				
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
2018	0.83	0.04	0.87	1.08	0.63	0.79	3.37
2019	0.84	0.04	0.88	1.11	0.64	0.80	3.42

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

	2019			2010		
	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	5.49%	\$ -	-	-
Green Eagle Property Res. L.P.	33,190,600	2	4.93%	26,000,000	1	3.99%
Mansfield Plaza LLC # 1	26,043,100	3	3.87%	23,105,000	2	3.55%
Middlebury Associates	18,400,000	4	2.73%	14,000,000	5	2.15%
Mansfield Plaza Associates LLC	15,033,000	5	2.23%	14,149,800	4	2.17%
NYK Services Center	5,891,300	6	0.87%	3,611,800	7	0.55%
Borealis Compounds LLC	5,751,400	7	0.85%	6,560,900	6	1.01%
WH Realty I LLC	4,405,000	8	0.65%	-	-	-
The Shoppes at Mansfield LLC	3,719,300	9	0.55%	-	-	-
Walgreen Company	3,486,500	10	0.52%	-	-	-
Mansfield Plaza LLC # 2	-	-	-	21,999,800	3	3.38%
Mansfield Commons II LLC	-	-	-	3,324,900	8	0.51%
Sarva Mangal LLC	-	-	-	3,077,900	9	0.47%
Eden Mansfield LLC	-	-	-	2,667,600	10	0.41%
	<u>\$ 152,920,200</u>		<u>22.69%</u>	<u>\$ 118,497,700</u>		<u>18.19%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2010	\$ 4,839,109	\$ 4,839,109	100.00%
2011	5,114,832	5,114,832	100.00%
2012	5,211,821	5,211,821	100.00%
2013	5,204,960	5,204,960	100.00%
2014	5,269,930	5,269,930	100.00%
2015	5,270,238	5,270,238	100.00%
2016	5,570,870	5,570,870	100.00%
2017	5,605,061	5,605,061	100.00%
2018	5,714,474	5,714,474	100.00%
2019	5,825,670	5,825,670	100.00%

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			
2010	\$ 1,930,000	\$ -	\$ -	\$ -	\$ -	\$ 1,930,000	0.64%	\$ 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%	108
2014	415,000	-	-	-	-	415,000	0.12%	55
2015	6,685,000	-	-	-	-	6,685,000	1.82%	891
2016	6,485,000	-	-	-	-	6,485,000	1.71%	867
2017	6,240,000	-	-	-	-	6,240,000	1.63%	840
2018	5,985,000	-	-	-	-	5,985,000	1.51%	810
2019	5,720,000	-	-	-	-	5,720,000	N/A	775

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		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2010	\$ 1,930,000	\$ -	\$ 1,930,000	0.30%	\$ 239
2011	1,570,000	-	1,570,000	0.24%	204
2012	1,195,000	-	1,195,000	0.18%	156
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%	867
2017	6,240,000	-	6,240,000	0.92%	840
2018	5,985,000	-	5,985,000	0.89%	810
2019	5,720,000	-	5,720,000	0.85%	775

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

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality	\$ 1,624,883	100.00%	\$ 1,624,883
Regional High School	15,994,000	31.88%	5,099,529
County general obligation debt	2,630,000	6.76%	<u>177,794</u>
Subtotal, overlapping debt			6,902,206
School district direct debt			<u>5,720,000</u>
Total direct and overlapping debt			<u><u>\$ 12,622,206</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 government.

- (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 2019

	Equalized Valuation Basis
	2018 \$ 745,163,841
	2017 728,564,095
	2016 717,007,505
	\$ 2,190,735,441
Average equalized valuation of taxable property	\$ 730,245,147
Debt limit (2.5% of average equalization value)	\$ 18,256,129
Total net debt applicable to limit	5,720,000
Legal debt margin	\$ 12,536,129

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 17,460,866	\$ 17,223,100	\$ 17,578,907	\$ 17,897,143	\$ 18,256,129
Total net debt applicable	6,685,350	6,485,350	6,240,350	5,985,350	5,720,000
Legal debt margin	\$ 10,775,516	\$ 10,737,750	\$ 11,338,557	\$ 11,911,793	\$ 12,536,129
Total net debt applicable to the limit as a percentage of debt limit	38.29%	37.65%	35.50%	33.44%	31.33%

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt limit	\$ 23,374,421	\$ 22,568,180	\$ 20,855,329	\$ 19,416,446	\$ 18,077,816
Total net debt applicable	1,930,000	1,570,000	1,195,000	815,000	7,100,350
Legal debt margin	\$ 21,444,421	\$ 20,998,180	\$ 19,660,329	\$ 18,601,446	\$ 10,977,466
Total net debt applicable to the limit as a percentage of debt limit	8.26%	6.96%	5.73%	4.20%	39.28%

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)
2010	7,689	\$ 340,245,939	\$ 44,251	9.5%
2011	7,642	349,751,414	45,767	8.8%
2012	7,579	356,394,896	47,024	8.6%
2013	7,515	356,872,320	47,488	6.9%
2014	7,506	368,184,312	49,052	5.4%
2015	7,478	380,241,344	50,848	4.8%
2016	7,429	382,192,334	51,446	4.1%
2017	7,393	395,754,683	53,531	3.5%
2018	7,384	N/A	N/A	3.3%
2019	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (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**

2019

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

2010

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	46.0	42.1	42.1	42.1	44.2	44.2	44.2	44.2	45.2	46.2
Special education	14.0	12.0	12.0	12.0	12.0	12.0	15.0	15.0	16.0	16.0
Other special education	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Other instruction	8.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support services										
Student and instruction related services	6.0	7.4	7.5	7.5	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	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Central services	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Administrative information technology	1.0	-	-	1	0.5	0.5	0.5	0.5	0.5	-
Plant operations and maintenance	5.0	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	96.0	85.8	85.9	85.9	88.0	88.0	91.0	91.0	93.0	93.5

Source: District Personnel Records

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 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
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%
2018	631	11,025,409	17,473	5.98%	57	1 to 11.07	633.2	603.4	-1.58%	95.29%
2019	629	11,160,677	17,744	1.55%	58	1 to 10.85	624.0	594.1	-1.45%	95.21%

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.

See independent auditors' reports.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	710	683	721	706	708	696	660	644	628	609

Number of Schools at June 30, 2019
 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>
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
2018	326,013	326,013
2019	80,389	80,389
Total school facilities	<u>\$ 941,919</u>	<u>\$ 941,919</u>

Source: District Records

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

See independent auditors' reports.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2019
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJ Schools Insurance Group (NJSIG)		
Blanket Building and Contents (Fund Limit)	\$ 500,000,000	\$ 5,000
Accounts Receivable	250,000	5,000
Automobile Physical Damage	In Blanket Limit	5,000
Electronic Data Processing Equipment	623,000	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
Workers Compensation - NJSIG		
(a) Statutory Benefits	Included	-
(a) Employer's Liability	5,000,000	-
Supplemental Coverage (optional)	Included	-
Environmental Impairment Liability - NJSIG through Zurich Insurance Company		
Limit of Liability		
Incident	1,000,000	10,000
Fund Annual Aggregate	25,000,000	-
Selective Insurance Company		
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.

SINGLE AUDIT SECTION



**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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2019.

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.



BKC, CPAs, PC



Michael Holk, CPA, PSA

NO. 20CS00265600

December 9, 2019
Flemington, New Jersey



**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the
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 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, 2019. The 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 state statutes, regulations, and the terms and conditions of its state awards 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, and the 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 District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the 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 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 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

December 9, 2019
Flemington, New Jersey

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2019

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2018		Cash Received	Budgetary Expenditure	Adjustment	Repayment	Balance June 30, 2019		
	CFDA Number						(Acct Rec) Def Revenue	Carryover Amount				of Prior Year Balance	Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Health and Human Services															
General fund															
Medical assistance program	93.778	1805NJ5MAP	N/A	\$ 27,868	07/01/18	06/30/19	\$ -	\$ -	\$ 27,868	\$ 27,868	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education passed through State Department of Education															
Special revenue fund															
ESSA Title I A	84.010A	S010A180030	ESSA-297019	87,933	07/01/18	06/30/19	-	-	87,933	87,933	-	-	-	-	-
NCLB Title II A	84.367A	S367A160029	NCLB-297017	27,007	07/01/16	06/30/17	518	-	-	-	-	-	-	-	518
ESSA Title II A	84.367A	S367A180029	ESSA-297019	18,038	07/01/18	06/30/19	-	-	18,038	18,038	-	-	-	-	-
ESSA Title III	84.365A	S365A180030	ESSA-297019	14,534	07/01/18	06/30/19	-	-	14,534	14,534	-	-	-	-	-
ESSA Title III Immigrant	84.365A	S365A180030	ESSA-297019	2,283	07/01/18	06/30/19	-	-	2,283	2,283	-	-	-	-	-
ESSA Title IV	84.424A	S424A180031	ESSA-297019	10,000	07/01/18	06/30/19	-	-	10,000	10,000	-	-	-	-	-
IDEA basic	84.027	H027A180100	IDEA-297019	164,516	07/01/18	06/30/19	-	-	164,516	164,516	-	-	-	-	-
IDEA preschool	84.173	H173A180114	IDEA-297019	7,219	07/01/18	06/30/19	-	-	7,219	7,219	-	-	-	-	-
Total special revenue fund							518	-	304,523	304,523	-	-	-	-	518
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	181NJ304N1099	N/A	17,250	10/01/17	09/30/18	2,200	-	-	2,200	-	-	-	-	-
National school lunch program															
Food donation program	10.555	191NJ304N1099	N/A	14,394	10/01/18	09/30/19	-	-	14,394	12,529	-	-	-	1,865	-
National school lunch program															
Breakfast program	10.553	181NJ304N1099	N/A	12,167	10/01/17	09/30/18	(896)	-	896	-	-	-	-	-	-
National school lunch program															
Breakfast program	10.553	191NJ304N1099	N/A	13,505	10/01/18	09/30/19	-	-	12,300	13,505	-	-	(1,205)	-	-
National school lunch program															
Lunch program	10.555	181NJ304N1099	N/A	91,626	10/01/17	09/30/18	(6,113)	-	6,113	-	-	-	-	-	-
National school lunch program															
Lunch program	10.555	191NJ304N1099	N/A	104,152	10/01/18	09/30/19	-	-	96,708	104,152	-	-	(7,444)	-	-
Child and adult care food program	10.558	181NJ304N1099	N/A	1,876	10/01/17	09/30/18	(133)	-	133	-	-	-	-	-	-
Child and adult care food program	10.558	191NJ304N1099	N/A	1,952	10/01/18	09/30/19	-	-	1,845	1,952	-	-	(107)	-	-
Total enterprise fund							(4,942)	-	132,389	134,338	-	-	(8,756)	1,865	-
Total federal awards							\$ (4,424)	\$ -	\$ 464,780	\$ 466,729	\$ -	\$ -	\$ (8,756)	\$ 1,865	\$ 518

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Awards, Schedule B
For the Fiscal Year Ended June 30, 2019

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2018		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2019			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	19-495-034-5120-078	\$ 2,979,731	07/01/18	06/30/19	\$ -	\$ -	\$ 2,681,991	\$ 2,979,731	\$ -	\$ -	\$ -	\$ -	\$ 297,740	\$ 2,979,731
Special education categorical aid	19-495-034-5120-089	396,644	07/01/18	06/30/19	-	-	357,011	396,644	-	-	-	-	39,633	396,644
Transportation aid	19-495-034-5120-014	273,159	07/01/18	06/30/19	-	-	261,223	273,159	-	-	-	-	27,294	273,159
Security aid	19-495-034-5120-084	85,007	07/01/18	06/30/19	-	-	76,535	85,007	-	-	-	-	8,494	85,007
Extraordinary special education costs aid	18-495-034-5120-044	7,774	07/01/17	06/30/18	(7,744)	-	7,774	30	-	-	-	-	-	7,774
Non-public transportation aid	18-495-034-5120-014	365	07/01/17	06/30/18	(365)	-	365	-	-	-	-	-	-	365
Non-public transportation aid	19-495-034-5120-014	870	07/01/18	06/30/19	-	-	-	870	-	(870)	-	-	-	870
Payment for institutionalized children- Unknown district of residence	18-495-034-5120-005	147,234	07/01/17	06/30/18	(147,234)	-	147,234	-	-	-	-	-	-	147,234
Payment for institutionalized children- Unknown district of residence	19-495-034-5120-005	203,800	07/01/18	06/30/19	-	-	-	203,800	-	(203,800)	-	-	-	203,800
Reimbursed TPAF Social Security contribution	18-495-034-5094-003	351,934	07/01/17	06/30/18	(17,618)	-	17,618	-	-	-	-	-	-	351,934
Reimbursed TPAF Social Security contribution	19-495-034-5094-003	340,478	07/01/18	06/30/19	-	-	322,860	340,478	-	(17,128)	-	-	-	340,478
On-Behalf TPAF Pension contribution- postretirement medical	19-495-034-5094-001	431,297	07/01/18	06/30/19	-	-	431,297	431,297	-	-	-	-	-	431,297
On-Behalf TPAF Pension contribution- normal cost and accrued liability	19-495-034-5094-002	931,341	07/01/18	06/30/19	-	-	931,341	931,341	-	-	-	-	-	931,341
On-Behalf TPAF Pension contribution- non-contributory insurance	19-495-034-5094-004	19,495	07/01/18	06/30/19	-	-	19,495	19,495	-	-	-	-	-	19,495
On-Behalf TPAF Pension contribution- long-term disability insurance	19-495-034-5094-004	639	07/01/18	06/30/19	-	-	639	639	-	-	-	-	-	639
Total general fund					<u>(172,961)</u>	<u>-</u>	<u>5,255,383</u>	<u>5,662,491</u>	<u>-</u>	<u>(221,798)</u>	<u>-</u>	<u>-</u>	<u>373,161</u>	<u>6,169,768</u>
Debt service fund														
Debt service aid-state support	19-495-034-5120-017	165,940	07/01/18	06/30/19	-	-	165,940	165,940	-	-	-	-	-	165,940
Total debt service fund					<u>-</u>	<u>-</u>	<u>165,940</u>	<u>165,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,940</u>
State Department of Agriculture														
Enterprise fund														
State school lunch program	18-100-010-3350-023	2,872	07/01/17	06/30/18	(196)	-	196	-	-	-	-	-	-	2,872
State school lunch program	19-100-010-3350-023	2,964	07/01/18	06/30/19	-	-	2,750	2,964	-	(214)	-	-	-	2,964
Total enterprise fund					<u>(196)</u>	<u>-</u>	<u>2,946</u>	<u>2,964</u>	<u>-</u>	<u>(214)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,836</u>
Total state financial assistance					<u>\$ (173,157)</u>	<u>\$ -</u>	<u>\$ 5,424,269</u>	<u>5,831,395</u>	<u>\$ -</u>	<u>\$ (222,012)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,161</u>	<u>\$ 6,341,544</u>
Less: On behalf TPAF Pension system contributions								<u>(1,382,772)</u>						
Total for state financial assistance - major program determination								<u>\$ 4,448,623</u>						

See independent auditors' report.

MANSFIELD TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Mansfield Township School District. The District is defined in Note 1 (A) to the District's basic 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, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of 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. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

The basic 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 (\$12,275) 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 Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019

Note 3 - Relationship of financial statements (continued)

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

	Local	Federal	State	Total
General fund	\$ -	\$ 27,868	\$ 5,650,216	\$ 5,678,084
Special revenue fund	-	304,523	-	304,523
Debt service fund	-	-	165,940	165,940
Food service fund	-	134,338	2,964	137,302
Total awards and financial assistance	<u>\$ -</u>	<u>\$ 466,729</u>	<u>\$ 5,819,120</u>	<u>\$ 6,285,849</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, 2019. 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, 2019.

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

The adjustment reported for NCLB Title II A for Fiscal Year 2017 of \$518 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, 2019

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 No
2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes 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
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

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, 2019

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? X Yes ___ No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? ___ Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X 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 X No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
<i>19-495-034-5120-089</i>	<i>State Aid Public Cluster:</i>
<i>19-495-034-5120-078</i>	<i>Special Education Categorical Aid</i>
<i>19-495-034-5120-084</i>	<i>Equalization Aid</i>
	<i>Security Aid</i>

**MANSFIELD TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section II
For the Fiscal Year Ended June 30, 2019**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2019.

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, 2019.

**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, 2019**

Status of Prior Year Findings

There were no prior year findings or questioned cost.