

**Mantua Township School
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

MANTUA TOWNSHIP SCHOOL DISTRICT

MANTUA, NEW JERSEY

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2019

Prepared by:

**Mantua Township School
Board of Education Administration**

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INTRODUCTORY SECTION

MANTUA TOWNSHIP PUBLIC SCHOOLS

DR. H. SIMMERMAN ADMINISTRATION BUILDING
684 MAIN STREET
SEWELL, NJ 08080
(856) 468-2225 (PHONE) (856)468-5563 (FAX)

Michelle H. Daminger
*Board Secretary-Business Office
Coordinator*

Dr. Robert Fisicaro
Superintendent

Theresa Labbree
*Supervisor of Curriculum
and Technology*

November 19, 2019

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes under the new Governmental Accounting Standards Board Statement No. 34, the Independent Auditor's Report, Management Discussion and Analysis (MD&A), and the basic financial statements including the District-wide statements, fund statements, notes to the financial statements, required supplementary information other than MD&A including budgetary comparison schedules, and other supplementary information. The statistical tables include selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Township of Mantua School District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Township of Mantua Board of Education and all its schools constitute the District's reporting entity.

For the 2018/2019 school year, the District's three elementary schools were organized as follows:

- Centre City Grades 1-3 with special education programs for learning and/or language disability, multiple disability, and preschool disability pupils.
A resource room for supplemental special education services is also available.

- J. Mason Tomlin Grades 4-6 with special education programs for learning and/or language disability and multiple disability pupils.
A resource room for supplemental special education services is also available.

- Sewell Pre-K with a resource room for offering special education, supplementary services, and special education programs for multiple disability pupils and learning and/or language disability.

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

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u> <u>Student Enrollment</u>	<u>Percent Change</u>
2018-2019	1,270	.07%
2017-2018	1,279	.39%
2016-2017	1,274	2.49%
2015-2016	1,243	-2.12%
2014-2015	1,270	-3.24%
2013-2014	1,312	-1.51%
2012-2013	1,332	-4.34%
2011-2012	1,393	-2.62%
2010-2011	1,430	-4.86%
2009-2010	1,503	-3.84%

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

- Remedial instruction
- Resource room instruction for classifiable learning disabilities
- Speech and language development services
- Computer/STEM instruction
- Art and music instruction
- Library programs
- Physical education instruction
- Guidance and child study team services
- A full time nurse at each school
- Foreign language instruction
- Character education
- Social and Emotional Learning instruction
- Enrichment opportunities

2. INSTRUCTIONAL PROGRAMS (CONTINUED):

Student academic performance is measured in Grades Pre-K through sixth grade through a variety of resources. Pre-K utilizes High Scope CORE advantage to provide teachers and parents with information on student growth. ESI-R Screening, conducted on our Pre-K population within the first six weeks of school, is used to inform instruction and identify students in need of increased support. DIBELS, a reading assessment and diagnostic test, is utilized three times a year in grades K-2. Freckle, an online diagnostic and adaptive tool, is administered in the fall, winter and spring to students in grades 3-6. Freckle provides immediate feedback regarding students' abilities and provides teachers with specific information to enhance instruction.

Parent and community involvement in the schools is provided through a number of opportunities at both the local and district levels. In addition to school parent associations, these affiliations include: a Special Education Advisory Committee, an Early Childhood Advisory Committee, Parents as Partners, the Municipal Alliance, along with cooperative efforts with the township recreation, environmental groups, and planning board. School Improvement Panels (SciP) and Teacher Advisory Committees, Curriculum Cabinets and Intervention and Referral Service Teams function at each school to further refine planning for student and school needs.

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

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

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

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

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

6. DEBT ADMINISTRATION: At June 30, 2019, the District's outstanding debt issues included \$815,000 of general obligation bonds. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements include renovations and additions to the various schools and the purchase of furniture, fixtures, and equipment for the additions.

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

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

9. OTHER INFORMATION:

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

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

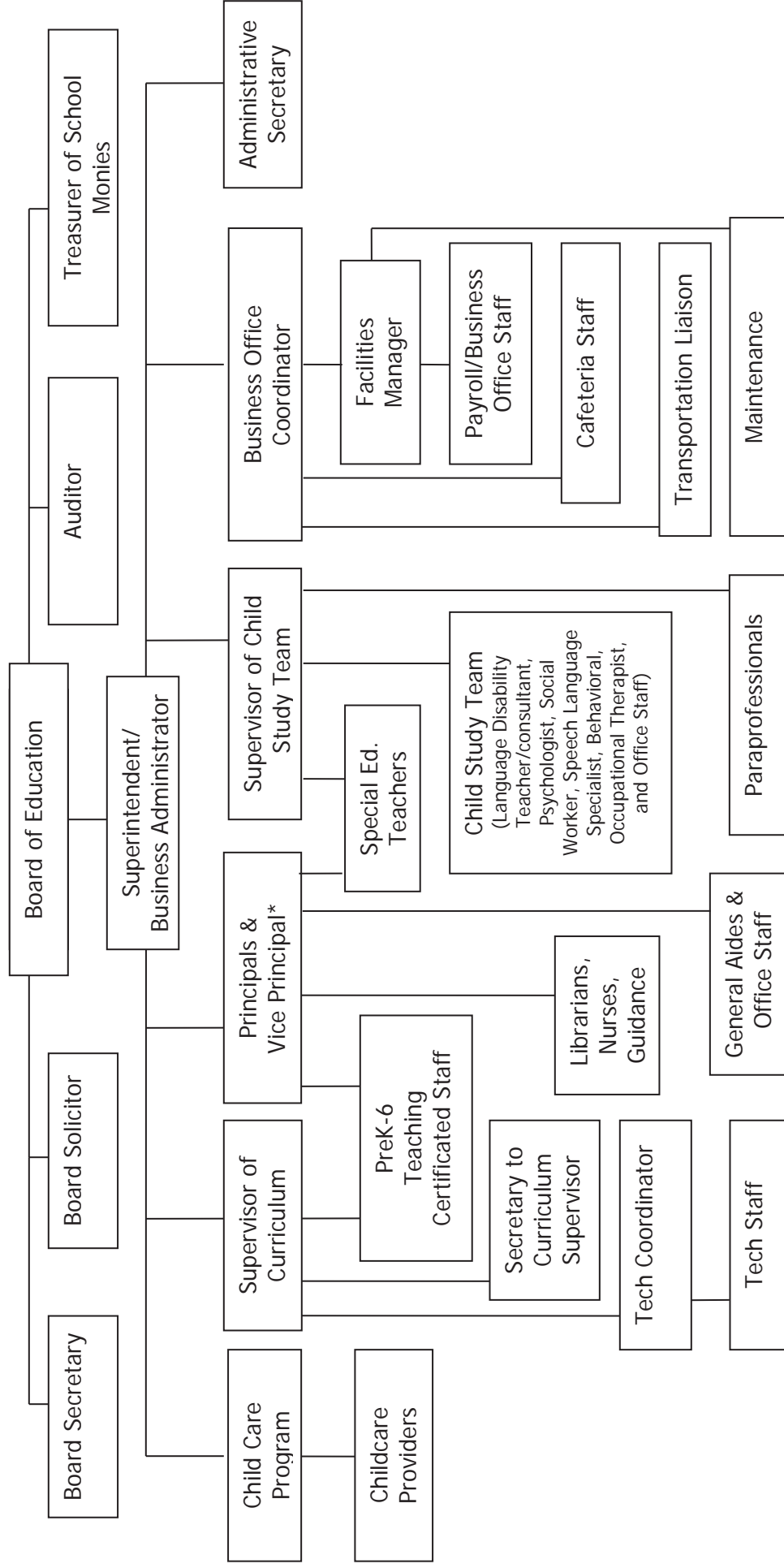
Respectfully submitted,

Dr. Robert Fisicaro
Dr. Robert Fisicaro
Superintendent

Michelle H. Daminger
Michelle H. Daminger
Board Secretary-Business
Office Coordinator

MANTUA TOWNSHIP BOARD OF EDUCATION

ORGANIZATIONAL CHART



*Centre City and JMT Schools

MANTUA TOWNSHIP BOARD OF EDUCATION
Mantua, New Jersey

ROSTER OF OFFICIALS
June 30, 2019

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Bonnie Nuss	President	2020
Mary Porter	Vice President	2020
Fran Adler	Board Member	2019
James Hochberg	Board Member	2020
Michael Magilton	Board Member	2021
Emily Pederson	Board Member	2021
Stephen Reiners	Board Member	2021
Rich Wessell	Board Member	2019
Ashley Zimmerman	Board Member	2019

OTHER OFFICIALS

Dr. Robert Fisicaro, Superintendent/Business Administrator

Michelle H. Daminger, Board Secretary/Business Office Coordinator

Frank P. Cavallo Jr., Solicitor

MANTUA TOWNSHIP BOARD OF EDUCATION
Mantua, New Jersey

CONSULTANTS AND ADVISORS

Auditor

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

Contact: Nick Petroni
Certified Public Accountant

Solicitor

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

Contact: Frank P. Cavallo, Jr.

Depository

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

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

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

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

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

Other Information

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

The combining and individual non-major fund financial statements, schedule of expenditures of Federal and State Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in


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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019, on our consideration of the Mantua Township Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Mantua Township Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 19, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
Unaudited

This section of the Mantua Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this Report and the District's financial statements, which immediately follows this Section.

Overview of the Financial Statements

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

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

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

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

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
Unaudited

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

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

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
Unaudited

District-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has four kinds of funds:

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

Mantua Township School District
Management's Discussion and Analysis
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Fund Financial Statements (Continued)

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

Notes to the Financial Statements

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

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
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Financial Analysis of the District as a Whole

Net Position

	FY 2019		FY 2018		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2019	FY 2018
Assets						
Current and other assets	\$ 2,933,677	\$ 209,998	\$ 2,023,119	\$ 353,129	\$ 3,143,675	\$ 2,376,248
Capital assets	17,774,424	31,418	18,416,047	19,967	17,805,842	18,436,014
Total assets	20,708,101	241,416	20,439,166	373,096	20,949,517	20,812,262
Deferred Outflows of Resources						
Loss on refunding issue	2,769		13,855		2,769	13,855
Deferred outflows related to pension	278,959		414,165		278,959	414,165
Total deferred outflows of resources	281,728		428,020		281,728	428,020
Liabilities						
Noncurrent liabilities	1,647,536	23,625	2,549,805	21,397	1,671,161	2,571,202
Other liabilities	1,021,125	325	232,295	416	1,021,450	232,711
Net pension liability	5,521,957		6,496,365		5,521,957	6,496,365
Total liabilities	8,190,618	23,950	9,278,465	21,813	8,214,568	9,300,278
Deferred Inflows of Resources						
Deferred inflows related to pension	1,937,929		1,328,086		1,937,929	1,328,086
	1,937,929		1,328,086		1,937,929	1,328,086
Net Position						
Invested in capital assets						
Net of related debt	16,941,112	31,418	16,634,634	19,967	16,972,530	16,654,601
Restricted	2,250,432		1,961,412		2,250,432	1,961,412
Unrestricted	(8,330,262)	186,048	(8,335,411)	331,316	(8,144,214)	(8,004,095)
Total net position	\$ 10,861,282	\$ 217,466	\$ 10,260,635	\$ 351,283	\$ 11,078,748	\$ 10,611,918

Net Position - The District's combined total net position was \$11,078,748 on June 30, 2019, (see Exhibit A-1). Approximately 1.96% of the total net position are from Business-type Activities, while the balance of the total net position of 98.04% is attributable to Governmental Activities. There was an increase from the prior year of \$466,830.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
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Financial Analysis of the District as a Whole (Continued)

Changes in Net Position

	FY 2019		FY 2018		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2019	FY 2018
REVENUES:						
Program revenues:						
Charges for services	\$ 85,663	\$ 696,972	\$ 83,575	\$ 671,615	\$ 782,635	\$ 755,190
Operating grants & contributions	1,222,524	176,918	613,164	179,938	1,399,442	793,102
General revenues:						
Property taxes	13,841,847		13,620,246		13,841,847	13,620,246
Grants and entitlements	11,610,618		9,450,816		11,610,618	9,450,816
Other	236,792		550,470		236,792	550,470
Total revenues	<u>26,997,444</u>	<u>873,890</u>	<u>24,318,271</u>	<u>851,553</u>	<u>27,871,334</u>	<u>25,169,824</u>
EXPENSES:						
Instruction	10,078,340		9,555,791		10,078,340	9,555,791
Student support services	2,113,093		2,040,551		2,113,093	2,040,551
General administrative services	488,951		404,896		488,951	404,896
School administration	713,070		708,063		713,070	708,063
Central services	277,849		248,830		277,849	248,830
Administrative information technology	228,169		196,050		228,169	196,050
Plant operations & maintenance	2,019,052		1,895,363		2,019,052	1,895,363
Pupil transportation	951,995		834,215		951,995	834,215
Employee benefits	8,792,367		9,582,240		8,792,367	9,582,240
Interest on debt	29,899		67,440		29,899	67,440
Unallocated depreciation	687,056		680,889		687,056	680,889
Transfer of funds to charter school	16,956		15,894		16,956	15,894
Food service		466,533		403,606	466,533	403,606
Childcare		541,174		517,673	541,174	517,673
Total expenses	<u>26,396,797</u>	<u>1,007,707</u>	<u>26,230,222</u>	<u>921,279</u>	<u>27,404,504</u>	<u>27,151,501</u>
Increase (decrease) in net position	<u>\$ 600,647</u>	<u>\$ (133,817)</u>	<u>\$ (1,911,951)</u>	<u>\$ (69,726)</u>	<u>\$ 466,830</u>	<u>\$ (1,981,677)</u>

Changes in Net Position - The District's total revenues are \$27,871,334 for the fiscal period ended June 30, 2019, (see Exhibit A-2). The revenue breakout for all funds is as follows: property taxes 49.66%; grants and entitlements 41.66%; state and federal aid for specific programs 5.02%; and the remainder 3.66% from miscellaneous resources.

The District's predominant expenses are related to instruction and student support services which is approximately 44.5%. Employee benefits are 32.1%; plant operations and maintenance accounts for 7.37%; transportation expenses accounts for 3.47%; school administration, general administration, central services, and administrative information technology account for 6.23%; interest on debt is .10%; Business-type Activities account for 3.68%; unallocated depreciation is 2.5%; transfer to charter school accounts for .06% of the District's expenses.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
Unaudited

Business-Type Activities

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

- Business-type Activities expenditures exceeded revenues by \$133,817 (see Exhibit B-5).

Governmental Activities

Revenues for Governmental Activities (see Exhibit B-2) were \$25,066,735, while total expenses amounted to \$24,958,383. This resulted in an increase in net position in Governmental Activities of \$108,352 for fiscal year 2019.

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

	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	Services	Services	Services	Services
	FY 2019		FY 2018	
Instruction:	\$ 10,078,340	\$ 9,057,562	\$ 9,555,791	\$ 9,006,385
Support services:				
Student support services	2,113,093	1,858,269	2,040,551	1,955,551
School administration	713,070	713,070	708,063	708,063
General administrative services	488,951	488,951	404,896	404,896
Central services	277,849	277,849	248,830	248,830
Administration information technology	228,169	228,169	196,050	196,050
Plant operations & maintenance	2,019,052	2,019,052	1,895,363	1,895,363
Pupil transportation	951,995	951,995	834,215	834,215
Employee benefits	8,792,367	8,759,782	9,582,240	9,519,907
Interest on debt	29,899	29,899	67,440	67,440
Transfer of funds to charter school	16,956	16,956	15,894	15,894
Food service	466,533	43,938	403,606	(5,690)
Other proprietary funds	541,174	89,879	517,673	75,416
Depreciation	687,056	687,056	680,889	680,889
Total expenses	\$ 27,404,504	\$ 25,222,427	\$ 27,151,501	\$ 25,603,209

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

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

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

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

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
Unaudited

Governmental Activities (Continued)

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

The School District's Funds

All Governmental Funds (i.e., General Fund, Special Revenue Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$25,066,735 and expenditures were \$24,958,383 (see Exhibit B-2). The Schedules included in the financial section of this Report demonstrate that the District continues to meet its responsibility for sound financial management.

The following schedules present a summary of the revenues of the Governmental Funds for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2018	Percent of Increase (Decrease)
Local sources	\$ 14,098,124	56.24%	\$ (76,693)	-0.54%
State sources	10,404,288	41.51%	943,822	-0.81%
Federal sources	564,323	2.25%	(35,090)	-12.79%
	<u>\$ 25,066,735</u>	<u>100.00%</u>	<u>\$ 832,039</u>	3.43%

The decrease in local revenue was due to decreased tuition revenue for \$192,395 offset by a tax increase of \$221,601.

The following schedules present a summary of General Fund, Special Revenue Fund, and Debt Service Fund expenditures for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2018	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 9,933,588	39.80%	\$ 458,150	4.84%
Undistributed	13,987,578	56.04%	652,511	4.89%
Capital outlay	59,217	0.24%	(43,012)	-42.07%
Debt service:				
Principal	895,000	3.59%	(20,000)	-2.19%
Interest	83,000	0.33%	(36,600)	-30.60%
	<u>\$ 24,958,383</u>	<u>100.00%</u>	<u>\$ 1,011,049</u>	4.22%

Mantua Township School District
Management's Discussion and Analysis
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Unaudited

The School District's Funds (Continued)

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

Instructional expenditures are up \$458,150 over the prior year; employee benefits are up \$411,577 over the prior year. Salaries reflect contractual increases over the prior year based on the union contract.

Financial Analysis of the District's Funds

The strong financial performance of the District as a whole is primarily reflected in its Governmental Funds. As the District completed the year, its Governmental Funds reported combined fund balances of \$855,232 (see Exhibit B-1).

General Fund Budgetary Highlights

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

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

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

Capital Asset and Debt Administration

Capital Assets

The Mantua Township School investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$17,805,842 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and furniture (see table below). More detailed information about capital assets can be found in Note 6 to the financial statements.

Mantua Township School District's Capital Assets

	FY 2019		FY 2018		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2019	FY 2018
Land	\$ 110,027		\$ 110,027		\$ 110,027	\$ 110,027
Land improvements	317,593		346,076		317,593	346,076
Buildings	16,663,528		17,248,582		16,663,528	17,248,582
Machinery & equipment	683,276	\$ 31,418	711,362	\$ 19,967	714,694	731,329
	<u>\$ 17,774,424</u>	<u>\$ 31,418</u>	<u>\$ 18,416,047</u>	<u>\$ 19,967</u>	<u>\$ 17,805,842</u>	<u>\$ 18,436,014</u>

Debt Administration

At June 30, 2019, the School District had \$1,647,536 of outstanding debt for governmental funds. Of this amount, \$818,247 is for compensated absences, \$14,289 unamortized premium, and \$815,000 of serial bonds; for school construction.

Mantua Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019
Unaudited

Debt Administration (Continued)

Outstanding Debt at June 30

	<u>FY 2019</u>	<u>FY 2018</u>	Percentage <u>Change</u>
Compensated absences	\$ 818,247	\$ 768,370	6.49%
Unamortized premium	14,289	71,435	-80.00%
Refunding bonds of 2011	815,000	1,710,000	-52.34%
Total	<u>\$ 1,647,536</u>	<u>\$ 2,549,805</u>	-35.39%

Factors Bearing on the District's Future

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

- State Formula Aid for the fiscal year 2019-2020 has a \$85,125 decrease over the prior year budgeted amount.
- District enrollment for 2019-2020 is expected to be 1,310 on the October 15th count compared to 1,233 in 2018-2019.
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	FY 2019
ASSETS			
Cash and cash equivalents	\$ 1,663,149	\$ 189,247	\$ 1,852,396
Interfund receivable	10,080		10,080
Receivables	465,670	8,593	474,263
Inventory		12,158	12,158
Restricted assets:			
Restricted cash and cash equivalents	408,057		408,057
Capital reserve account - cash	386,721		386,721
Capital assets:			
Non-depreciable	110,027		110,027
Assets net of depreciation	17,664,397	31,418	17,695,815
Total assets	<u>20,708,101</u>	<u>241,416</u>	<u>20,949,517</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding bond issue	2,769		2,769
Deferred outflows related to pension	278,959		278,959
Total deferred outflows of resources	<u>281,728</u>		<u>281,728</u>
LIABILITIES			
Accounts payable	145,801	325	146,126
Payable to state government	5,116		5,116
Deferred revenue	863,416		863,416
Accrued interest	6,792		6,792
Noncurrent liabilities:			
Due within one year	881,489		881,489
Due beyond one year	766,047	23,625	789,672
Net pension liability	5,521,957		5,521,957
Total liabilities	<u>8,190,618</u>	<u>23,950</u>	<u>8,214,568</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	1,937,929		1,937,929
	<u>1,937,929</u>		<u>1,937,929</u>
NET POSITION			
Invested in capital assets, net of related debt	16,941,112	31,418	16,972,530
Restricted for:			
Capital projects	386,721		386,721
Other purposes	1,863,711		1,863,711
Unrestricted	(8,330,262)	186,048	(8,144,214)
Total net position	<u>\$ 10,861,282</u>	<u>\$ 217,466</u>	<u>\$ 11,078,748</u>

See accompanying notes to the basic financial statements.

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 5,467,526			\$ (5,467,526)		\$ (5,467,526)
Special education	3,680,154		\$ 935,115	(2,745,039)		(2,745,039)
Other special education	872,363	\$ 85,663		(786,700)		(786,700)
Other instruction	58,297			(58,297)		(58,297)
Support services:						
Student & instructional related services	2,113,093		254,824	(1,858,269)		(1,858,269)
General administrative services	488,951			(488,951)		(488,951)
School administrative services	713,070			(713,070)		(713,070)
Central services	277,849			(277,849)		(277,849)
Administrative information technology	228,169			(228,169)		(228,169)
Plant operations & maintenance	2,019,052			(2,019,052)		(2,019,052)
Pupil transportation	951,995			(951,995)		(951,995)
Employee benefits	8,792,367		32,585	(8,759,782)		(8,759,782)
Interest on long-term debt	29,899			(29,899)		(29,899)
Capital outlay						
Transfer of funds to charter school	16,956			(16,956)		(16,956)
Unallocated depreciation	687,056			(687,056)		(687,056)
Total governmental activities	26,396,797	85,663	1,222,524	(25,088,610)		(25,088,610)
Business-type activities:						
Food service	466,533	245,677	176,918		\$ (43,938)	(43,938)
Other activities	541,174	451,295			(89,879)	(89,879)
Total business-type activities	1,007,707	696,972	176,918		(133,817)	(133,817)
Total primary government	\$ 27,404,504	\$ 782,635	\$ 1,399,442	\$ (25,088,610)	\$ (133,817)	\$ (25,222,427)
General revenues:						
Property taxes, levied for general purpose, net				\$ 13,199,012		\$ 13,199,012
Taxes levied for debt service				642,835		642,835
Federal and state aid not restricted				11,610,618		11,610,618
Tuition charges				154,182		154,182
Investment earnings				20,734		20,734
Miscellaneous income				81,361		81,361
Loss on disposal of assets				(19,485)		(19,485)
Total general revenues, special items, extraordinary items, and transfers				25,689,257		25,689,257
Change in net position				600,647	\$ (133,817)	466,830
Net position - beginning				(51,335,989)	351,283	(50,984,706)
Prior period adjustment of OPEB liability				61,596,624		61,596,624
Restated net position at the beginning of the period				10,260,635	351,283	10,611,918
Net position - end				\$ 10,861,282	\$ 217,466	\$ 11,078,748

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

MANTUA TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Totals FY 2019
ASSETS			
Cash and cash equivalents	\$ 1,229,866	\$ 412,136	\$ 1,642,002
Interfund receivable	10,080		10,080
Receivables from other governments	100,330	322,375	422,705
Restricted cash and cash equivalents	794,778		794,778
Total assets	\$ 2,135,054	\$ 734,511	2,869,565
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 113,217	\$ 32,584	145,801
Payable to state government		5,116	5,116
Deferred revenue -state		858,029	858,029
Deferred revenue - local	631	4,756	5,387
Total liabilities	113,848	900,485	1,014,333
Fund balances:			
Restricted for:			
Excess surplus - current year	253,684		253,684
Excess surplus - prior year designated for subsequent year's expenditures	678,415		678,415
Maintenance reserve	408,057		408,057
Capital reserve account	386,721		386,721
Assigned to:			
Other purposes	523,555		523,555
Unassigned:			
Special revenue fund		(165,974)	(165,974)
General fund	(229,226)		(229,226)
Total fund balances	2,021,206	(165,974)	1,855,232
Total liabilities and fund balances	\$ 2,135,054	\$ 734,511	

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$34,369,622 and the accumulated depreciation is \$16,595,198 (see Note 6).	\$ 17,774,424
Deferred bond issuance costs are expenses in the Governmental Funds in the year the bonds are issued, but are capitalized in the Statement of Net Position.	2,769
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(6,792)
Net pension liability adjustment for GASB Statements No. 68 & 71	(7,180,927)
Premiums are recorded in Governmental Funds in the year the bonds are issued but are capitalized in the Statement of Net Position. The premium for the 2011 series is \$471,457, the amortization is \$57,146, and the accumulated amortization is \$457,168.	(14,289)
Internal Service Funds are used by management to charge the costs of certain activities, such as related services to other Districts. Assets and liabilities of the Internal Service Fund of \$64,112 are included in the Governmental Activities in the Statement of Net Position.	64,112
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(1,633,247)
Net position of Governmental Activities	<u>\$ 10,861,282</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2019
REVENUES:				
Local tax levy	\$ 13,199,012		\$ 642,835	\$ 13,841,847
Tuition charges	154,182			154,182
Interest earned on investments	18,883			18,883
Interest earned on capital reserve funds	1,851			1,851
Miscellaneous	81,361			81,361
	13,455,289		642,835	14,098,124
State sources	9,373,730	\$ 695,393	335,165	10,404,288
Federal sources	37,192	527,131		564,323
Total revenues	22,866,211	1,222,524	978,000	25,066,735
EXPENDITURES:				
Current:				
Regular instruction	5,408,208			5,408,208
Special education instruction	2,568,290	1,101,089		3,669,379
Other special instruction	797,704			797,704
Other instruction	58,297			58,297
Support services & undistributed costs:				
Student & instruction related services	1,899,721	254,824		2,154,545
General administrative services	486,958			486,958
School administrative services	719,605			719,605
Central services	276,994			276,994
Administrative information technology	227,472			227,472
Plant operations and maintenance	2,007,460			2,007,460
Pupil transportation	940,393			940,393
Employee benefits	7,124,610	32,585		7,157,195
Debt service:				
Principal			895,000	895,000
Interest and other charges			83,000	83,000
Capital outlay	59,217			59,217
Transfer of funds to charter school	16,956			16,956
Total expenditures	22,591,885	1,388,498	978,000	24,958,383
Net change in fund balances	274,326	(165,974)		108,352
Fund balance - July 1	1,746,880			1,746,880
Fund balance - June 30	\$ 2,021,206	\$ (165,974)		\$ 1,855,232

See accompanying notes to the basic financial statements.

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

Total net change in fund balances - Governmental Funds (from B-2)	\$	108,352
<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. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlay	\$	118,100
Depreciation expense	<u>(740,238)</u>	(622,138)
<p>In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas in the Governmental Funds, the proceeds from disposal decrease financial resources. Thus the change in net assets will differ from the change in fund balance by the cost of the asset removed.</p>		
		(19,485)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		
Bond principal payments		895,000
<p>Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of bond issuance costs		(11,086)
Amortization of premiums on bonds		57,146
<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 an addition in the reconciliation.</p>		
		7,041
<p>Internal Service Funds are used by management to charge costs of certain activities such as related services. The operating income of \$6,335 are included in the Governmental Activities and Statement of Net Position.</p>		
		6,335
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		229,359
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the 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>(49,877)</u>
Change in net position of Governmental Activities	<u>\$</u>	<u>600,647</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Food Service	Latchkey Program	Totals FY 2019	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 53,301	\$ 135,946	\$ 189,247	\$ 21,147
Accounts receivable	7,707	886	8,593	42,965
Inventories	12,158		12,158	
Total current assets	<u>73,166</u>	<u>136,832</u>	<u>209,998</u>	<u>64,112</u>
Noncurrent assets:				
Furniture, machinery & equipment	422,077	8,299	430,376	
Less: accumulated depreciation	(397,575)	(1,383)	(398,958)	
Total noncurrent assets	<u>24,502</u>	<u>6,916</u>	<u>31,418</u>	
Total assets	<u>97,668</u>	<u>143,748</u>	<u>241,416</u>	<u>64,112</u>
LIABILITIES				
Current liabilities:				
Accounts payable		325	325	
Compensated absences	23,625		23,625	
Total current liabilities	<u>23,625</u>	<u>325</u>	<u>23,950</u>	
NET POSITION				
Invested in capital assets, net of related debt	24,502	6,916	31,418	
Unrestricted	49,541	136,507	186,048	64,112
Total net position	<u>\$ 74,043</u>	<u>\$ 143,423</u>	<u>\$ 217,466</u>	<u>\$ 64,112</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2019

	Business-type Activities Enterprise Funds			Governmental Activities
	Food Service Fund	Latchkey Program	Totals FY 2019	Internal Service Fund
OPERATING REVENUES:				
Local sources:				
Daily sales - reimbursable programs:	\$ 159,803		\$ 159,803	
Daily sales - non-reimbursable programs	85,637		85,637	
Special function/miscellaneous	237		237	
Other		\$ 451,295	451,295	\$ 85,663
Total operating revenue	245,677	451,295	696,972	85,663
OPERATING EXPENSES:				
Salaries	152,881	321,824	474,705	79,328
Employee benefits	10,591	25,067	35,658	
Supplies and materials	71,300	167,050	238,350	
Purchased property services	14,593		14,593	
Other purchased services (300-500 series)	4,124		4,124	
Depreciation	3,702	899	4,601	
Cost of sales - reimbursable	161,355		161,355	
Cost of sales - non-reimbursable	46,297		46,297	
Miscellaneous other expenses	1,690	26,334	28,024	
Total operating expenses	466,533	541,174	1,007,707	79,328
Operating income (loss)	(220,856)	(89,879)	(310,735)	6,335
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	4,438		4,438	
Federal sources:				
National school lunch program	123,775		123,775	
Breakfast program	21,295		21,295	
Food distribution program	30,111		30,111	
Loss on disposal of capital assets	(2,701)		(2,701)	
Total non-operating revenues (expenses)	176,918		176,918	
Net income loss	(43,938)	(89,879)	(133,817)	6,335
Total net position - beginning	117,981	233,302	351,283	57,777
Total net position - ending	\$ 74,043	\$ 143,423	\$ 217,466	\$ 64,112

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities Enterprise Funds			Governmental Activities
	Food Service Fund	Latchkey Program	Totals FY 2019	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers	\$ 245,677	\$ 451,295	\$ 696,972	\$ 42,698
Payments to suppliers	(270,771)	(193,059)	(463,830)	
Payments to employees	(150,653)	(321,824)	(472,477)	(79,328)
Payments for employee benefits	(10,591)	(25,067)	(35,658)	
Net cash provided (used) by operating activities	(186,338)	(88,655)	(274,993)	(36,630)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	150,508		150,508	
Net cash provided by non-capital financing activities	150,508		150,508	
Cash flows from investing activities:				
Capital expenditures	(18,753)		(18,753)	
Net cash provided by investing activities	(18,753)		(18,753)	
Net increase in cash and cash equivalents	(54,583)	(88,655)	(143,238)	(36,630)
Cash and cash equivalents - July 1	107,884	224,601	332,485	57,777
Cash and cash equivalents - June 30	\$ 53,301	\$ 135,946	\$ 189,247	\$ 21,147
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (220,856)	\$ (89,879)	\$ (310,735)	\$ 6,335
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	3,702	899	4,601	
Food distribution program	30,111		30,111	
Change in assets and liabilities:				
(Increase) decrease in inventory	(1,107)		(1,107)	
(Increase) decrease in accounts receivable				(42,965)
Increase (decrease) in accounts payable	(416)	325	(91)	
Increase in compensated absences	2,228		2,228	
	\$ (186,338)	\$ (88,655)	\$ (274,993)	\$ (36,630)

See accompanying notes to the basic financial statements.

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

	<u>Scholarship Trust Fund</u>	<u>Agency Funds</u>	<u>Totals FY 2019</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 926	\$ 67,078	\$ 68,004
Total assets	<u>\$ 926</u>	<u>67,078</u>	<u>68,004</u>
LIABILITIES			
Current liabilities:			
Payroll deductions and withholdings		10,457	10,457
Due to student groups		46,541	46,541
Interfund payable - General Fund		10,080	10,080
Total current liabilities		<u>67,078</u>	<u>67,078</u>
NET POSITION			
Held in trust for scholarships	<u>\$ 926</u>		<u>\$ 926</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2019

	Scholarship Trust Fund
ADDITIONS	
Investment earnings:	
Interest	\$ 5
Total additions	5
DEDUCTIONS	
Scholarship payments	200
Change in net position	(195)
Net position - beginning of year	1,121
Net position - end of year	\$ 926

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

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

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

A. Reporting Entity

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

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

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

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

B. Government-wide Statements

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

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

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

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

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

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

C. Fund Financial Statements

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

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

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

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

PROPRIETARY FUNDS

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

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

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

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

FIDUCIARY FUNDS

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS (CONTINUED)

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

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

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

D. Basis of Accounting

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

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

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

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

E. Cash and Cash Equivalents

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

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

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

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

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

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

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2019, consisted of the following:

Food - commodities	\$	5,670
Supplies		2,556
Food		3,932
	\$	<u>12,158</u>

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

G. Capital Assets

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

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

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

H. Revenues

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

I. Expenditures

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

J. Compensated Absences

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables/Payables

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

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

L. Accrued Salaries and Wages

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

M. Budgets/Budgetary Control

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

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

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

N. Encumbrances

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

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

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

O. Deferred Revenue

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Allocation of Indirect Expenses

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Extraordinary and Special Items

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

S. Use of Estimates

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

T. Net Position

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

U. Fund Balance Reserves

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

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

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Fund Balance Reserves (Continued)

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

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

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

V. Recent Accounting Pronouncements Not Yet Effective

In January 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This Statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This Statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This Statement is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61." This Statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." This Statement, which is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2019 and 2018, was \$2,715,178 and \$2,104,083. As of June 30, 2019 and 2018, \$0 of the District's bank balance of \$3,640,664 and \$3,290,805, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2019 and 2018, the District did not have any investments.

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

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

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

NOTE 4: RECEIVABLES

Receivables at June 30, 2019, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business-type Activities
State aid	\$ 45,831	\$ 234
Other	53,759	886
Federal aid	323,115	7,473
	<u>\$ 422,705</u>	<u>\$ 8,593</u>

NOTE 5: CAPITAL RESERVE ACCOUNT

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5: CAPITAL RESERVE ACCOUNT (CONTINUED)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The June 30, 2019, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2018	\$ 384,870
Interest earnings	1,851
Board resolution	0
Ending balance, June 30, 2019	<u>\$ 386,721</u>

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2019.

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	\$ 110,027			\$ 110,027
Total capital assets not being depreciated	<u>110,027</u>			<u>110,027</u>
Land improvements	860,037		\$ 4,850	855,187
Building & building improvements	31,769,032	\$ 34,431		31,803,463
Machinery & equipment	1,983,899	83,669	466,623	1,600,945
Totals at historical cost	<u>34,612,968</u>	<u>118,100</u>	<u>471,473</u>	<u>34,259,595</u>
Less: accumulated depreciation				
Land improvements	(513,961)	(24,334)	701	(537,594)
Building & building improvements	(14,520,451)	(619,484)		(15,139,935)
Machinery & equipment	(1,272,536)	(96,420)	451,287	(917,669)
Total accumulated depreciation	<u>(16,306,948)</u>	<u>(740,238)</u>	<u>451,988</u>	<u>(16,595,198)</u>
Governmental activities capital assets, net	<u>\$ 18,416,047</u>	<u>\$ (622,138)</u>	<u>\$ (19,485)</u>	<u>\$ 17,774,424</u>
Business-type activities:				
Machinery & equipment	\$ 414,569	\$ 18,753	\$ 2,946	\$ 430,376
Less: accumulated depreciation	(394,602)	(4,601)	245	(398,958)
Business-type capital assets, net	<u>\$ 19,967</u>	<u>\$ 14,152</u>	<u>\$ (2,701)</u>	<u>\$ 31,418</u>

Depreciation was charged to the following governmental programs:

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6: CAPITAL ASSETS (CONTINUED)

Instruction	\$ 30,685
Support administration	6,942
Transportation	11,602
Operation and maintenance	3,953
Unallocated	687,056
Total	<u>\$ 740,238</u>

NOTE 7: GENERAL LONG-TERM DEBT

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

Permanently funded debt as of June 30, 2019, consisted of the following:

\$7,580,000 Refunding Bonds of 2011 dated December 8, 2011, payable in annual installments through March 1, 2020. Interest is paid semi-annually at an interest rate of 5%. The remaining balance as of June 30, 2019, was \$815,000.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2019, are as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Business-type:					
Compensated absences	\$ 21,397	\$ 2,228		\$ 23,625	
Governmental:					
Compensated absences	768,370	77,338	\$ 27,461	818,247	\$ 52,200
Unamortized premium	71,435		57,146	14,289	14,289
Serial bonds payable	1,710,000		895,000	815,000	815,000
	<u>\$ 2,549,805</u>	<u>\$ 77,338</u>	<u>\$ 979,607</u>	<u>\$ 1,647,536</u>	<u>\$ 881,489</u>

Bonds Payable

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

Year Ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u> <u>2020</u>	<u>\$ 815,000</u>	<u>\$ 60,750</u>	<u>\$ 875,750</u>

Bonds Authorized but Not Issued

As of June 30, 2019, the Board has \$0 of bonds authorized but not issued.

Defeased Debt

On December 8, 2011, the District issued refunding school bonds in the amount of \$7,580,000, with interest rates varying from 2% to 5% to advance refund bonds in the amount of \$7,960,000, with interest rates varying from 3.75% to 5%. After paying issuance costs, the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Defeased Debt (Continued)

called. The bonds were called for redemption on March 1, 2012. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the District's financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$872,422.

Other

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

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

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

For the year ended June 30, 2019, it is not necessary for the Board to establish a liability for arbitrage rebate.

NOTE 8: PENSION FUNDS

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

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: PENSION FUNDS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued) -certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional, and certified titles.

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

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The TPAF and PERS provide for 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums.

The District's contributions to the PERS for the years ending June 30, 2019, 2018, and 2017, were \$280,186, \$261,897, and \$276,848, respectively, equal to the required contributions and retro adjustments for each year. The School District's contributions for the TPAF for the years ending June 30, 2019, 2018, and 2017, were \$2,549,755, \$2,207,836, and \$1,803,561, respectively, were paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2019, 2018, and 2017; \$695,796, \$666,792, and \$664,441 for the employer's share of Social Security contributions for the TPAF members, as calculated on their base salaries. This amount has been included in the financial statements and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASBS No. 27.

The Board's total payroll for the years ended June 30, 2019, 2018, and 2017, was \$13,805,130, \$13,349,134, and \$13,239,070, covered payroll was \$10,080,521, \$9,734,220, and \$9,587,483 for the TPAF and \$2,120,524, \$2,029,668, and \$2,142,424 for the PERS.

For the year ended June 30, 2019, the District recognized pension expense of \$49,600. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: PENSION FUNDS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		\$ 1,442,830
Net difference between projected and actual earnings on pension plan investments		30,461
Difference between expected and actual experience		29,283
Changes in proportion and differences between District contributions and proportionate share of contributions		435,355
District contributions subsequent to the measurement date	\$ 278,959	
	\$ 278,959	\$ 1,937,929

\$278,959, 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) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2020	\$ (229,765)
2021	(392,431)
2022	(746,816)
2023	(460,919)
2024	(107,998)
Thereafter	0
	\$ (1,937,929)

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

	June 30, 2018	June 30, 2017
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's proportion	0.0280451900%	0.0279072644%

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et seq.). The DCRP provides eligible members, and their beneficiaries,

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (Continued) – with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The District's contributions to DCRP for the years ending June 30, 2019, 2018, and 2017, were \$40,133, \$35,247, and \$22,482.

NOTE 9: POSTEMPLOYMENT BENEFITS

The State provides post-retirement 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 post-retirement 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.

The State funds post-retirement 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.

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.

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer 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 School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School 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 board of education/board of trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2019, was \$45,083,614. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <https://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF) See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.87%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Pre-retirement 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. Post-retirement 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 the TPAF, PERS, and PFRS, respectively.

The below table summarizes the changes in the Total OPEB liability reported by the State of New Jersey:

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

	Total OPEB Liability
Balance at June 30, 2017	\$ 53,639,841,858
Changes for the year:	
Service cost	1,984,642,729
Interest	1,970,236,232
Changes of benefit terms	-
Differences between expected and actual experience	(5,002,065,740)
Changes in assumptions or other inputs	(5,291,448,855)
Contributions - Member	42,614,005
Benefit payments	(1,232,987,247)
Net changes	(7,529,008,876)
Balance at June 30, 2018	\$ 46,110,832,982

There were no changes in benefit terms from 2017 to 2018.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017 to 3.87% in 2018.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District using a discount rate of 3.87%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	2.87%	3.87%	4.87%
Total OPEB Liability (School Retirees)	\$ 53,298,356	\$ 45,083,614	\$ 38,554,269

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,663,026	\$ 45,083,614	\$ 62,256,282

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates (Continued)

	June 30, 2018	June 30, 2017
Collective deferred outflows of resources	\$ 1,377,313,892	\$ 99,843,255
Collective deferred inflows of resources	16,189,378,926	6,443,612,287
Collective OPEB Expense	<u>2,129,660,368</u>	<u>3,348,490,523</u>
District's proportion	0.10%	0.10%

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the Board of Education recognized \$1,864,531 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018, measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (4,476,086,167)
Changes of assumptions or other inputs		<u>(10,335,978,867)</u>
Total	<u>None</u>	<u>\$ (14,812,065,034)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	(5,685,972,069)
	<u>\$ (14,812,065,034)</u>

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.
MetLife

NOTE 11: COMPENSATED ABSENCES

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

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

For the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the Governmental Fund at June 30, 2019, is \$818,247. The liability for compensated absences in the Food Service Fund at June 30, 2019, is \$23,625.

NOTE 12: EMPLOYEE BENEFITS

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

NOTE 13: LABOR CONTRACTS

As of June 30, 2019, there are the following collective bargaining units in the Mantua Township Board of Education. Contracts are continually being negotiated and the following table shows their current status.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 13: LABOR CONTRACTS (CONTINUED)

	<u>Category</u>	<u>Expiration</u>	<u>Covers</u>
Education Association	Teachers	6/30/2020	All teachers, teaching assistants, nurses, social workers, etc., excluding administrators
Administrator's Association	Administrators	6/30/2020	Principals, Vice-Principals, supervisor of curriculum, and supervisor of special education

NOTE 14: RISK MANAGEMENT

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

Property and Liability Insurance:

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

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

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

NOTE 15: OPERATING LEASES

The District has commitments to lease copiers under non-cancelable operating leases spanning 48 months. Monthly payments range from \$342 - \$1,596 per month. Total lease payments made during the year ended June 30, 2019, amounted to \$58,795. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2020	\$ 51,756
2021	51,230
	<u>\$ 102,986</u>

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 16: FUND BALANCE APPROPRIATED

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

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

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

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance - The District had no non-spendable fund balance at June 30, 2019.

Restricted Fund Balance:

Capital Reserve Account - Of the \$386,721 balance in the capital reserve account at June 30, 2019, \$0 has been designated for utilization in the 2019-2020 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

Maintenance Reserve Account - Of the \$408,057 balance in the maintenance reserve account at June 30, 2019, \$0 has been designated for utilization in the 2019-2020 budget. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Excess Surplus - At June 30, 2019, excess surplus created in FY 2018 of \$678,415, will be utilized for expenditures in the 2019-2020 budget, while excess surplus created in FY 2019 of \$253,684 is restricted and will be utilized for budget expenditures in 2020-2021.

Debt Service Fund - At June 30, 2019, there was \$0 fund balance.

Committed Fund Balance - The District had no committed fund balance at June 30, 2019.

Assigned Fund Balance - As of June 30, 2019, the District had \$523,555 of assigned fund balance. The balance consisted of \$523,555 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, \$0 funds designated for subsequent year's expenditures that the District has appropriated and included as anticipated revenue for the year ending June 30, 2019.

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)

Unassigned Fund Balance - At June 30, 2019, the District has (\$229,226) of unassigned fund balance in the General Fund.

NOTE 17: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019, is \$932,099.

NOTE 18: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$229,226 (Exhibit B-1) in the General Fund and \$165,974 in the Special Revenue Fund as of June 30, 2019, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event June state school aid payments are not made until the following school budget year, districts must record the June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, and liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

NOTE 19: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 41.5% of the District's 2018-2019 Governmental Fund revenue, while local tax levy accounted for approximately 55.2%.

NOTE 20: INTERFUND RECEIVABLES AND PAYABLES

The interfund balances remaining on the balance sheet at June 30, 2019:

	<u>From</u>	<u>To</u>
General fund	\$ 10,080	
Agency fund		\$ 10,080
	<u>\$ 10,080</u>	<u>\$ 10,080</u>

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 21: COMMITMENTS AND CONTINGENCIES

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

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

NOTE 22: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district Board of Education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Mantua did not have any tax abatement disclosures for the year ended December 31, 2018.

NOTE 23: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and November 19, 2019, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 13,199,012		\$ 13,199,012	\$ 13,199,012	
Tuition from individuals	240,000		240,000	6,504	\$ (233,496)
Tuition from other LEA's within state	40,000		40,000	147,678	107,678
Interest on investments	5,000		5,000	18,883	13,883
Interest on capital reserve funds	100		100	1,851	1,751
Miscellaneous	51,514		51,514	81,361	29,847
Total - local sources	13,535,626		13,535,626	13,455,289	(80,337)
State sources:					
Equalization aid	5,286,989		5,286,989	5,286,989	
Special education aid	731,840		731,840	731,840	
Security aid	24,998		24,998	24,998	
Transportation aid	92,254		92,254	92,254	
Extraordinary aid				7,768	7,768
Nonpublic transportation aid				2,900	2,900
Teachers' pension and annuity fund (on-behalf non-budgeted)				1,752,505	1,752,505
TPAF post-retirement (on-behalf non-budgeted)				794,933	794,933
TPAF long-term disability (on-behalf non-budgeted)				2,317	2,317
Reimbursed TPAF social security contributions (non-budgeted)				695,796	695,796
Total - state sources	6,136,081		6,136,081	9,392,300	3,256,219
Federal sources:					
Medicaid reimbursement	17,736		17,736	37,192	19,456
Total - federal sources	17,736		17,736	37,192	19,456
Total revenues	\$ 19,689,443		\$ 19,689,443	\$ 22,884,781	\$ 3,195,338

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	\$ 81,531	\$ (54,153)	\$ 27,378	\$ 20,395	\$ 6,983
Kindergarten	542,000	(31,116)	510,884	506,694	4,190
Grades 1-5	3,700,900	133,233	3,834,133	3,822,324	11,809
Grades 6-8	576,300	60,691	636,991	636,962	29
Regular programs - home instruction:					
Salaries of teachers	5,000	(3,800)	1,200	912	288
Regular programs - undistributed instruction:					
Other salaries for instruction	31,000	63,665	94,665	94,645	20
Other purchased services (400-500 series)	600	(185)	415	130	285
General supplies	338,853	32,911	371,764	312,036	59,728
Textbooks	14,052	(9,973)	4,079	3,515	564
Miscellaneous expenditures	1,500	61,850	63,350	10,595	52,755
Total regular programs	5,291,736	253,123	5,544,859	5,408,208	136,651
Learning and/or language disabilities:					
Salaries of teachers	39,450	(130)	39,320	37,316	2,004
Other salaries for instruction	57,700	(8,190)	49,510	44,508	5,002
General supplies	10,299	(2,800)	7,499	5,141	2,358
Total learning and/or language disabilities	107,449	(11,120)	96,329	86,965	9,364
Multiple disabilities:					
Salaries of teachers	132,300	(18,486)	113,814	113,617	197
Other salaries for instruction	178,100	(83,780)	94,320	77,792	16,528
General supplies	4,363		4,363	4,218	145
Total multiple disabilities	314,763	(102,266)	212,497	195,627	16,870
Resource room:					
Salaries of teachers	1,931,000	(69,896)	1,861,104	1,859,920	1,184
Other salaries for instruction	299,600	(62,664)	236,936	231,434	5,502
General supplies	12,066		12,066	9,236	2,830
Textbooks	765		765		765
Total resource room	2,243,431	(132,560)	2,110,871	2,100,590	10,281
Preschool disabilities - part-time:					
Salaries of teachers	224,000	(13,711)	210,289	106,973	103,316
Other salaries for instruction	132,900	12,721	145,621	77,514	68,107
General supplies	743		743	621	122
Total preschool disabilities - part-time	357,643	(990)	356,653	185,108	171,545

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home instruction:					
Purchased professional - educational services	7,000		7,000		7,000
Total home instruction	7,000		7,000		7,000
Total special education	3,030,286	(246,936)	2,783,350	2,568,290	215,060
Basic skills/remedial:					
Salaries of teachers	882,200	(182,129)	700,071	689,838	10,233
Other salaries for instruction	45,800	61,727	107,527	98,043	9,484
General supplies	12,169	(2,400)	9,769	6,593	3,176
Total basic skills/remedial	940,169	(122,802)	817,367	794,474	22,893
Bilingual:					
Salaries of teachers	1,000	3,230	4,230	3,230	1,000
General supplies	510		510		510
Total bilingual	1,510	3,230	4,740	3,230	1,510
School sponsored co-curricular activities:					
Salaries	65,000		65,000	58,297	6,703
Total school sponsored co-curricular activities	65,000		65,000	58,297	6,703
School sponsored athletics - instruction:					
Salaries	1,000		1,000		1,000
Total school sponsored athletics - instruction	1,000		1,000		1,000
Total other instructional programs	1,007,679	(119,572)	888,107	856,001	32,106
Total - instruction	9,329,701	(113,385)	9,216,316	8,832,499	383,817
Undistributed expenditures:					
Instruction					
Tuition to other LEA's within state-regular	22,403		22,403	7,067	15,336
Total tuition	22,403		22,403	7,067	15,336
Health services:					
Salaries	311,750	(5,865)	305,885	261,256	44,629
Purchased professional/technical services	9,520	8,603	18,123	18,013	110
Other purchased services (400-500 series)	2,600		2,600	2,527	73
Supplies and materials	21,205	10,401	31,606	31,585	21
Total health services	345,075	13,139	358,214	313,381	44,833

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Related services:					
Salaries of teachers	508,500	30,000	538,500	503,691	34,809
General supplies	14,986		14,986	9,588	5,398
Total related services	523,486	30,000	553,486	513,279	40,207
Guidance services:					
Salaries of other professional staff	217,800	(112,006)	105,794	93,776	12,018
Purchased professional - education services	4,998	(1,829)	3,169	1,776	1,393
Purchased professional - technical services	28,960		28,960	27,175	1,785
Other purchased services (400-500 series)	300		300		300
Supplies and materials	4,095	558	4,653	3,808	845
Total guidance services	256,153	(113,277)	142,876	126,535	16,341
Child study team:					
Salaries of other professional staff	408,850	14,332	423,182	423,130	52
Salaries of secretarial and clerical assistants	76,500	(6,595)	69,905	67,443	2,462
Purchased professional - educational services	2,000	15,280	17,280	17,280	
Purchased professional - technical services	57,420	(10,903)	46,517	46,111	406
Other purchased services (400-500 series)	2,000	(1,276)	724	724	
Supplies and materials	24,907	(10,253)	14,654	14,186	468
Other objects	1,800	(585)	1,215	1,215	
Total child study team services	573,477		573,477	570,089	3,388
Improvement of instructional services/ other support services - instructional staff:					
Salaries of supervisors of instruction	54,600		54,600	54,589	11
Salaries of secretarial and clerical assistants	22,885		22,885	22,885	
Purchased professional - educational services	4,715		4,715	4,449	266
Other purchased services (400-500 series)	3,060		3,060	1,406	1,654
Supplies and materials	9,384		9,384	7,767	1,617
Other objects	1,020		1,020	976	44
Total improvement of instructional services/ other support services - instructional staff	95,664		95,664	92,072	3,592
Educational media services/school library:					
Salaries	141,200		141,200	137,399	3,801
Other purchased services (400-500 series)	3,800		3,800	3,726	74
Supplies and materials	29,892	(5,315)	24,577	21,763	2,814
Total educational media services/school library	174,892	(5,315)	169,577	162,888	6,689

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional staff training:					
Salaries of supervisors of instruction	54,600	(1)	54,599	54,589	10
Salaries of secretarial and clerical assistants	22,885	1	22,886	22,885	1
Purchased professional - educational services	102	1,089	1,191	1,191	
Purchased professional - technical services	3,060	(1,089)	1,971	1,275	696
Other purchased services (400-500 series)	44,060	(530)	43,530	34,214	9,316
Supplies and materials	1,530		1,530	256	1,274
Total instructional staff training	126,237	(530)	125,707	114,410	11,297
Support services general administration:					
Salaries	213,608		213,608	213,273	335
Legal services	10,000	(6,433)	3,567	3,567	
Audit fees	15,500		15,500	15,500	
Other professional services	14,500	29,006	43,506	42,506	1,000
Purchased technical services		10,302	10,302	10,301	1
Communications/telephone	99,084	(5,667)	93,417	93,416	1
Other purchased services (400-500 series)	94,500	(14,400)	80,100	80,099	1
Supplies and materials	20,169	(5,141)	15,028	14,970	58
Miscellaneous expenditures	7,450	(3,278)	4,172	4,171	1
BOE member dues/fees	9,500	(344)	9,156	9,155	1
Total support services general administration	484,311	4,045	488,356	486,958	1,398
Support services school administration:					
Salaries of principals/assistant principals	429,100	(9,558)	419,542	394,544	24,998
Salaries of secretarial and clerical assistants	245,800	6,533	252,333	251,495	838
Purchased professional - educational services	31,150	(12,299)	18,851	16,110	2,741
Other purchased services (400-500 series)	2,875	(496)	2,379	685	1,694
Supplies and materials	45,000	12,334	57,334	52,445	4,889
Other objects	2,225	2,285	4,510	4,326	184
Total support services school administration	756,150	(1,201)	754,949	719,605	35,344
Central services:					
Salaries	264,000	(16,426)	247,574	246,792	782
Purchased technical services	29,000	(10,130)	18,870	18,870	
Other purchased services (400-500 series)	1,500	(794)	706	705	1
Supplies and materials	6,150	(3,935)	2,215	2,205	10
Other objects	2,250	6,208	8,458	8,422	36
Total central services	302,900	(25,077)	277,823	276,994	829

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administration information technology:					
Salaries	111,000	(865)	110,135	110,115	20
Purchased technical services	21,000	(21,000)			
Other purchased services (400-500 series)	32,200	(21,581)	10,619	10,618	1
Supplies and materials	63,160	86,614	149,774	106,739	43,035
Total administration information technology	227,360	43,168	270,528	227,472	43,056
Required maintenance:					
Cleaning, repair, and maintenance services	166,922	211,127	378,049	247,011	131,038
General supplies	29,112	33,834	62,946	56,115	6,831
Total required maintenance	196,034	244,961	440,995	303,126	137,869
Custodial services:					
Salaries non-instructional aides	242,500	7,624	250,124	247,860	2,264
Other salaries	690,100	(10,688)	679,412	679,361	51
Purchased professional - technical services	6,500	(2,537)	3,963	3,588	375
Cleaning, repair, and maintenance services	90,000	(30,917)	59,083	59,082	1
Rental of land, building & other lease purchases	4,400		4,400	4,400	
Other purchased property services	37,500	1,055	38,555	38,554	1
Insurance	100,000	(3,835)	96,165	96,065	100
Miscellaneous purchased services	13,275		13,275	13,089	186
General supplies	54,895	1,761	56,656	56,506	150
Natural gas	60,000	(9,625)	50,375	50,375	
Electricity	465,000	(26,286)	438,714	438,304	410
Total custodial services	1,764,170	(73,448)	1,690,722	1,687,184	3,538
Security services:					
General supplies	55,000	(37,450)	17,550	17,550	
Total security services	55,000	(37,450)	17,550	17,550	
Total operation & maintenance of plant services	2,015,204	134,063	2,149,267	2,007,860	141,407
Student transportation services:					
Contracted services (other than between home and school) - vendors	90,000	(16,039)	73,961	73,961	
Contracted services (between home and school) - joint agreements	785,000	(5,811)	779,189	779,189	
Contracted services (special education students) - vendors	65,500	11,244	76,744	76,243	501
Aid in lieu - nonpublic	15,000	(4,000)	11,000	11,000	
Total student transportation services	955,500	(14,606)	940,894	940,393	501

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits:					
Social security contributions	285,000	(13,615)	271,385	270,867	518
Other retirement contributions - PERS	326,000	1,993	327,993	320,951	7,042
Unemployment compensation	55,000	4,091	59,091	59,091	
Workers' compensation	160,000	(11,976)	148,024	141,751	6,273
Health benefits	3,270,019	(271,212)	2,998,807	2,963,049	35,758
Tuition reimbursement	58,000		58,000	49,055	8,945
Other employee benefits		22,095	22,095	22,095	
Unused sick payments	18,600	33,600	52,200	52,200	
Total unallocated benefits	4,172,619	(235,024)	3,937,595	3,879,059	58,536
Teachers' pension and annuity fund (on-behalf non-budgeted)				1,752,505	(1,752,505)
TPAF post-retirement (on-behalf non-budgeted)				794,933	(794,933)
TPAF long-term disability (on-behalf non-budgeted)				2,317	(2,317)
Reimbursed TPAF social security contributions (non-budgeted)				695,796	(695,796)
Total non-budgeted				3,245,551	(3,245,551)
	11,031,431	(170,615)	10,860,816	13,683,613	(2,822,797)
Total expenditures - current expense	20,361,132	(284,000)	20,077,132	22,516,112	(2,438,980)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Required maintenance	58,817		58,817	58,817	
Total equipment	58,817		58,817	58,817	
Facilities acquisition and construction services:					
Construction services		284,000	284,000		284,000
Total capital outlay	58,817	284,000	342,817	58,817	284,000
Transfer of funds to charter schools	16,956		16,956	16,956	
Total expenditures	20,436,905		20,436,905	22,591,885	(2,154,980)
Excess (deficiency) of revenues over (under) expenditures	(747,462)		747,462	292,896	1,040,358
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(747,462)		747,462	292,896	1,040,358
Fund balances - July 1	2,355,131		2,355,131	2,355,131	
Fund balances - June 30	\$ 1,607,668		\$ 3,102,593	\$ 2,648,027	\$ 1,040,358

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 386,721	
Maintenance reserve				408,057	
Excess surplus - designated for subsequent year's expenditures				678,415	
Excess surplus - current year				253,684	
Assigned fund balance:					
Year-end encumbrances				523,555	
Unassigned fund balance				397,595	
				<u>2,648,027</u>	
Reconciliation to Governmental Fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(626,821)	
				<u>\$ 2,021,206</u>	
Fund balance per Governmental Funds (GAAP)					

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 423,000	\$ 136,890	\$ 559,890	\$ 527,131	\$ 32,759
State sources	76,500	1,648,012	1,724,512	861,367	863,145
Local sources	3,500	1,256	4,756		4,756
Total revenues	\$ 503,000	\$ 1,786,158	\$ 2,289,158	\$ 1,388,498	\$ 900,660
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 20,470	\$ 533,007	\$ 553,477	\$ 383,551	\$ 169,926
Other salaries for instruction	180,151	178,000	358,151	309,356	48,795
Purchased professional - educational services	40,731	20,000	60,731	43,372	17,359
General supplies	8,108	170,025	178,133	168,423	9,710
Tuition	202,651		202,651	190,085	12,566
Textbooks	6,835		6,835	6,302	533
Total Instruction	458,946	901,032	1,359,978	1,101,089	258,889
Support services:					
Salaries		80,000	80,000	80,000	
Salaries of program directors		28,584	28,584	28,583	1
Salaries of other professional staff		5,739	5,739		5,739
Salaries of secretarial and clerical assistants		25,921	25,921	25,920	1
Other salaries		53,942	53,942	52,462	1,480
Salaries of community parent involvement specialist		8,906	8,906		8,906
Salaries of master teachers		30,000	30,000		30,000
Personal services - employee benefits	16,411	235,868	252,279	32,585	219,694
Cleaning, repair and maintenance services		168,000	168,000	17,980	150,020
Contracted transportation regular vendors		160,000	160,000		160,000
Other purchased professional services		10,000	10,000		10,000
General supplies	27,643	23,257	50,900	49,879	1,021
Total support services	44,054	830,217	874,271	287,409	586,862
Facilities acquisition and construction					
Instructional equipment		54,909	54,909		54,909
Total facilities acquisition and construction		54,909	54,909		54,909
Total expenditures	\$ 503,000	\$ 1,786,158	\$ 2,289,158	\$ 1,388,498	\$ 900,660

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

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

	General Fund		Special Revenue Fund
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 22,884,781	[C-2]	\$ 1,388,498
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(626,821)		(165,974)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	608,251		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	[B-2] \$ 22,866,211	[B-2]	\$ 1,222,524
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 22,591,885	[C-2]	\$ 1,388,498
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	[B-2] \$ 22,591,885	[B-2]	\$ 1,388,498

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	Fiscal Year Ended					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0280451900%	0.0279072644%	0.0310216604%	0.0333284169%	0.0322312771%	0.0304832417%
District's proportionate share of the net pension liability (asset)	\$ 5,521,957	\$ 6,496,365	\$ 9,187,726	\$ 7,481,562	\$ 6,034,577	\$ 5,825,953
District's covered-employee payroll	2,029,668	2,142,424	2,133,750	2,275,474	2,505,319	2,508,414
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	272.06%	303.22%	430.59%	328.79%	240.87%	232.26%
Plan fiduciary net position as a percentage of the total pension liability	53.59%	48.10%	40.13%	47.92%	52.08%	48.72%
Measurement date	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

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

	Fiscal Year Ended					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 278,959	\$ 258,531	\$ 275,592	\$ 286,535	\$ 265,710	\$ 229,685
Contributions in relation to the contractually required contribution	278,959	258,531	275,592	286,535	265,710	229,685
Contribution deficiency (excess)	None	None	None	None	None	None
District's covered-employee payroll	\$ 2,029,668	\$ 2,142,424	\$ 2,133,750	\$ 2,275,474	\$ 2,505,319	\$ 2,508,414
Contributions as a percentage of covered-employee payroll	13.74%	12.07%	12.92%	12.59%	10.61%	9.16%
Measurement date	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

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

	Fiscal Year Ended					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0888403462%	0.0873415700%	0.0845201634%	0.0829610868%	0.0838737081%	0.0836229160%
District's proportionate share of the net pension liability (asset)	\$ 56,518,320	\$ 58,888,836	\$ 66,488,942	\$ 52,434,950	\$ 44,827,767	\$ 42,262,364
District's covered- employee payroll	9,734,220	9,587,483	9,668,172	9,220,197	8,909,304	8,470,859
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	580.61%	614.23%	687.71%	568.70%	503.16%	498.91%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%
Measurement date	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

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

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

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

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

MANTUA TOWNSHIP SCHOOL DISTRICT
Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Two Fiscal Years

	Fiscal Year Ended	
	2019	2018
Total OPEB Liability		
Service cost	\$ 2,032,401	\$ 2,450,752
Interest	2,025,308	1,744,639
Changes of benefit terms		
Differences between expected and actual experience	(7,753,928)	
Changes of assumptions or other inputs	(5,173,570)	(7,223,647)
Member contributions	41,665	47,009
Benefit payments	(1,205,520)	(1,276,633)
Net change in total OPEB liability	(10,033,644)	(4,257,880)
Total OPEB liability - beginning	55,117,258	59,375,138
Total OPEB liability - ending	<u>\$ 45,083,614</u>	<u>\$ 55,117,258</u>
Covered employee payroll	\$ 11,763,888	\$ 11,729,907
Total OPEB liability as a percentage of covered employee payroll	383.24%	469.89%

Notes to Schedule:*Changes of benefit terms:*

There were no changes in benefit terms during the year.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

3.87%	3.58%
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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTES RELATED TO PENSIONS

NOTE 1: CONTRIBUTIONS

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

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 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	3.08%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.00%

Pre-Retirement mortality rates were based on the RP-2000 Employee Pre-Retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 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 Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 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.

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

**MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with NJSA 52:14-17.32f. According to NJSA 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires on a disability pension from one or more of the following plans: the Teacher's Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer 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 total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016. 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%
Salary increases (TPAF):	
Through 2026	1.55 – 4.55% based on years of service
Thereafter	2.00 – 5.45% based on years of service
Salary increases (PERS):	
Through 2026	2.15 – 4.15% based on age
Thereafter	3.15 – 5.15% based on age

Pre-retirement healthy 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. Post-retirement 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 and July 1, 2011 - June 30, 2014, for the TPAF and PERS, respectively.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

MANTUA TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Total Brought Forward Ex. E-1a	Nonpublic Handicapped Services			Totals	
		Supplemental Instruction	Exam & Classification	Corrective Speech	FY 2019	FY 2018
REVENUES:						
Federal sources	\$ 527,131				\$ 527,131	\$ 559,128
State sources	844,548	\$ 1,110	\$ 4,549	\$ 11,160	861,367	49,935
Local sources						4,101
Total revenues	\$ 1,371,679	\$ 1,110	\$ 4,549	\$ 11,160	\$ 1,388,498	\$ 613,164
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 383,551				\$ 383,551	\$ 146,384
Other salaries for instruction	309,356				309,356	199,823
Purchased educational services	43,372				43,372	13,289
General supplies	168,423				168,423	9,082
Tuition	173,266	\$ 1,110	\$ 4,549	\$ 11,160	190,085	89,958
Textbooks	6,302				6,302	7,295
Total instruction	1,084,270	1,110	4,549	11,160	1,101,089	465,831
Support services:						
Salaries	80,000				80,000	85,000
Salaries of program directors	28,583				28,583	
Salaries of secretarial and clerical assistants	25,920				25,920	
Other salaries	52,462				52,462	
Personal services - employee benefits	32,585				32,585	62,333
Cleaning, repair and maintenance services	17,980				17,980	
General supplies	49,879				49,879	
Total support services	287,409				287,409	147,333
Total expenditures	\$ 1,371,679	\$ 1,110	\$ 4,549	\$ 11,160	\$ 1,388,498	\$ 613,164

MANTUA TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Total Brought Forward Ex. E-1b	Preschool Expansion Aid Ex. E-2	IDEA Basic	IDEA Preschool	Title II, Part A Teacher & Principal Training & Recruiting	Title I Part A	Total Carried Forward
REVENUES:							
Federal sources			\$ 365,432	\$ 35,454	\$ 26,259	\$ 99,986	\$ 527,131
State sources	\$ 77,822	\$ 766,726					844,548
Total revenues	\$ 77,822	\$ 766,726	\$ 365,432	\$ 35,454	\$ 26,259	\$ 99,986	\$ 1,371,679
EXPENDITURES:							
Instruction:							
Salaries of teachers		\$ 336,848		\$ 26,233	\$ 20,470		\$ 383,551
Other salaries for instruction		129,659	\$ 79,711			\$ 99,986	309,356
Purchased educational services	\$ 12,416	11,447	19,509				43,372
General supplies	4,596	163,827					168,423
Tuition	15,629		157,637				173,266
Textbooks	6,302						6,302
Total instruction	38,943	641,781	256,857	26,233	20,470	99,986	1,084,270
Support services:							
Salaries			80,000				80,000
Salaries of program directors		28,583					28,583
Salaries of secretarial and clerical assistants		25,920					25,920
Other salaries		52,462					52,462
Personal services - employee benefits			17,575	9,221	5,789		32,585
Cleaning, repair and maintenance services		17,980					17,980
General supplies	38,879		11,000				49,879
Total support services	38,879	124,945	108,575	9,221	5,789		287,409
Total expenditures	\$ 77,822	\$ 766,726	\$ 365,432	\$ 35,454	\$ 26,259	\$ 99,986	\$ 1,371,679

MANTUA TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Nonpublic Auxiliary Services</u>			Nonpublic	Nonpublic	Nonpublic	Total
	<u>Compensatory</u>	<u>Transportation</u>	<u>Nonpublic</u>	<u>Nursing</u>	<u>Security</u>	<u>Textbooks</u>	<u>Carried</u>
	<u>Education</u>		<u>Technology</u>	<u>Services</u>			<u>Forward</u>
REVENUES:							
State sources	\$ 14,382	\$ 1,247	\$ 4,596	\$ 12,416	\$ 38,879	\$ 6,302	\$ 77,822
Total revenues	<u>\$ 14,382</u>	<u>\$ 1,247</u>	<u>\$ 4,596</u>	<u>\$ 12,416</u>	<u>\$ 38,879</u>	<u>\$ 6,302</u>	<u>\$ 77,822</u>
EXPENDITURES:							
Instruction:							
Purchased educational services				\$ 12,416			\$ 12,416
General supplies			\$ 4,596				4,596
Tuition	\$ 14,382	\$ 1,247					15,629
Textbooks						\$ 6,302	6,302
Total instruction	<u>14,382</u>	<u>1,247</u>	<u>4,596</u>	<u>12,416</u>		<u>6,302</u>	<u>38,943</u>
Support services:							
General supplies					\$ 38,879		38,879
Total support services					<u>38,879</u>		<u>38,879</u>
Total expenditures	<u>\$ 14,382</u>	<u>\$ 1,247</u>	<u>\$ 4,596</u>	<u>\$ 12,416</u>	<u>\$ 38,879</u>	<u>\$ 6,302</u>	<u>\$ 77,822</u>

MANTUA TOWNSHIP SCHOOL DISTRICT

Special Revenue Fund
Preschool Education/Expansion Aid Schedule of Expenditures -
Budgetary Basis

For the Fiscal Year Ended June 30, 2019

	Budgeted	Actual	Variance
Expenditures:			
Instruction:			
Salaries of teachers	\$ 506,774	\$ 336,848	\$ 169,926
Other salaries of Instruction	173,376	129,659	43,717
Purchased educational services	20,000	11,447	8,553
General supplies	165,157	163,827	1,330
Total instruction	<u>865,307</u>	<u>641,781</u>	<u>223,526</u>
Support services:			
Salaries of program directors	28,584	28,583	1
Salaries of other professional staff	5,739		5,739
Salaries of secretarial and clerical assistants	25,921	25,920	1
Other salaries	53,942	52,462	1,480
Salaries of community parent involvement specialist	8,906		8,906
Salaries of master teachers	30,000		30,000
Personal services - employee benefits	213,447		213,447
Other purchased professional services	10,000		10,000
Cleaning, repair and maintenance services	168,000	17,980	150,020
Contracted transportation regular vendors	160,000		160,000
Total support services	<u>704,539</u>	<u>124,945</u>	<u>579,594</u>
Facilities acquisition and construction services:			
Instructional equipment	54,909		54,909
Total facilities acquisition and construction services	<u>54,909</u>		<u>54,909</u>
Total expenditures	<u>\$ 1,624,755</u>	<u>\$ 766,726</u>	<u>\$ 858,029</u>

CALCULATION OF BUDGET AND CARRYOVER

Total revised 2018-2019 Preschool Education Aid allocation	\$ 1,624,755
Add: Actual ECPA Carryover (June 30, 2018)	
Add: Budgeted transfer from the General Fund 2018-2019	
Total Preschool Education Aid Funds available for 2018/2019 budget	<u>1,624,755</u>
Less: 2018-2019 budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>1,624,755</u>
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2019	
Add: June 30, 2019, unexpended Preschool Education Aid	858,029
2018-2019 Carryover - Preschool Education Aid/Preschool	
2018-2019 Preschool Education Aid carryover budgeted for Preschool programs 2018-2019	

PROPRIETARY FUNDS

MANTUA TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2019

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2019	FY 2018
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 53,301	\$ 135,946	\$ 189,247	\$ 332,485
Accounts receivable:				
State	234		234	274
Federal	7,473		7,473	8,433
Other		886	886	886
Inventory	12,158		12,158	11,051
Total current assets	<u>73,166</u>	<u>136,832</u>	<u>209,998</u>	<u>353,129</u>
Non-current assets				
Machinery and equipment	422,077	8,299	430,376	414,569
Less: accumulated depreciation	(397,575)	(1,383)	(398,958)	(394,602)
Total non-current assets	<u>24,502</u>	<u>6,916</u>	<u>31,418</u>	<u>19,967</u>
Total assets	<u>97,668</u>	<u>143,748</u>	<u>241,416</u>	<u>373,096</u>
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable		325	325	416
Compensated absences	23,625		23,625	21,397
Total current liabilities	<u>23,625</u>	<u>325</u>	<u>23,950</u>	<u>21,813</u>
Net Position:				
Invested in capital assets, net of related debt	24,502	6,916	31,418	19,967
Unrestricted	49,541	136,507	186,048	331,316
Total net position	<u>\$ 74,043</u>	<u>\$ 143,423</u>	<u>\$ 217,466</u>	<u>\$ 351,283</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2019	FY 2018
OPERATING REVENUES:				
Local sources:				
Daily sales - reimbursable programs:	\$ 159,803		\$ 159,803	\$ 144,530
Daily sales - non-reimbursable programs	85,637		85,637	84,797
Special function/miscellaneous	237		237	31
Tuition		\$ 451,295	451,295	442,257
Total operating revenue	245,677	451,295	696,972	671,615
OPERATING EXPENSES:				
Salaries	152,881	321,824	474,705	556,177
Employee benefits	10,591	25,067	35,658	41,746
Supplies and materials	71,300	167,050	238,350	91,565
Other purchased services (300-500 series)	4,124		4,124	
Purchased property services	14,593		14,593	4,269
Cleaning, repair and maintenance services				10,619
Depreciation	3,702	899	4,601	1,823
Cost of sales - reimbursable program	161,355		161,355	144,121
Cost of sales - non-reimbursable program	46,297		46,297	38,962
Miscellaneous other expenses	1,690	26,334	28,024	31,997
Total operating expenses	466,533	541,174	1,007,707	921,279
Operating income (loss)	(220,856)	(89,879)	(310,735)	(249,664)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	4,438		4,438	4,325
Federal sources:				
National school lunch program	123,775		123,775	119,250
Breakfast program	21,295		21,295	17,677
Food distribution program	30,111		30,111	32,112
Gain (loss) on disposal of assets	(2,701)		(2,701)	6,574
Total non-operating revenues (expenses)	176,918		176,918	179,938
Net income (loss) before contributions	(43,938)	(89,879)	(133,817)	(69,726)
Total net position - July 1	117,981	233,302	351,283	421,009
Total net position - June 30	\$ 74,043	\$ 143,423	\$ 217,466	\$ 351,283

MANTUA TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2019	FY 2018
Cash flows from operating activities:				
Receipts from customers	\$ 245,677	\$ 451,295	\$ 696,972	\$ 671,771
Payments to suppliers	(270,771)	(193,059)	(463,830)	(326,589)
Payments to employees	(150,653)	(321,824)	(472,477)	(556,919)
Payments for employee benefits	(10,591)	(25,067)	(35,658)	(41,746)
Net cash provided (used) by operating activities	(186,338)	(88,655)	(274,993)	(253,483)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	150,508		150,508	140,909
Net cash provided by non-capital financing activities	150,508		150,508	140,909
Cash flows from investing activities:				
Capital expenditures	(18,753)		(18,753)	(11,245)
Net cash provided by investing activities	(18,753)		(18,753)	(11,245)
Net increase in cash and cash equivalents	(54,583)	(88,655)	(143,238)	(123,819)
Cash and cash equivalents - July 1	107,884	224,601	332,485	456,304
Cash and cash equivalents - June 30	\$ 53,301	\$ 135,946	\$ 189,247	\$ 332,485
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (220,856)	\$ (89,879)	\$ (310,735)	\$ (249,664)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	3,702	899	4,601	1,823
Food distribution program	30,111		30,111	32,112
Change in assets and liabilities:				
(Increase) decrease in inventory	(1,107)		(1,107)	(30)
(Increase) decrease in accounts receivable				156
Increase (decrease) in accounts payable	(416)	325	(91)	(37,138)
Increase (decrease) in compensated absences	2,228		2,228	(742)
	\$ (186,338)	\$ (88,655)	\$ (274,993)	\$ (253,483)

MANTUA TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2019

	Related Services FY 2019	Totals FY 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,147	\$ 57,777
Intergovernmental accounts receivable	42,965	
Total current assets	<u>\$ 64,112</u>	<u>\$ 57,777</u>
LIABILITIES AND NET POSITION		
Net position:		
Unrestricted	\$ 64,112	\$ 57,777
Total net position	<u>\$ 64,112</u>	<u>\$ 57,777</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Related Services FY 2019	Totals FY 2018
OPERATING REVENUES:		
Local sources:		
Other charges and fees	\$ 85,663	\$ 83,575
Total operating revenue	85,663	83,575
OPERATING EXPENSES:		
Salaries	79,328	77,828
Total operating expenses	79,328	77,828
Operating income (loss)	6,335	5,747
Net income (loss)	6,335	5,747
Total net position - July 1	57,777	52,030
Total net position - June 30	\$ 64,112	\$ 57,777

MANTUA TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Related Services FY 2019	Totals FY 2018
Cash flows from operating activities:		
Receipts from customers	\$ 42,698	\$ 83,575
Payments to employees	(79,328)	(77,828)
Net cash provided (used) by operating activities	(36,630)	5,747
Net increase in cash and cash equivalents	(36,630)	5,747
Cash and cash equivalents - July 1	57,777	52,030
Cash and cash equivalents - June 30	\$ 21,147	\$ 57,777
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 6,335	\$ 5,747
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(42,965)	
	\$ (36,630)	\$ 5,747

FIDUCIARY FUNDS

MANTUA TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	Scholarship Trust Fund	Agency Funds	Totals	
			FY 2019	FY 2018
ASSETS				
Cash and cash equivalents	\$ 926	\$ 67,078	\$ 68,004	\$ 55,982
Total assets	<u>\$ 926</u>	<u>67,078</u>	<u>68,004</u>	<u>55,982</u>
LIABILITIES				
Payroll deductions and withholdings		10,457	10,457	8,063
Due to student groups		46,541	46,541	36,718
Interfund payables:				
General fund		10,080	10,080	10,080
Total liabilities		<u>67,078</u>	<u>67,078</u>	<u>54,861</u>
NET POSITION				
Unreserved	\$ 926		926	1,121
Total net position	<u>\$ 926</u>		<u>\$ 926</u>	<u>\$ 1,121</u>

EXHIBIT H-2

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

	Scholarship Trust Fund	Totals	
		FY 2019	FY 2018
ADDITIONS:			
Contributions:			
Other			\$ 250
Investment earnings:			
Interest	\$ 5	\$ 5	1
Total additions	5	5	251
DEDUCTIONS:			
Scholarship payments	200	200	200
Change in net position	(195)	(195)	51
Net position - beginning of year	1,121	1,121	1,070
Net position - end of year	\$ 926	\$ 926	\$ 1,121

EXHIBIT H-3

MANTUA TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2019

	Balance July 1, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
ACTIVITIES:				
J. Mason Tomlin	\$ 3,363	\$ 43,096	\$ 34,723	\$ 11,736
Centre City	9,287	20,593	19,289	10,591
Sewell	8,700	1,254	3,196	6,758
District-wide	15,368	15,648	13,560	17,456
	\$ 36,718	\$ 80,591	\$ 70,768	\$ 46,541

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and cash equivalents	\$ 18,143	\$ 7,499,019	\$ 7,496,625	\$ 20,537
Total assets	<u>\$ 18,143</u>	<u>\$ 7,499,019</u>	<u>\$ 7,496,625</u>	<u>\$ 20,537</u>
LIABILITIES				
Employees' net pay		\$ 1,215,916	\$ 1,215,916	
Payroll deductions and withholdings	\$ 8,063	6,282,435	6,280,041	\$ 10,457
Interfund payable	10,080	668	668	10,080
Total liabilities	<u>\$ 18,143</u>	<u>\$ 7,499,019</u>	<u>\$ 7,496,625</u>	<u>\$ 20,537</u>

LONG-TERM DEBT

MANTUA TOWNSHIP SCHOOL DISTRICT
Schedule of Serial Bonds
June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2018	Refunded/ Issued	Retired	Balance June 30, 2019
			Date	Amount					
Refunding Bonds of 2011	12/08/11	\$ 7,580,000	03/01/20	\$ 815,000	5.000%	\$ 1,710,000	None	\$ 895,000	\$ 815,000

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 642,835		\$ 642,835	\$ 642,835	
State sources:					
Debt service aid type II	335,165		335,165	335,165	
Total revenues	<u>\$ 978,000</u>		<u>\$ 978,000</u>	<u>\$ 978,000</u>	
EXPENDITURES:					
Regular debt service:					
Interest	\$ 83,000		\$ 83,000	\$ 83,000	
Redemption of principal	895,000		895,000	895,000	
Total regular debt service	<u>978,000</u>		<u>978,000</u>	<u>978,000</u>	
Total expenditures	<u>\$ 978,000</u>		<u>\$ 978,000</u>	<u>\$ 978,000</u>	

**STATISTICAL SECTION
(UNAUDITED)**

**MANTUA TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

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.	109-114
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	115-118
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	119-122
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.	123-124
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.	125-129

MANTUA TOWNSHIP SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2019
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 11,828,652	\$ 12,614,208	\$ 13,136,960	\$ 13,771,147	\$ 14,640,335	\$ 15,278,865	\$ 15,744,806	\$ 16,029,625	\$ 16,634,634	\$ 16,941,112
Restricted	336,546	431,307	887,236	1,149,870	644,023	750,814	1,337,538	1,689,752	1,961,412	2,250,432
Unrestricted	(777,544)	(423,882)	(673,857)	(710,644)	(397,104)	(6,516,886)	(6,921,781)	(67,143,415)	(8,335,411)	(8,330,262)
Total governmental activities net position	<u>\$ 11,387,654</u>	<u>\$ 12,621,633</u>	<u>\$ 13,350,339</u>	<u>\$ 14,210,373</u>	<u>\$ 14,887,254</u>	<u>\$ 9,512,793</u>	<u>\$ 10,160,563</u>	<u>\$ (49,424,038)</u>	<u>\$ 10,260,635</u>	<u>\$ 10,861,282</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 25,650	\$ 24,892	\$ 21,064	\$ 7,225	\$ 3,134	\$ 1,714	\$ 4,626	\$ 3,971	\$ 19,967	\$ 31,418
Unrestricted	130,923	210,259	239,489	207,907	193,313	228,660	315,475	417,038	331,316	186,048
Total business-type activities net position	<u>\$ 156,573</u>	<u>\$ 235,151</u>	<u>\$ 260,553</u>	<u>\$ 215,132</u>	<u>\$ 196,447</u>	<u>\$ 230,374</u>	<u>\$ 320,101</u>	<u>\$ 421,009</u>	<u>\$ 351,283</u>	<u>\$ 217,466</u>
District-wide										
Invested in capital assets, net of related debt	\$ 11,854,302	\$ 12,639,100	\$ 13,158,024	\$ 13,778,372	\$ 14,643,469	\$ 15,280,579	\$ 15,749,432	\$ 16,033,596	\$ 16,654,601	\$ 16,972,530
Restricted	336,546	431,307	887,236	1,149,870	644,023	750,814	1,337,538	1,689,752	1,961,412	2,250,432
Unrestricted	(646,621)	(213,623)	(434,368)	(502,737)	(203,791)	(6,288,226)	(6,606,306)	(66,726,377)	(8,004,095)	(8,144,214)
	<u>\$ 11,544,227</u>	<u>\$ 12,856,784</u>	<u>\$ 13,610,892</u>	<u>\$ 14,425,505</u>	<u>\$ 15,083,701</u>	<u>\$ 9,743,167</u>	<u>\$ 10,480,664</u>	<u>\$ (49,003,029)</u>	<u>\$ 10,611,918</u>	<u>\$ 11,078,748</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
 Changes In Net Assets/Net Position
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2019
 Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 5,587,824	\$ 4,842,731	\$ 4,953,349	\$ 4,889,701	\$ 5,066,941	\$ 5,634,951	\$ 5,335,790	\$ 5,242,127	\$ 5,335,334	\$ 5,467,526
Special education	2,858,615	2,678,462	2,884,883	2,934,866	2,977,078	3,040,232	3,021,984	3,197,538	3,165,392	3,680,154
Other special education	631,131	639,737	979,109	865,581	892,729	899,205	977,692	840,861	995,189	872,363
Other instruction	25,728	23,010	25,680	27,558	38,082	39,950	43,717	55,164	59,876	58,297
Support services:										
Tuition	135,305	277,556	70,221							
Student and instruction and related services	1,899,942	1,729,085	1,765,268	1,888,699	1,980,664	1,959,900	2,120,664	2,022,595	2,040,551	2,113,093
General administration	343,445	326,272	369,843	398,969	393,533	378,003	383,830	414,145	404,896	488,951
School administrative services	826,899	738,464	736,617	710,083	734,176	714,276	714,895	787,267	708,063	713,070
Central services	134,749	178,605	194,168	186,202	153,580	204,758	219,780	214,941	248,830	277,849
Administrative information technology	170,371	193,570	176,294	156,603	170,226	123,971	168,687	157,593	196,050	228,169
Plant operations and maintenance	1,557,647	1,572,575	1,553,622	1,581,753	1,575,484	1,736,359	1,590,091	1,691,019	1,895,363	2,019,052
Pupil transportation	1,039,964	836,541	1,106,707	970,675	945,874	888,883	723,337	875,736	834,215	951,995
Employee benefits	4,605,251	4,709,802	5,081,005	5,401,156	5,632,643	5,906,225	6,433,133	7,381,027	9,582,240	8,792,367
Interest on long-term debt	573,537	505,788	299,776	238,165	207,756	168,557	129,457	93,331	67,440	29,899
Capital outlay			52,015	12,008	44,364					
Transfer to charter school			14,144					15,894	15,894	16,956
Unallocated depreciation	623,822	618,514	620,792	648,864	665,946	680,235	685,861	691,660	680,889	687,056
Total governmental activities expenses	<u>21,014,230</u>	<u>19,870,712</u>	<u>20,883,493</u>	<u>20,910,883</u>	<u>21,479,076</u>	<u>22,375,505</u>	<u>22,548,918</u>	<u>23,680,898</u>	<u>26,230,222</u>	<u>26,396,797</u>
Business-type activities:										
Food service	378,126	348,008	361,034	381,728	356,853	352,372	309,950	328,473	403,606	466,533
Childcare	354,111	298,792	308,492	284,346	291,810	312,397	352,368	358,180	517,673	541,174
Total business-type activities expense	<u>732,237</u>	<u>646,800</u>	<u>669,526</u>	<u>666,074</u>	<u>648,663</u>	<u>664,769</u>	<u>662,318</u>	<u>686,653</u>	<u>921,279</u>	<u>1,007,707</u>
Total District expenses	<u>\$ 21,746,467</u>	<u>\$ 20,517,512</u>	<u>\$ 21,553,019</u>	<u>\$ 21,576,957</u>	<u>\$ 22,127,739</u>	<u>\$ 23,040,274</u>	<u>\$ 23,211,236</u>	<u>\$ 24,367,551</u>	<u>\$ 27,151,501</u>	<u>\$ 27,404,504</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services										
Operating grants and contributions:				\$ 28,175	\$ 119,585	\$ 119,265	\$ 82,109	\$ 82,298	\$ 83,575	\$ 85,663
Instruction (special education)	\$ 634,793	\$ 596,514	\$ 523,779	488,241	551,605	546,779	425,169	505,608	465,831	935,115
Student & instructional related services	58,358	62,919	35,428	71,967	61,908	62,742	169,875	113,161	85,000	254,824
Employee benefits	39,545	57,328	22,856	22,753	22,352	37,799	62,717	58,739	62,333	32,585
Capital outlay				11,817						
Total governmental activities program revenues	<u>732,696</u>	<u>716,761</u>	<u>582,063</u>	<u>622,953</u>	<u>755,450</u>	<u>766,585</u>	<u>739,870</u>	<u>759,806</u>	<u>696,739</u>	<u>1,308,187</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
Changes In Net Assets/Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2019
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Food service	267,662	238,916	229,876	192,253	182,314	193,868	211,920	230,383	229,358	245,677
Childcare	311,725	348,765	322,445	295,488	312,952	361,102	393,735	389,288	442,257	451,295
Operating grants and contributions	140,492	134,627	142,607	134,353	134,712	139,126	146,390	167,890	179,938	176,918
Total business-type activities program revenues	719,879	722,308	694,928	622,094	629,978	694,096	752,045	787,561	851,553	873,890
Total District program revenue	<u>\$ 1,452,575</u>	<u>\$ 1,439,069</u>	<u>\$ 1,276,991</u>	<u>\$ 1,245,047</u>	<u>\$ 1,385,428</u>	<u>\$ 1,460,681</u>	<u>\$ 1,491,915</u>	<u>\$ 1,547,367</u>	<u>\$ 1,548,292</u>	<u>\$ 2,182,077</u>
Net (expense) revenue										
Governmental activities	\$ (20,281,534)	\$ (19,153,951)	\$ (20,301,430)	\$ (20,287,930)	\$ (20,723,626)	\$ (21,608,920)	\$ (21,809,048)	\$ (22,921,092)	\$ (25,533,483)	\$ (25,088,610)
Business-type activities	(12,358)	75,508	25,402	(43,980)	(18,685)	29,327	89,727	100,908	(69,726)	(133,817)
Total District-wide net expense	<u>\$ (20,293,892)</u>	<u>\$ (19,078,443)</u>	<u>\$ (20,276,028)</u>	<u>\$ (20,331,910)</u>	<u>\$ (20,742,311)</u>	<u>\$ (21,579,593)</u>	<u>\$ (21,719,321)</u>	<u>\$ (22,820,184)</u>	<u>\$ (25,603,209)</u>	<u>\$ (25,222,427)</u>
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for government purposes	\$ 10,441,242	\$ 10,858,890	\$ 11,011,650	\$ 11,360,778	\$ 11,587,993	\$ 11,954,753	\$ 12,193,848	\$ 12,438,869	\$ 12,686,478	\$ 13,199,012
Taxes levied for debt service	1,147,034	1,150,986	1,249,379	874,885	778,605	843,305	789,510	753,884	718,654	642,835
Unrestricted grants and contributions	8,242,865	8,509,698	7,720,280	8,144,625	8,315,776	8,097,381	8,416,642	8,736,927	9,036,353	11,610,618
Tuition charges	204,781	247,308	326,089	477,270	298,258	434,411	394,134	456,516	218,354	154,182
Investment earnings	22,725	18,456	15,797	7,178	7,342	4,783	4,403	4,600	4,941	20,734
Miscellaneous income	31,652	44,107	64,735	165,400	159,990	65,874	36,790	66,022	46,849	81,361
Loss on disposal of assets										(19,485)
Transfers							(4,600)			
Total governmental activities	<u>20,090,299</u>	<u>20,829,445</u>	<u>20,387,930</u>	<u>21,030,136</u>	<u>21,147,964</u>	<u>21,400,507</u>	<u>21,830,727</u>	<u>22,456,818</u>	<u>22,711,629</u>	<u>25,689,257</u>
Business-type activities										
Investment earnings	2,531	859								
Other			3,070		(1,441)					
Transfers							4,600			
Total business-type activities	<u>2,531</u>	<u>859</u>	<u>3,070</u>		<u>(1,441)</u>		<u>4,600</u>			
Total District-wide	<u>\$ 20,092,830</u>	<u>\$ 20,830,304</u>	<u>\$ 20,391,000</u>	<u>\$ 21,030,136</u>	<u>\$ 21,146,523</u>	<u>\$ 21,400,507</u>	<u>\$ 21,835,327</u>	<u>\$ 22,456,818</u>	<u>\$ 22,711,629</u>	<u>\$ 25,689,257</u>
Change in net assets/position										
Governmental activities	\$ (191,235)	\$ 1,675,494	\$ 86,500	\$ 742,206	\$ 424,338	\$ (208,413)	\$ 21,679	\$ (464,274)	\$ (2,821,854)	\$ 600,647
Business-type activities	(9,827)	76,367	28,472	(43,980)	(20,126)	29,327	94,327	100,908	(69,726)	(133,817)
Total District	<u>\$ (201,062)</u>	<u>\$ 1,751,861</u>	<u>\$ 114,972</u>	<u>\$ 698,226</u>	<u>\$ 404,212</u>	<u>\$ (179,086)</u>	<u>\$ 116,006</u>	<u>\$ (363,366)</u>	<u>\$ (2,891,580)</u>	<u>\$ 466,830</u>

MANTUA TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2019
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Reserved	\$ 590,901									
Unreserved	(265,300)									
Restricted		\$ 431,306	\$ 622,616	\$ 1,115,278	\$ 644,023	\$ 750,814	\$ 1,051,143	\$ 1,185,062	\$ 1,700,394	\$ 1,726,877
Assigned		448,570	468,656	337,107	631,472	177,002	286,395	504,690	261,018	523,555
Unrestricted		(134,262)	(176,993)	(232,470)	(230,117)	(225,415)	(235,956)	(230,234)	(214,532)	(229,226)
Total general fund	<u>\$ 325,601</u>	<u>\$ 745,614</u>	<u>\$ 914,279</u>	<u>\$ 1,219,915</u>	<u>\$ 1,045,378</u>	<u>\$ 702,401</u>	<u>\$ 1,101,582</u>	<u>\$ 1,459,518</u>	<u>\$ 1,746,880</u>	<u>\$ 2,021,206</u>
All other governmental funds:										
Restricted										
Unrestricted, reported in:										
Special revenue fund										\$ (165,974)
Debt service fund	\$ 1	\$ 1	\$ 13,370	\$ 13,368	\$ 13,368	\$ 13,368				
Total all other governmental funds	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 13,370</u>	<u>\$ 13,368</u>	<u>\$ 13,368</u>	<u>\$ 13,368</u>				<u>\$ (165,974)</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES:										
Tax levy	\$ 12,009,876	\$ 12,261,029	\$ 12,235,663	\$ 12,366,598	\$ 12,798,058	\$ 12,983,358	\$ 13,192,753	\$ 13,405,132	\$ 13,620,246	\$ 13,841,847
Tuition charges	247,308	326,089	477,270	298,258	434,411	394,134	456,516	218,354	346,577	154,182
Interest earnings	18,456	15,797	7,178	7,342	4,783	4,403	4,600	4,941	5,897	20,734
Miscellaneous	44,107	64,735	165,400	163,815	65,874	36,790	78,165	50,115	202,097	81,361
State sources	7,674,516	7,783,972	8,000,665	8,386,048	8,147,918	8,453,175	8,809,540	9,093,019	9,460,466	10,404,288
Federal sources	1,567,878	653,069	726,023	520,681	585,328	610,787	573,005	617,576	599,413	564,323
Total revenue	21,562,141	21,104,691	21,612,199	21,742,742	22,036,372	22,482,647	23,114,579	23,389,137	24,234,696	25,066,735
EXPENDITURES:										
Instruction:										
Regular	5,501,889	4,856,422	4,985,839	4,871,991	5,060,593	5,613,728	5,355,375	5,215,899	5,337,316	5,408,208
Special	2,898,351	2,664,262	2,875,313	2,903,643	2,956,847	3,038,268	3,022,457	3,199,450	3,172,835	3,669,379
Other	612,373	649,577	951,309	854,998	890,181	903,008	916,385	760,276	905,411	797,704
School sponsored/other instructional	25,728	23,010	25,680	27,558	38,082	39,950	43,717	55,164	59,876	58,297
Undistributed:										
Student & instruction related services	2,005,980	2,008,796	1,844,184	1,838,093	1,854,507	1,887,606	2,113,140	2,042,932	2,033,479	2,154,545
General administration	339,805	326,192	369,643	395,504	393,659	386,893	388,853	397,822	402,271	486,958
School administration	818,466	743,744	742,647	707,281	730,529	711,256	716,615	788,735	723,708	719,605
Central administration	135,801	177,805	192,908	184,375	152,275	203,633	220,658	213,703	247,120	276,994
Administration information technology	167,226	193,090	176,094	155,531	177,463	133,520	168,124	156,648	204,356	227,472
Operations & maintenance of plant services	1,579,480	1,587,441	1,551,178	1,580,732	1,665,843	1,888,532	1,675,563	1,707,951	2,138,123	2,007,460
Student transportation	1,036,703	833,280	1,103,446	963,558	941,203	885,027	716,220	871,880	824,498	940,393
Employee benefits	4,614,851	4,709,802	5,081,005	5,401,156	5,632,643	5,829,765	6,180,241	6,511,497	6,745,618	7,157,195
Capital outlay	31,205	10,469	199,106	308,688	490,102	98,688	51,100		102,229	59,217
Debt service expenditures:										
Principal	1,355,000	1,395,000	1,020,000	955,000	980,000	980,000	965,000	950,000	915,000	895,000
Interest	573,537	505,788	297,669	289,000	260,350	221,150	181,950	143,350	119,600	83,000
Transfer of funds to charter school			14,144					15,894	15,894	16,956
Total expenditures	21,696,395	20,684,678	21,430,165	21,437,108	22,224,277	22,821,024	22,715,398	23,031,201	23,947,334	24,958,383
Excess (deficiency) of revenues over (under) expenditures	(134,254)	420,013	182,034	305,634	(187,905)	(338,377)	399,181	357,936	287,362	108,352
Other financing sources (uses)										
Refunding bond proceeds			7,580,000							
Bond principal paid from refunding bonds			(7,960,000)							
Costs of issuance			(91,457)							
Premium on refunding bonds			471,457							
Transfers out - food Service						(4,600)				
Total other financing sources (uses)						(4,600)				
Net change in fund balance	\$ (134,254)	\$ 420,013	\$ 182,034	\$ 305,634	\$ (187,905)	\$ (342,977)	\$ 399,181	\$ 357,936	\$ 287,362	\$ 108,352
Debt service as a percentage of noncapital expenditures	8.90%	9.19%	6.21%	5.89%	5.71%	5.29%	5.06%	4.75%	4.34%	3.93%

Source: District records

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

Fiscal Year Ended June 30,	Insurance Dividends	Facility Rentals	Restricted Miscellaneous	Miscellaneous	Prior Year Refunds	Other Local	Annual Totals
2010	\$ 7,385	\$ 12,775	\$ 520	\$ 9,289	\$ 14,138		\$ 44,107
2011		15,640	1,012	5,974	42,109		64,735
2012		12,700	845	370	76,188	\$ 75,297	165,400
2013		15,600		3,192	62,028	79,170	159,990
2014		17,895		431	47,548		65,874
2015		19,960		1,724	15,106		36,790
2016		30,765		1,824	33,433		66,022
2017		29,915		228	16,706		46,849
2018		28,725		97,220	72,051		197,996
2019		33,270		1,776	46,315		81,361
	<u>\$ 7,385</u>	<u>\$ 217,245</u>	<u>\$ 2,377</u>	<u>\$ 122,028</u>	<u>\$ 425,622</u>	<u>\$ 154,467</u>	<u>\$ 929,124</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2010	16,329,000	644,079,700	14,380,700	1,225,800	78,278,400	7,187,200	1,672,000	763,152,800	2,246,773	765,399,573	1,556,819,257	1.5690
2011	13,462,900	646,079,800	14,473,400	1,230,900	83,909,100	5,845,300	1,672,000	766,673,400	2,261,469	768,934,869	1,564,958,971	1.5950
2012	12,371,200	650,155,200	14,066,000	1,209,800	84,685,900	5,612,300	1,672,000	769,772,400	2,126,051	771,898,451	1,519,056,575	1.4710
2013	20,729,200	1,097,392,800	26,728,600	1,677,400	185,562,100	13,942,400	2,980,000	1,349,012,500	3,863,440	1,352,875,940	1,462,268,545	0.9780
2014	22,472,300	1,094,921,600	26,702,400	2,182,700	171,412,300	11,356,300	2,935,200	1,331,982,800	3,112,020	1,335,094,820	1,380,967,667	0.9590
2015	24,093,800	1,098,246,900	25,239,000	1,606,900	169,010,200	11,086,200	2,935,200	1,332,218,200	2,453,312	1,334,671,512	1,370,664,830	0.9730
2016	22,212,800	1,103,487,500	22,332,500	1,600,100	164,595,800	10,801,900	2,935,200	1,327,965,800	2,514,259	1,330,480,059	1,366,097,416	0.9920
2017	19,704,800	1,100,198,000	23,317,800	1,645,700	163,360,300	10,709,000	2,933,400	1,321,869,000	2,504,124	1,324,373,124	1,351,418,338	1.0120
2018	19,105,000	1,106,029,200	22,063,800	1,606,200	162,860,500	12,486,500	2,933,400	1,327,084,600	2,410,907	1,329,495,507	1,392,205,060	1.0250
2019	17,473,800	1,112,002,400	21,827,300	1,590,800	163,465,900	12,486,500	2,933,400	1,331,780,100	2,404,926	1,334,185,026	1,431,798,538	1.0410

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

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

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates					Total Direct & Overlapping Tax Rate
				Township of Mantua	Fire District	Local Open Space	Regional School	Gloucester County	
2010	1.414	0.155	1.569	0.919	0.100	0.020	1.094	1.206	4.908
2011	1.432	0.163	1.595	0.920	0.101	0.020	1.166	1.206	5.008
2012	1.366	0.105	1.471	0.920	0.097	0.020	1.160	1.146	4.814
2013	0.916	0.062	0.978	0.571	0.060	0.020	0.680	0.641	2.950
2014	0.896	0.063	0.959	0.596	0.059	0.020	0.722	0.668	3.024
2015	0.914	0.059	0.973	0.616	0.067	0.020	0.753	0.681	3.110
2016	0.935	0.057	0.992	0.640	0.072	0.020	0.770	0.724	3.218
2017	0.958	0.054	1.012	0.664	0.079	0.020	0.792	0.732	3.299
2018	0.974	0.051	1.025	0.679	0.082	0.020	0.777	0.754	3.337
2019	0.993	0.048	1.041	0.695	0.096	0.020	0.801	0.784	3.437

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

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

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Target Corporation	14,676,900	1.10%	4,727,000	0.62%
Lowe's Home Center Inc.	13,984,800	1.05%	5,322,200	0.70%
Home Depot	10,197,000	0.76%	5,162,000	0.67%
Kohl's	8,000,000	0.60%	4,334,000	0.57%
Wilkins Industrial Park	7,304,900	0.55%	4,149,100	0.54%
Route 553 Retail LLC	6,713,900	0.50%		
Timberline Plaza	6,713,000	0.50%	3,313,400	0.43%
Bellina Dev. & Brooklawn Out of Lot LLC	6,326,600	0.46%	5,535,900	0.72%
Freeza LLC	4,922,500	0.37%	3,786,100	0.49%
Campbells Auto Express	4,685,700	0.35%		
Electric Mobility			4,637,200	0.61%
Spirit Master Funding			3,193,600	0.42%
	<u>83,525,300</u>	<u>6.25%</u>	<u>44,160,500</u>	<u>5.77%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2010	\$ 11,588,276	\$ 11,588,276	100.00%	
2011	12,261,029	12,261,029	100.00%	
2012	12,235,663	11,360,778	92.85%	\$ 874,885
2013	12,366,599	12,366,599	100.00%	
2014	12,798,057	12,798,057	100.00%	
2015	12,983,358	12,983,358	100.00%	
2016	13,192,753	13,192,753	100.00%	
2017	13,405,132	13,405,132	100.00%	
2018	13,620,246	13,620,246	100.00%	
2019	13,841,847	13,841,847	100.00%	

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes	Activities Capital Leases		
2010	\$ 10,250,000				\$ 10,250,000	1.61%
2011	8,855,000				8,855,000	1.37%
2012	7,455,000				7,455,000	1.12%
2013	6,500,000				6,500,000	0.96%
2014	5,520,000				5,520,000	0.80%
2015	4,540,000				4,540,000	0.64%
2016	3,575,000				3,575,000	0.48%
2017	2,625,000				2,625,000	0.35%
2018	1,710,000				1,710,000	0.22%
2019	815,000				815,000	N/A

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 10,250,000		\$ 10,250,000	1.34%	\$ 670
2011	8,855,000		8,855,000	1.15%	580
2012	7,455,000		7,455,000	0.97%	491
2013	6,500,000		6,500,000	0.48%	429
2014	5,520,000		5,520,000	0.41%	365
2015	4,540,000		4,540,000	0.34%	301
2016	3,575,000		3,575,000	0.27%	239
2017	2,625,000		2,625,000	0.20%	176
2018	1,710,000		1,710,000	0.13%	115
2019	815,000		815,000	0.06%	N/A

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

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

See J-6 for property tax data.

Population data can be found in J-14.

MANTUA TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2019
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Mantua	\$ 9,679,466	100.00%	\$ 9,679,466
Clearview Regional High School	11,393,000	49.61%	5,652,103
Gloucester County general obligation debt	239,123,500	5.31%	12,699,401
Subtotal, overlapping debt			28,030,970
Township of Mantua School District			815,000
Total direct and overlapping debt			<u>\$ 28,845,970</u>

Sources:

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

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

Year	Equalized Valuation Basis
2018	\$ 1,426,958,213
2017	1,408,645,154
2016	1,382,418,950
	<u>\$ 4,218,022,317</u>

Average equalized valuation of taxable property \$ 1,406,007,439

Debt limit (2.5% of average equalized value) 35,150,186
 Total net debt applicable to limit 815,000
 Legal debt margin \$ 34,335,186

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 37,814,765	\$ 38,353,336	\$ 37,654,019	\$ 36,282,382	\$ 35,095,275	\$ 34,457,202	\$ 34,123,518	\$ 34,261,543	\$ 34,534,985	\$ 35,150,186
Total net debt applicable to limit	<u>10,250,000</u>	<u>8,855,000</u>	<u>7,455,000</u>	<u>6,500,000</u>	<u>5,520,000</u>	<u>4,540,000</u>	<u>3,575,000</u>	<u>2,625,000</u>	<u>1,710,000</u>	<u>815,000</u>
Legal debt margin	<u>\$ 27,564,765</u>	<u>\$ 29,498,336</u>	<u>\$ 30,199,019</u>	<u>\$ 29,782,382</u>	<u>\$ 29,575,275</u>	<u>\$ 29,917,202</u>	<u>\$ 30,548,518</u>	<u>\$ 31,636,543</u>	<u>\$ 32,824,985</u>	<u>\$ 34,335,186</u>
Total net debt applicable to the limit as a percentage of debt limit	27.11%	23.09%	19.80%	17.92%	15.73%	13.18%	10.48%	7.66%	4.95%	2.32%

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

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2010	15,295	\$ 636,730,850	\$ 41,630	9.40%
2011	15,257	645,188,016	42,288	9.20%
2012	15,192	664,923,456	43,768	9.40%
2013	15,138	679,620,510	44,895	6.80%
2014	15,103	692,110,078	45,826	6.50%
2015	15,066	712,697,130	47,305	5.30%
2016	14,987	743,894,732	49,636	4.70%
2017	14,940	755,799,660	50,589	4.30%
2018	14,899	782,286,894	52,506	3.70%
2019	14,899	* N/A	N/A	N/A

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

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

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

Employer	2019		2010	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Amazon	4,500	3.06%		
Inspira Health	2,051	1.39%		
Jefferson Health	2,015	1.37%		
Underwood Memorial Hospital			1,825	1.15%
Kennedy Memorial Hospital			1,200	0.76%
Washington Township School District	1,550	1.05%	1,504	0.95%
Rowan University	3,500	2.38%	1,300	0.82%
Shop Rite	1,300	0.88%		
County of Gloucester	1,200	0.82%	1,500	0.95%
Missa Bay, LLC			950	0.60%
Monroe Township School District	811	0.55%	714	0.45%
US Foodservices	1,014	0.69%	800	0.51%
Walmart Turnersville	800	0.54%		
Valero			640	0.40%
Godwin Pumps			640	0.40%
	<u>18,741</u>	<u>12.73%</u>	<u>11,073</u>	<u>6.99%</u>

Source: Gloucester County Economic Development Office and Employer Directly.

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

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	90	87	82	90	93	101	95	109	96	95
Special	29	31	86	34	35	32	33	36	35	26
Support services:										
Student & instruction related services	25	31	26	17	17	17	18	19	18	19
General administration	2	2	2	4	4	4	4	4	4	4
School administration	11	11	11	11	11	12	12	11	10	10
Business administrative services	5	5	5	5	5	5	5	5	7	6
Plants operations and maintenance	18	16	40	18	18	18	18	18	19	19
Other support				57	52	52	73	74	68	90
Food service	14	15	13	13	12	12	12	13	12	11
Childcare	9	3	3	3	3	3	3	3	3	3
Total	<u>203</u>	<u>201</u>	<u>268</u>	<u>252</u>	<u>250</u>	<u>256</u>	<u>273</u>	<u>292</u>	<u>272</u>	<u>283</u>

Source: Employee salary list

MANTUA TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2010	1,502	\$ 19,736,653	\$ 13,140	87.80%	111	1:14.09	1,484.7	1,374.9	-4.98%	92.60%
2011	1,450	18,773,421	12,947	-1.47%	119	1.12.62	1,430.1	1,376.5	-3.68%	96.25%
2012	1,409	19,913,390	14,133	9.16%	119	1.12.29	1,392.7	1,346.0	-2.62%	96.65%
2013	1,353	19,884,420	14,697	3.99%	115	1.11.76	1,332.2	1,274.3	-4.34%	95.65%
2014	1,339	20,493,825	15,305	4.14%	128	1.10.46	1,312.1	1,262.0	-1.51%	96.18%
2015	1,304	21,521,186	16,504	7.83%	133	1.09.80	1,269.6	1,218.7	-3.24%	95.99%
2016	1,267	21,517,348	16,983	2.90%	128	1.09.89	1,242.7	1,192.0	-2.12%	95.92%
2017	1,274	21,937,851	17,220	1.39%	145	1.08.79	1,251.3	1,197.5	0.69%	95.70%
2018	1,295	22,810,505	17,614	3.72%	131	1.09.89	1,279.1	1,213.4	2.22%	94.86%
2019	1,289	23,921,166	18,558	7.77%	121	1.10.65	1,270.3	1,205.8	-0.69%	94.92%

Source: District records

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Centre City										
Square feet	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305	74,305
Capacity (students)	444	444	444	444	444	444	444	444	444	444
Enrollment	576	535	543	502	501	480	479	463	463	480
J. Mason Tomlin										
Square feet	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment	633	637	596	588	588	575	557	547	542	514
Sewell										
Square feet	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	294	278	270	263	250	249	231	264	290	295

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

Number of Schools at June 30

Elementary = 3

MANTUA TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 For the Fiscal Year Ended June 30, 2019

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

* School Facilities	Gross Square Footage	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Centre City	74,305	\$ 85,497	\$ 97,034	\$ 112,312	\$ 55,131	\$ 88,466	\$ 114,301	\$ 53,132	\$ 81,306	\$ 107,372	\$ 36,589	\$ 745,643
J. Mason Tomlin	78,500	148,551	74,821	119,804	81,117	83,555	110,212	75,271	100,852	272,964	94,420	1,013,016
Sewell	41,500	68,884	80,147	78,601	44,346	58,563	133,638	54,430	63,136	202,861	160,444	876,166
Administration		43,963	51,934	59,797	11,796	18,793	26,887	18,689	14,249	8,450	11,673	222,268
		<u>\$ 346,895</u>	<u>\$ 303,936</u>	<u>\$ 370,514</u>	<u>\$ 192,390</u>	<u>\$ 249,377</u>	<u>\$ 385,038</u>	<u>\$ 201,522</u>	<u>\$ 259,543</u>	<u>\$ 591,647</u>	<u>\$ 303,126</u>	<u>\$ 2,857,093</u>

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

MANTUA TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2019
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School package policy - Utica National Insurance Company		
Property - blanket buildings & contents	\$ 62,747,076	
Commercial general liability		
General aggregate limit	3,000,000	
Products - complete operations aggregate limit	3,000,000	
Personal and advertising - injury limit	1,000,000	
Each occurrence limit	1,000,000	
Bodily injury by accident and disease	2,000,000	
Employee benefit program liability - each loss	1,000,000	\$ 1,000
Employee benefit program liability - aggregate limit	3,000,000	
Damage to premises	1,000,000	
Medical expense - any one person	Excluded	
Legal liability - each loss	1,000,000	
Legal liability - aggregate limit	3,000,000	
Crime - head of the class Uniflex		
Employee blanket bond/per employee	100,000	500
Employee blanket bond/forgery per occurrence	100,000	500
Inside and outside premise	25,000	500
Commercial inland marine		
Valuable papers & records	100,000	500
Signs	30,000	500
Data processing coverage		
Data processing equipment	330,000	500
Data and media	20,000	500
Blanket extra expense	1,000	
Commercial automobile liability		
Bodily injury and property damage	1,000,000	1,000
Commercial umbrella liability	10,000,000	10,000
Workers' compensation - Educational Risk Insurance Consortium South		
Bodily injury - by accident - each accident	2,000,000	None
Bodily injury - by disease - each employee	2,000,000	None
Bodily injury - by disease - aggregate limit	2,000,000	None
Public employees' faithful performance bonds -		
The Ohio Casualty Insurance Company		
Employee bond - Dr. Robert Fisicaro, Business Administrator	10,000	
Employee bond - Michelle H. Daminger, Board Secretary	225,000	None

Source: District records

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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Mary A. Carey, RMA
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Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

Exhibit K-1

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

Independent Auditor's Report

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mantua Township School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Mantua Township School District's basic financial statements, and have issued our report thereon dated November 19, 2019.

Internal Control Over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2019-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mantua Township School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance 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 which are described in the accompanying schedule of findings and questioned costs as item 2019-001.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 19, 2019

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
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Exhibit K-2

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Mantua Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Mantua Township School District's major state programs for the year ended June 30, 2019. The Mantua Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Mantua Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB's Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2019-003. Our opinion on each major state program is not modified with respect to these matters. Mantua Township School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Mantua Township School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly we express no opinion on the response.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state programs 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.

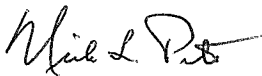
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material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

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

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

We have audited the financial statements Mantua Township School District as of and for the year ended June 30, 2019, and have issued our report thereon dated November 19, 2019, for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circulars 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 19, 2019

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

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2019			MEMO Cumulative Total Expenditures
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education:																
General Fund:																
Medical Assistance Program	93.778	1905NJ5MAP	n/a	\$ 37,192	07/1/18 - 06/30/19				\$ 36,452	\$ (37,192)			\$ (740)			\$ 37,192
Total General Fund									36,452	(37,192)			(740)			37,192
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I - Part A	84.010	S010A180030	ESEA299019	129,570	07/1/18 - 06/30/19					(99,986)			(99,986)			99,986
Title I - Part A	84.010	S010A170030	ESEA299018	126,890	07/1/17 - 06/30/18	\$ (43,201)		43,201								125,140
Subtotal						(43,201)		43,201		(99,986)			(99,986)			
Title II A, Teacher & Principal Training	84.367	S367A180029	ESEA299019	32,055	07/1/18 - 06/30/19								13,035	(26,259)		26,259
Title II A, Teacher & Principal Training	84.367	S367A170029	ESEA299018	31,325	07/1/17 - 06/30/18	(11,275)		11,275					(13,224)			26,592
Subtotal						(11,275)		11,275					(13,224)			
Special Education Cluster																
IDEA Part B, Basic Regular	84.027A	H027A180100	IDEA299019	388,879	07/1/18 - 06/30/19			175,327	(365,432)				(190,105)			365,432
IDEA Part B, Basic Regular	84.027A	H027A170100	IDEA299018	427,779	07/1/17 - 06/30/18	(200,630)		200,630								376,682
IDEA Part B, Preschool	84.173	H173A180114	IDEA299019	39,066	07/1/18 - 06/30/19			16,394	(35,454)				(19,060)			35,454
IDEA Part B, Preschool	84.173	H173A170114	IDEA299018	35,414	07/1/17 - 06/30/18	(12,504)		12,504								30,714
Subtotal Special Education Cluster						(213,134)		404,855	(400,886)				(209,165)			
Total Special Revenue Fund						(267,610)		472,366	(527,131)				(322,375)			1,086,259
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster																
Food Distribution Program	10.555	191NJ304N1099	N/A	30,111	07/1/18 - 06/30/19			30,111	(24,441)				\$ 5,670			24,441
Food Distribution Program	10.555	181NJ304N1099	N/A	32,112	07/1/17 - 06/30/18	5,543			(5,543)							32,112
National School Lunch Program	10.555	191NJ304N1099	N/A	123,775	07/1/18 - 06/30/19			117,383	(123,775)				(6,392)			123,775
National School Lunch Program	10.555	181NJ304N1099	N/A	119,250	07/1/17 - 06/30/18	(7,521)		7,521								119,250
National School Breakfast Program	10.553	191NJ304N1099	N/A	21,295	07/1/18 - 06/30/19			20,214	(21,295)				(1,081)			21,295
National School Breakfast Program	10.553	181NJ304N1099	N/A	17,677	07/1/17 - 06/30/18	(912)		912								17,677
Total Enterprise Fund/Child Nutrition Cluster						(2,890)		176,141	(175,054)				(7,473)	5,670		338,550
Total Federal Financial Awards						\$ (270,500)		\$ 684,959	\$ (739,377)				\$ (330,588)	\$ 5,670		\$ 1,462,001

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

MANTUA TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2019			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid Public:															
Equalization Aid	19-495-034-5120-078	\$ 5,286,989	07/1/18	06/30/19				\$ 5,286,989	\$ (5,286,989)					\$ 540,083	\$ 5,286,989
Special Education Categorical Aid	19-495-034-5120-089	731,840	07/1/18	06/30/19				731,840	(731,840)					74,760	731,840
Security Aid	19-495-034-5120-084	24,998	07/1/18	06/30/19				24,998	(24,998)					2,554	24,998
Transportation Aid	19-495-034-5120-014	92,254	07/1/18	06/30/19				92,254	(92,254)					9,424	92,254
Extraordinary Aid	19-100-034-5120-473	7,768	07/1/18	06/30/19				7,768	(7,768)						7,768
Reimbursement for Nonpublic Transportation	n/a	2,900	07/1/18	06/30/19								\$ (2,900)			2,900
Reimbursement for Nonpublic Transportation	n/a	5,220	07/1/17	06/30/18	\$ (5,220)			5,220							5,220
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	695,796	07/1/18	06/30/19				660,633	(695,796)			(35,163)			695,796
On-Behalf TPAF Pension	19-495-034-5094-002	1,752,505	07/1/18	06/30/19				1,752,505	(1,752,505)						1,752,505
On-Behalf TPAF Post Retirement Contribution	19-495-034-5094-001	794,933	07/1/18	06/30/19				794,933	(794,933)						794,933
On-Behalf TPAF Long Term Disability Insurance	19-495-034-5094-004	2,317	07/1/18	06/30/19				2,317	(2,317)						2,317
Total General Fund								9,359,457	(9,392,300)			(71,205)		626,821	9,397,520
Special Revenue Fund:															
New Jersey Nonpublic Aid:															
Textbook Aid	19-100-034-5120-064	6,835	07/1/18	06/30/19				6,835	(6,302)				\$ 533		6,302
Textbook Aid	18-100-034-5120-064	7,505	07/1/17	06/30/18		\$ 210				\$ (210)					7,295
Technology	19-100-034-5120-373	4,608	07/1/18	06/30/19				4,608	(4,596)				12		4,596
Technology	18-100-034-5120-373	5,069	07/1/17	06/30/18		88				(88)					4,981
Nursing Services	19-100-034-5120-070	12,416	07/1/18	06/30/19				12,416	(12,416)						12,416
Security	19-100-034-5120-509	39,900	07/1/18	06/30/19				39,900	(38,879)				1,021		38,879
Security	18-100-034-5120-509	21,300	07/1/17	06/30/18		21,300				(21,300)					
Auxiliary Services:															
Compensatory Education	19-100-034-5120-067	14,552	07/1/18	06/30/19				14,552	(14,382)				170		14,382
Compensatory Education	18-100-034-5120-067	23,032	07/1/17	06/30/18		12,314				(12,314)					10,718
Transportation	19-100-034-5120-067	1,919	07/1/18	06/30/19				1,919	(1,247)				672		1,247
Transportation	18-100-034-5120-067	2,642	07/1/17	06/30/18		1,078				(1,078)					1,564
Handicapped Services:															
Corrective Speech	19-100-034-5120-066	13,392	07/1/18	06/30/19				13,392	(11,160)				2,232		11,160
Corrective Speech	18-100-034-5120-066	8,928	07/1/17	06/30/18		179				(179)					8,749
Examination and Classification	19-100-034-5120-066	4,549	07/1/17	06/30/18				4,549	(4,549)						4,549
Examination and Classification	18-100-034-5120-066	3,640	07/1/17	06/30/18		1,094				(1,094)					2,546
Supplementary Instruction	19-100-034-5120-066	1,586	07/1/18	06/30/19				1,586	(1,110)				476		1,110
Supplementary Instruction	18-100-034-5120-066	2,379	07/1/17	06/30/18		1,586				(1,586)					793
Preschool Expansion Aid	19-495-034-5120-086	1,624,755	07/1/18	06/30/20				1,624,755	(766,726)			\$ 858,029		165,974	766,726
Total Special Revenue Fund						37,849		1,724,512	(861,367)	(37,849)		858,029	5,116	165,974	898,013
Debt Service Fund:															
Debt Service Aid Type II	19-495-034-5120-075	335,165	07/1/18	06/30/19				335,165	(335,165)						335,165
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	19-100-010-3350-023	4,438	07/1/18	06/30/19				4,204	(4,438)			(234)			4,438
National School Lunch Program (State Share)	18-100-010-3350-023	4,325	07/1/17	06/30/18		(274)		274							4,325
Total Enterprise Fund						(274)		4,478	(4,438)			(234)			8,763
Total State Financial Assistance						\$ (38,636)	\$ 37,849	\$ 11,423,612	\$ (10,593,270)	\$ (37,849)	\$ (71,439)	\$ 858,029	\$ 5,116	\$ 792,795	\$ 10,639,461
Less: On-Behalf TPAF Pension System Contributions															
															\$ (2,549,755)
Total for State Financial Assistance - Major Program Determination															
															\$ (8,043,515)

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

MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$18,570) for the General Fund and (\$165,974) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 37,192	\$ 9,373,730	\$ 9,410,922
Special Revenue Fund	527,131	695,393	1,222,524
Debt Service Fund		335,165	335,165
Food Service Fund	175,181	4,438	179,619
Total Financial Assistance	<u>\$ 739,504</u>	<u>\$ 10,408,726</u>	<u>\$ 11,148,230</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2019, Mantua Township School District has food commodities totaling \$5,670 in inventory.

NOTE 6: OTHER

The amount reported as the TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. The TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for the TPAF members for the year ended June 30, 2019.

NOTE 7: INDIRECT COST RATE

The Mantua Township School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

MANTUA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 8: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR
PROGRAM DETERMINATION

On-behalf State Programs for the TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

MANTUA TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 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. Material weakness(es) identified? Yes X No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards

N/A

State Awards

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

Auditee qualified as low-risk auditee? Yes X No

Internal control over major programs:

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

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

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

Identification of major programs:

GMIS Numbers

Name of State Program

495-034-5120-078
 495-034-5120-089
 495-034-5120-084
 495-034-5120-086

State Aid Public:
 Equalization Aid
 Special Education Categorical Aid
 Security Aid
 Preschool Expansion Aid

MANTUA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

Finding: 2019-001

Criteria - A Uniform chart of accounts is required for classification of expenditures throughout the budget, accounts, and financial reports.

Condition - Expenditures in the amount of \$58,816.50 for the purchase of capital assets were incorrectly charged to the required maintenance budget line item.

Context - The School District did not comply with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Effect - The School District violated provisions of NJAC 6A:23A-16.2(f).

Cause - There was a breakdown in communication between the maintenance department and the Business Office resulting in the expenditures being misbudgeted and misclassified.

Recommendation - Districts should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools for the proper classification required to be in compliance with NJAC 6A:23A-16.2(f).

View of responsible Officials - The Business Office agrees with this finding.

Finding: 2019-002

Criteria - NJAC 6A:23A-6.10(b)(5) specifically requires financial systems to be programmed to reject duplicate purchase order numbers.

Condition - The financial system produced duplicate purchase orders in the amount of \$2,057.21.

Context - The School District's financial system (Genesis) did not reject duplicate purchase order numbers.

Effect - The School District violated provisions of NJAC 6A:23A-6.10(b)(5).

Cause - The financial accounting software was not properly programmed to reject duplicate purchase order numbers.

Recommendation - The School District instruct the software developer to correct the programming of the financial system to reject duplicate purchase orders.

View of responsible Officials - The Business Office agrees with this finding.

MANTUA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

FEDERAL AWARDS

None

STATE AWARDS

State Aid Public – 495-034-5120-XXX

Finding: 2019-003

Criteria - For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection a. of NJSA 18A:18A-5, except for paragraph (1) of that subsection concerning professional services and paragraph (3) of that subsection concerning work by employees of the board of education, the purchasing agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price, and other factors considered. The purchasing agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.

Condition - The District awarded contracts for the purchase of lawn service, handicapped ramp installation, and roof repairs. In each case, the cost of the item is in excess of the threshold that require obtaining at least two competitive quotations.

Context - The District did not solicit of at least two competitive quotations for the purchase of lawn service, handicapped ramp installation, and roof repairs.

Effect - The District violated the statutory requirement with respect to solicitation of quotations.

Cause - There was a breakdown in communication between departments and the Business Office resulting in purchases being made without soliciting at least two competitive quotations.

Recommendation - The Business Office establish appropriate internal control procedures to ensure compliance with the School Public Contract laws.

View of responsible Officials - The Business Office agrees with this finding.

MANTUA TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Status of Prior Year Findings

Finding: 2018-001

Condition - A purchase order was established for Sewell school renovations without advertising for bids.

Current Status - Corrective action has been taken.