

**SCHOOL DISTRICT  
OF  
MANNINGTON TOWNSHIP**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Mannington Township Board of Education**

**Salem, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Mannington Township Board of Education**

**Salem, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Mannington Township Board of Education**

**Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE MANNINGTON TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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## **INTRODUCTORY SECTION**





# Mannington Township School

495 Route 45  
Mannington, NJ 08079  
phone 856-935-1078  
fax 856-935-3747

Ms. Kristin Williams  
Chief School Administrator

Mrs. Karen Mathews  
Business Administrator

December 22, 2020

Honorable President and  
Members of the Board of Education  
Mannington Township School District  
Salem County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Mannington Township School District for the fiscal year ended June 30, 2020 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 of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1. REPORTING ENTITY AND ITS SERVICES:**

Mannington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Mannington Township Board of Education and its one school constitute the District's reporting entity. Mannington Township School District provides a full range of educational services appropriate to grade levels Pre-K through Eighth grade. These include regular, as well as special education for handicapped students. Our students in grades 9-12 are sent to Salem High School in a sending/receiving relationship. Tuition and transportation are paid for by the Mannington Township Board of Education. The Mannington Township School District completed the 2019-2020 fiscal year with an enrollment of 190 students, which was 28 more students than in the prior year. The following changes in the student enrollment of the District over the last ten years show a leveling off for the later years.

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2019-20	190	17.28%
2018-19	162	6.57%
2017-18	152	-3.20%
2016-17	157	-14.01%
2015-16	179	-1.01%
2014-15	181	1.68%
2013-14	178	-2.19%
2012-13	182	8.98%
2011-12	167	-1.76%
2010-11	170	-10.90%

**2. ECONOMIC CONDITION AND OUTLOOK:**

Mannington Township is showing, and will continue to show, a limited increase in new housing. The Township houses many of the county government facilities, i.e., emergency management, the county jail, the County Vocational Technical School and Prep Center, plus numerous churches and the Memorial Hospital of Salem County. A large percentage of land is locked from building by the Farmland Preservation Act, wetlands designation, plus the Mannington Meadows (a National Wildlife Preserve). The Township is experiencing limited growth in industry and professional establishments. At the current time, at least two developers have applied to build multi-home developments within the community. It is anticipated, that that once the building process is underway, the district enrollment will increase.

### **3. MAJOR INITIATIVES:**

Student scores on state and independent assessments remained stable with a large percentage of the student population scoring in the meets or exceeds expectations range for grades 1-8. Continued utilization of the ESI (Early Screening Inventory) is assisting in identifying areas of need for our Pre-K and Kindergarten classes. The district continues to focus professional development in the areas of literacy, reading, writing and this year there is added emphasis on Social Emotional Learning.

Mannington Township School offers full day Pre-K and Kindergarten programs that utilize “Tools of the Mind” and NJCCCS respectively. Curriculums are consistently monitored and aligned accordingly to NJ Teaching and Learning Standards and differentiated instruction is a key focus in lessons through all disciplines.

The Mannington School continues to provide and ensure a safe and healthy learning environment for staff and students. The recent safety upgrades included the installation of additional video surveillance cameras, security window film, double vestibule doors. A Safety Committee meets quarterly to review procedures and plans in order to optimize school safety.

During the 2018-2020 school year, the district continued to concentrate on early -identification of academic issues with students in our Pre-K through Third Grade classes. RTI (Response to Intervention) continued to be refined and utilized to help address academic concerns. The district also invested in school wide initiatives in the areas of harassment, intimidation, and bullying. Students, staff, and administration were presented information and training through workshops, assemblies, and activities to help the school climate remain bully free. In the area of technology the Mannington School is utilizing online reports and assessments, Chromebook and iPad carts, and SMART/Promethean Boards. Curriculum is infused with technology and lessons can be enhanced through the use of the computers. Several technology based programs have been purchased, such as IXL, Accelerated Reader, Freckle and Spelling City. The teachers also utilize several free online resources to enhance instruction. The needs of all students are considered in both regular and special education, including resource center programs and inclusion settings, with a full range of related services being offered.

The parent-paid tuition rate is competitive with surrounding districts and allows parents outside of Mannington Township a reasonable and affordable choice within the county for their child(ren)’s education. The number of parent-paid tuition students has increased over the past several years, even with choice schools being offered in Salem County.

### **4. INTERNAL ACCOUNTING CONTROLS:**

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

#### **4. INTERNAL ACCOUNTING CONTROLS (CONT'D):**

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

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

#### **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, the special revenue fund, 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

#### **6. 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. These funds are explained in "Notes to the Financial Statements," Note 1.

#### **7. DEBT ADMINISTRATION:**

On March 1, 2006, the Mannington Township Board of Education issued \$2,218,000 in bonds for the renovation of the elementary school. On April 12, 2016 the Bonds Payable for the renovation of the elementary school were refunded and the balance as of June 30, 2020 was \$855,000. There was no other authorized or outstanding bonded debt as of June 30, 2020.

#### **8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9. RISK MANAGEMENT:**

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

**10. OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

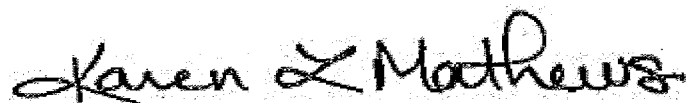
**11. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Mannington Township Board of Education 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,

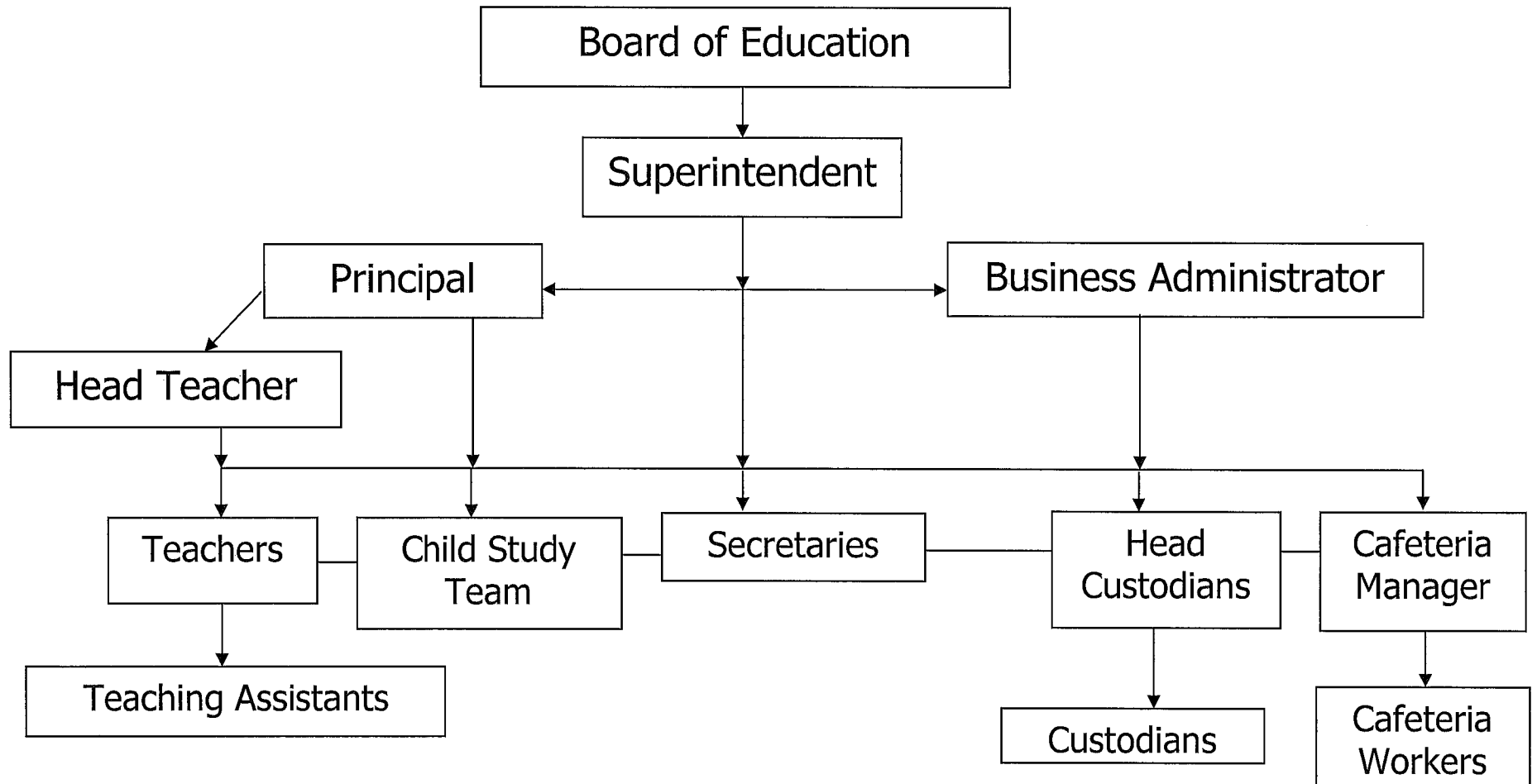


Kristin Williams, Chief School Administrator



Karen L. Mathews  
Business Administrator/Board Secretary

### Mannington Township School Organizational Chart



**MANNINGTON TOWNSHIP BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2020**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Carmen Porter, President	2020
Eric Buzby, Vice President	2020
Robert DiGregorio	2022
Bethanne Patrick	2021
Robert Poole	2021
Michael Bower	2022
Joanne Cooper	2022
<u>OTHER OFFICIALS</u>	<u>SURETY BOND</u>
Ms. Kristin Williams, Chief School Administrator	
Mrs. Karen Mathews, Business Administrator	\$ 160,000
Mr. Mark Toscano, Esquire, Solicitor	

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA**  
**Nightlinger, Colavita and Volpa, P. A.**  
Certified Public Accountants  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Mr. Mark G. Toscano, Esq.**  
Comegno Law Group, PC  
521 Pleasant Valley Avenue  
Moorestown, New Jersey 08057

**OFFICIAL DEPOSITORY**

**Fulton Bank**  
Route 45  
Salem, New Jersey 08079

**INSURANCE AGENCY**

**Conner Strong & Buckelew Companies, LLC**  
40 Lake Center Executive Park  
401 Route 73 North  
Marlton, NJ 08053



**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Mannington Township School District  
County of Salem, New Jersey 08079

### **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 Mannington Township School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Mannington Township School 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 Division of Administration and 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 of material misstatement.

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

We believe that 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, business-type activities, each major fund, and the aggregate remaining fund information of the Mannington Township Board of Education in the County of Salem, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions 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 Mannington Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

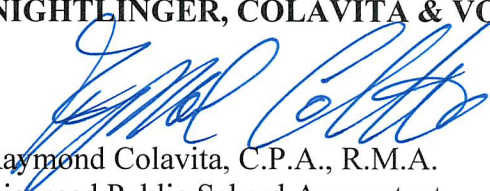
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2020 on our consideration of the Mannington Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mannington Township Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mannington Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
December 22, 2020

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

# Mannington Township School District Management Discussion and Analysis

(Unaudited)

This section of the Mannington 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, 2020. Comparative information between the current year (2019-20) and the prior year (2018-19) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

## Using the Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial 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 and performance.
- 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*, with the focus on operations.
- The *governmental fund 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 fund statements* offer *short- and long-term* financial information about activities the District operates *like businesses*.
- *Fiduciary fund 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 various information in the statements and provide more detail. 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.

Key financial highlights for 2020 are as follows:

- General revenues accounted for \$3,969,029 in revenue or 85% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$727,805 or 15% percent to total revenues of \$4,696,834.
- Total net position of governmental activities increased by \$393,799, comprised of changes in various assets and liabilities. The net position of the Business-type Activities increased by \$7,201.
- The School District had \$4,295,834 in expenses, of which \$727,805 of these expenses were offset by program specific charges for services, grants or contributions. Revenues (primarily federal awards, state aid and property taxes) of \$3,969,029 were adequate to provide for these programs. These revenues and expenses include the Business-type Activities.

- The General Fund had \$3,926,430 in revenues and \$3,613,978 in expenditures during the year. The General Fund's balance increased \$300,472 over 2019, which included net transfers from the Capital Projects Fund of \$3,120 and transfers to Charter School of \$15,100. This increase was anticipated by the Board of Education as fund balance was used to balance the budget. District-wide Financial Statements – Reporting the School District as a Whole

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 changes in that position. Net position – the difference between the District's assets and liabilities – are one way to measure the District's overall financial position.

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

In the Statement of Net Position and the Statement of Activities, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business-type activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types 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 fund 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 fund statements explains the relationship (or differences) between them.

- *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. 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 flows.
- *Internal Service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *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, as these assets may not be used to finance the District's operations.

### The School District as a Whole

Table 1 provides a comparative summary of the School District's net position for the years ended in 2019 and 2020.

Table 1  
Net Position

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current and Other Assets	\$ 2,288,940	\$ 2,067,611
Capital Assets, Net	1,195,671	1,214,033
Total Assets	<u>3,484,611</u>	<u>3,281,644</u>
Deferred Outflows of Resources	<u>122,066</u>	<u>198,521</u>
<b>Liabilities</b>		
Current Liabilities	71,252	55,451
Long-term Liabilities	1,415,159	1,752,651
Total Liabilities	<u>1,486,411</u>	<u>1,808,102</u>
Deferred inflows of Resources	<u>402,323</u>	<u>355,120</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	371,870	250,232
Restricted	2,007,597	1,726,051
Unrestricted (Deficit)	(661,524)	(659,340)
Total Net Position	<u>\$ 1,717,943</u>	<u>\$ 1,316,943</u>

Table 2 shows the changes in net position from fiscal years 2020 and 2019.



- 15 -  
Table 2  
Changes in Net Position

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 97,491	\$ 67,720
Operating Grants	630,314	456,840
General Revenues		
Property Taxes	2,960,359	2,840,727
Grants and Entitlements	875,220	1,110,357
Other	133,450	129,544
	<u>4,696,834</u>	<u>4,605,188</u>
<b>Program Expenses</b>		
Instruction	1,512,448	1,378,486
Tuition	629,947	528,063
Pupil and Instructional Staff	391,270	354,477
General Administration, School		
Administration, Business	245,716	273,060
Operations and Maintenance of Facilities	226,294	240,131
Pupil Transportation	228,170	195,403
Employee Benefits	962,070	1,177,624
Interest on Debt	19,204	20,940
Food Service	67,275	70,895
SACC	13,440	12,501
	<u>4,295,834</u>	<u>4,251,580</u>
Total Expenses		
Increase in Net Position	<u>\$ 401,000</u>	<u>\$ 353,608</u>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the \$4,608,918 in Governmental revenue, District's Property taxes made up 64% of these revenues for governmental activities. Restricted and Unrestricted Federal, state and local grants accounted for another 19% and other revenues accounted for 17%. The total cost of services, as shown below, was \$4,215,119. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$3,570,230. Instruction comprises 35% of these District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of 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.

Table 3

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Instruction	\$ 1,512,448	\$ 1,299,310	\$ 1,378,486	\$ 1,246,612
Tuition	629,947	629,947	528,063	528,063
Pupil and Instructional Staff	391,270	212,107	354,477	264,436
General administration, school administration, business	245,716	245,716	273,060	273,060
Operation and maintenance of facilities	226,294	226,294	240,131	240,131
Pupil Transportation	228,170	228,170	195,403	195,403
Employee Benefits	962,070	714,482	1,177,624	956,117
Interest and fiscal charges	19,204	19,204	20,940	20,940
Total Expenses	<u>\$ 4,215,119</u>	<u>\$ 3,575,230</u>	<u>\$ 4,168,184</u>	<u>\$ 3,724,762</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Pupil transportation includes activities involved with the conveyance of students to and from school and other activities, as provided by state law, as well as internal service fund expenses.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

### **Business-Type Activities**

Revenues for the District's business-type activities (Food Service and SACC programs) were comprised of charges for services and federal and state reimbursements.

- Expenses exceeded program revenues by \$7,201.
- Charges for services represent \$39,491 of revenue, which was a decrease of \$13,729 from the prior year. This represents amount paid by patrons for daily food service and SACC activities. There was no other non-operating revenue.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$48,425.

## The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (general fund, special revenue fund, capital projects and debt service fund-based statements) had total revenues of \$4,497,137, expenditures of \$4,292,147 and another net financing use reporting \$15,100 transferred to Charter School during the year. The net positive change in fund balance for the year was \$189,890, which demonstrates that the District was fully able to meet current operating costs without the use of additional fund balance. As demonstrated by the various statements and schedules included in the financial section of this report, 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, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) from 2019	Percent Increase/ (Decrease)
Local Sources	\$ 3,108,909	69.13%	\$ 136,562	4.59%
State Sources	1,232,808	27.41%	168,328	15.81%
Federal Sources	155,420	3.46%	(30,675)	-16.48%
	<u>\$ 4,497,137</u>	<u>100.00%</u>	<u>\$ 274,215</u>	<u>6.49%</u>

The increase in Local sources is attributed to increases in the general fund local tax levy of \$105,006, debt service tax levy of \$14,626 and other miscellaneous revenues of \$17,750, offset by a decrease in tuition revenue of \$820.

The increase in State sources of \$168,328 is attributed to increases in and debt service aid of \$815 and \$177,063 in restricted state grants, offset by a decrease in general fund aid of \$9,550.

The above schedule includes the last 2018-2019 state aid payments of \$53,322 received in July 2019 and does not include the last state aid payments for 2019-2020 received in July 2020 in the amount of \$45,813.

The decrease in Federal sources is due to changes in various grants. In addition, the 2019 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2020 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2019	Percent Increase/ (Decrease)
Current:				
Instruction	\$ 1,428,332	33.28%	\$ 129,585	9.98%
Undistributed expenditures	2,568,524	59.84%	115,726	4.72%
Capital Outlay	136,087	3.17%	(67,765)	-33.24%
Debt Service:				
Principal	140,000	3.26%	5,000	3.70%
Interest	19,204	0.45%	(2,605)	-11.94%
Total	<u>\$ 4,292,147</u>	<u>100.00%</u>	<u>\$ 179,941</u>	<u>4.38%</u>

The increase in instructional expenditures is attributed to a increases in special education instruction of \$954 and regular instruction of \$128,631.

The increase in undistributed expenditures was due to increases in tuition costs of \$101,884, pupil transportation expenses of \$32,767 and employee benefit costs of \$37,180, offset by decreases in student instruction related services of \$2,150, maintenance cost of \$25,609 and administration/central services costs of \$28,346.

The decrease in capital outlay of \$67,765 is attributed to decreased capital expenditures for equipment.

The change in debt service results from an increase in interest cost.

### General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2020, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- Staffing changes based on student needs.
- Additional costs for student transportation both in regular education and special education.
- Changes in maintenance and operations.
- Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$292,963 as shown on Exhibit C-1.

- Actual revenues were \$41,144 more than expected, excluding on-behalf pension and social security reimbursements of \$450,060, due to various state aid allotments and miscellaneous revenues.
- Actual expenditures were \$566,287 lower than expected, offset by the state on-behalf pension and social security reimbursements of \$450,060 resulting in the reportable favorable variance of \$116,227 as shown on Exhibit C-1.

### Capital Assets

At the end of the fiscal year 2020, the School District had \$1,187,880 (net of accumulated depreciation) invested in Governmental land, buildings, furniture and equipment, and vehicles and \$7,791 in Business Activity equipment. Table 4 shows fiscal 2020 balances compared to 2019.

Table 4  
Capital Assets (Net of Depreciation) at June 30

	<u>2020</u>	<u>2019</u>
Land	\$ 6,207	\$ 6,207
Construction in Progress	25,590	
Land Improvements	200,762	175,653
Building and Improvements	816,749	900,772
Machinery and Equipment	146,363	131,401
Totals	<u>\$ 1,195,671</u>	<u>\$ 1,214,033</u>

Overall capital assets decreased by \$18,362 from fiscal year 2019 to fiscal year 2020. The decrease consisted of \$140,973 in depreciation expense, offset by additions of \$122,611.

### **Long-Term Debt:**

At year-end, the District had \$1,415,159 in outstanding debt, which represented school bonds in the amount of \$855,000, net pension liability of \$491,055 and compensated absences of \$69,104. There was no other outstanding authorized debt (Note 6). The remaining available amount of debt permitted to be authorized is \$4,936,753, as shown on Exhibit J-13.

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

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

- Collective Bargaining unit is in effect until June 30, 2023
- State Formula Aid for fiscal year 2020-2021 decreased.
- Special revenues have increased in the overall funds year to year.
- Every possible grant prospect is availed to increase and supply the best educational opportunities for students.
- Together in Education at Mannington "TEAM" (parent group) has assisted the district by providing funds for field trips and student achievement awards.
- Bonds issued in 2006 were refunded in 2016 to take advantage of a lower interest rate. This refunding will provide a savings to the taxpayers in the way of a lower yearly debt service payment.
- Ratables have decreased significantly due to the revaluation of the Memorial Hospital of Salem County and subsequent sale and change to non-profit status.

In conclusion, Mannington Township School District has remained committed to fiscal responsibility for many years. The district continues sound fiscal management practices to meet the requirements of the future and accepts the challenge to continue to find additional revenues to meet expense requirements.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Karen Mathews, Business Administrator, Mannington Township School District, 495 Route 45, Salem, NJ 08079.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 909,589	\$ 8,667	\$ 918,256
Receivables, Net	80,043	10,251	90,294
Inventory		816	816
Restricted Assets:			
Capital Reserve Account - Cash	1,123,789		1,123,789
Maintenance Reserve Account - Cash	155,785		155,785
Capital Assets, Net (Note 6):	1,187,880	7,791	1,195,671
<b>Total Assets</b>	<b>3,457,086</b>	<b>27,525</b>	<b>3,484,611</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Other Deferred Outflows	37,600		37,600
Deferred Pension Outflows	84,466		84,466
<b>Total Deferred Outflows</b>	<b>122,066</b>		<b>122,066</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	26,693		26,693
Accrued Interest Payable	6,401		6,401
Unearned Revenue	36,275	1,883	38,158
Noncurrent Liabilities:			
Due Within One Year	140,000		140,000
Due Beyond One Year	1,275,159		1,275,159
<b>Total Liabilities</b>	<b>1,484,528</b>	<b>1,883</b>	<b>1,486,411</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Pension Inflows	402,323		402,323
<b>Total Deferred Inflows</b>	<b>402,323</b>		<b>402,323</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	364,079	7,791	371,870
Restricted for:			
Capital Reserve	1,123,789		1,123,789
Maintenance Reserve	155,785		155,785
Excess Surplus	728,023		728,023
Unrestricted (Deficit)	(679,375)	17,851	(661,524)
<b>Total Net Position</b>	<b>\$ 1,692,301</b>	<b>\$ 25,642</b>	<b>\$ 1,717,943</b>

**The accompanying Notes to Financial Statements are an integral part of this statement.**



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities						
Instruction:						
Regular	\$ 1,390,561	\$	213,138	\$ (1,177,423)	\$	(1,177,423)
Special Education	121,410			(121,410)		(121,410)
Other instruction	477			(477)		(477)
Support Services:						
Tuition	629,947			(629,947)		(629,947)
Student & Instruction Related Services	391,270	58,000	121,163	(212,107)		(212,107)
General and Business Administrative Services	82,629			(82,629)		(82,629)
School Administrative Services	86,563			(86,563)		(86,563)
Central Services	76,524			(76,524)		(76,524)
Plant Operations and Maintenance	226,294			(226,294)		(226,294)
Pupil Transportation	228,170			(228,170)		(228,170)
Employee Benefits	962,070		247,588	(714,482)		(714,482)
Interest on Long-term Debt	19,204			(19,204)		(19,204)
<b>Total Governmental Activities</b>	<b>4,215,119</b>	<b>58,000</b>	<b>581,889</b>	<b>(3,575,230)</b>		<b>(3,575,230)</b>
Business-type Activities:						
Food Service	67,275	22,772	48,425		3,922	3,922
SACC	13,440	16,719			3,279	3,279
<b>Total Business-type Activities</b>	<b>80,715</b>	<b>39,491</b>	<b>48,425</b>		<b>7,201</b>	<b>7,201</b>
<b>Total Primary Government</b>	<b>\$ 4,295,834</b>	<b>\$ 97,491</b>	<b>\$ 630,314</b>	<b>(3,575,230)</b>	<b>7,201</b>	<b>(3,568,029)</b>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				2,855,285		2,855,285
Taxes Levied for Debt Service				105,074		105,074
Federal and State Aid not Restricted				875,220		875,220
Tuition Received				115,860		115,860
Investment Earnings				7,284		7,284
Miscellaneous Income				25,406		25,406
Transfer to Charter School				(15,100)		(15,100)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<b>3,969,029</b>		<b>3,969,029</b>
				Change in Net Position	393,799	7,201
				Net Position—Beginning (Deficit)	1,298,502	18,441
				Net Position—Ending	<b>\$ 1,692,301</b>	<b>\$ 25,642</b>
					<b>\$</b>	<b>\$ 1,717,943</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUNDS**

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 897,189	\$	\$	\$	\$ 897,189
Cash - Capital Reserve	1,123,789				1,123,789
Cash - Maintenance Reserve	155,785				155,785
State Aid Receivable					
Federal Aid Receivable		69,668			69,668
Receivables from Other Governments	10,375				10,375
Interfunds Receivables	36,378				36,378
<b>Total Assets</b>	<b>\$ 2,223,516</b>	<b>\$ 69,668</b>	<b>\$</b>	<b>\$</b>	<b>\$ 2,293,184</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 155	\$ 26,538	\$	\$	\$ 26,693
Unearned Revenue		36,275			36,275
Interfund Payable		33,771			33,771
<b>Total Liabilities</b>	<b>155</b>	<b>96,584</b>	<b></b>	<b></b>	<b>96,739</b>
<b>Fund Balances:</b>					
<b>Restricted For:</b>					
Capital Reserve	1,123,789				1,123,789
Maintenance Reserve	155,785				155,785
Excess Surplus	403,489				403,489
Excess Surplus - Designated for Subsequent Year's Expenditures	324,534				324,534
Assigned to Year-End Encumbrance	10,707				10,707
Assigned Designated for Subsequent Year's Expenditures	870				870
<b>Unassigned, Reported In:</b>					
General Fund	204,187				204,187
Special Revenue Fund (Deficit)		(26,916)			(26,916)
<b>Total Fund Balances (Deficit)</b>	<b>2,223,361</b>	<b>(26,916)</b>	<b></b>	<b></b>	<b>2,196,445</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,223,516</b>	<b>\$ 69,668</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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 the assets is \$3,213,106 and the accumulated depreciation is \$2,025,226 (Note 6).	1,187,880
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 (Note 8).	(924,104)
Deferred Outflow of Resources - Deferred Pension Contribution	84,466
Deferred Outflow of Resources - Debt Refinancing	37,600
Deferred Inflows of Resources - Pension Actuarial Gains	(402,323)
Long Term Net Pension Liability	(491,055)
Accrued Interest on Bonds not payable until the next year	(6,401)
Internal Service Fund - Net Position	9,793
<b>Net position of governmental activities</b>	<b>\$ 1,692,301</b>

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local Tax Levy	\$ 2,855,285			\$ 105,074	\$ 2,960,359
Tuition from Individuals	115,860				115,860
Interest Earned	7,284				7,284
Miscellaneous		25,406			25,406
Total Local Sources	2,978,429	25,406		105,074	3,108,909
State Sources	948,001	230,677		54,130	1,232,808
Federal Sources		155,420			155,420
Total Revenues	3,926,430	411,503		159,204	4,497,137
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	1,097,137	213,138			1,310,275
Special Education Instruction	118,057				118,057
Support Services:					
Tuition	629,947				629,947
Student & Instruction Related Services	197,748	121,163			318,911
General Administration	73,707				73,707
School Administrative Services	82,060				82,060
Central Services	70,688				70,688
Plant Operations and Maintenance	198,018				198,018
Pupil Transportation	228,170				228,170
Employee Benefits	914,313	52,710			967,023
Capital Outlay	4,133	46,113	85,841		136,087
Debt Service:					
Principal				140,000	140,000
Interest and Other Charges				19,204	19,204
Total Expenditures	3,613,978	433,124	85,841	159,204	4,292,147
Excess (Deficiency) of Revenues Over Expenditures	312,452	(21,621)	(85,841)		204,990
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer to Capital Projects Fund	(18,500)		18,500		
Transfer from Capital Projects Fund	21,620		(21,620)		
Transfer to Charter School	(15,100)				(15,100)
Total Other Financing Sources and Uses	(11,980)		(3,120)		(15,100)
Net Change in Fund Balances	300,472	(21,621)	(88,961)		189,890
Fund Balance—July 1 (Deficit)	1,922,889	(5,295)	88,961		2,006,555
Fund Balance—June 30 (Deficit)	\$ 2,223,361	\$ (26,916)	\$ -	\$ -	\$ 2,196,445

The accompanying Notes to Financial Statements are an integral part of this statement.

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**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, 2020**

**Total net change in fund balances - governmental funds (from B-2)** \$ 189,890

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$	(140,286)	
Fixed Asset Adjustment			
Capital Outlays		122,611	
			(17,675)

Pension Expense recognized for GAAP but not for Budgetary purposes.

In the statement of activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid. 2,516

Repayment of capital lease principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of net position.

Repayment of Serial Bond principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of net assists. 140,000

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 71,318

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 for payment.

Internal Service Fund - Increase in Net Position 7,750

**Change in net position of governmental activities (A-2)** **\$ 393,799**

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**PROPRIETARY FUNDS**

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Enterprise Fund</b>			
	<b>Food Service</b>	<b>SACC Program</b>	<b>Total Enterprise</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 2,681	\$ 8,593	\$ 11,274	\$ 9,793
Accounts Receivable	8,774	1,477	10,251	
Inventory	816		816	
<b>Total Current Assets</b>	<b>12,271</b>	<b>10,070</b>	<b>22,341</b>	<b>9,793</b>
Noncurrent Assets:				
Furniture, Machinery & Equipment	13,345		13,345	
Less Accumulated Depreciation	(5,554)		(5,554)	
<b>Total Noncurrent Assets</b>	<b>7,791</b>		<b>7,791</b>	
<b>Total Assets</b>	<b>\$ 20,062</b>	<b>\$ 10,070</b>	<b>\$ 30,132</b>	<b>\$ 9,793</b>
<b>LIABILITIES AND FUND EQUITY:</b>				
Current Liabilities:				
Unearned Revenue	\$ 1,801	\$ 82	\$ 1,883	\$
Due to General Fund	2,607		2,607	
<b>Total Current Liabilities</b>	<b>4,408</b>	<b>82</b>	<b>4,490</b>	
Net Position				
Invested in Capital Assets, Net of Related Debt	7,791		7,791	
Unrestricted	7,863	9,988	17,851	9,793
<b>Total Net Position</b>	<b>15,654</b>	<b>9,988</b>	<b>25,642</b>	<b>9,793</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 20,062</b>	<b>\$ 10,070</b>	<b>\$ 30,132</b>	<b>\$ 9,793</b>

The accompanying Notes to Financial Statements are an integral part of this statement.



**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities			Governmental Activities Internal Service Fund
	Enterprise Fund			
	Food Service	SACC Program	Totals	
Operating Revenues:				
Charges for Services:				
Daily Sales Reimbursable Programs	\$ 15,700		\$ 15,700	
Daily Sales Non-Reimbursable Programs	7,072		7,072	
SACC Revenue		16,719	16,719	
Shared Services - Other LEA				58,000
Total Operating Revenue:	22,772	16,719	39,491	58,000
Operating Expenses:				
Cost of Sales - Reimbursable Programs	44,125		44,125	
Cost of Sales - Non-Reimbursable Programs	4,482		4,482	
Salaries	12,860	11,780	24,640	47,885
Employee Benefits	3,474	901	4,375	2,365
General Supplies	1,647	759	2,406	
Depreciation	687		687	
Total Operating Expenses	67,275	13,440	80,715	50,250
Operating Income (Loss)	(44,503)	3,279	(41,224)	7,750
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	869		869	
Federal Sources:				
National School Lunch Program	30,310		30,310	
School Breakfast Program	12,835		12,835	
Food Distribution Program	4,411		4,411	
Total Non-operating Revenues (Expenses)	48,425		48,425	
Income (Loss) Before Contributions & Transfers	3,922	3,279	7,201	7,750
Transfers In (Out)				
Change in Net Position	3,922	3,279	7,201	7,750
Total Net Position - Beginning	11,732	6,709	18,441	2,043
Total Net Position - Ending	\$ 15,654	\$ 9,988	\$ 25,642	\$ 9,793

The accompanying Notes to Financial Statements are an integral part of this statement.

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 22,772	\$ 16,719	\$ 39,491	\$ 58,000
Payments to Employees	(12,860)	(11,780)	(24,640)	(47,885)
Payments for Employee Benefits	(3,474)	(901)	(4,375)	(2,365)
Payments to Suppliers	(57,475)	(969)	(58,444)	
Net Cash Provided by (Used for) Operating Activities	<u>(51,037)</u>	<u>3,069</u>	<u>(47,968)</u>	<u>7,750</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	869		869	
Federal Sources	47,556		47,556	
Operating Transfer In-General Fund	-		-	
Net Cash Provided by (Used for) Non-capital Financing Activities	<u>48,425</u>		<u>48,425</u>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Purchase of Fixed Assets				
Net Cash Provided by (Used for) Capital Financing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents	(2,612)	3,069	457	7,750
Balances—Beginning of Year	5,293	5,524	10,817	2,043
Balances—End of Year (Cash Overdraft)	<u>\$ 2,681</u>	<u>\$ 8,593</u>	<u>\$ 11,274</u>	<u>\$ 9,793</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (44,503)	\$ 3,279	\$ (41,224)	\$ 7,750
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Net Amortization	687		687	
(Increase) Decrease in Accounts Receivable, Net	(7,604)	(288)	(7,892)	
(Increase) Decrease in Inventory	(680)		(680)	
Increase (Decrease) in Unearned Revenue	1,063	78	1,141	
Total Adjustments	<u>(6,534)</u>	<u>(210)</u>	<u>(6,744)</u>	
Net Cash Provided by (Used for) Operating Activities	<u>\$ (51,037)</u>	<u>\$ 3,069</u>	<u>\$ (47,968)</u>	<u>\$ 7,750</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**FIDUCIARY FUNDS**

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<u>Agency Fund</u>	<u>Student Activity</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,000	\$ 12,326
Due from Employees	1,410	
Total Assets	<u>\$ 2,410</u>	<u>\$ 12,326</u>
<b>LIABILITIES</b>		
Due to Student Groups	\$	\$ 12,326
Accounts Payable		
Payroll Deductions and Withholdings	1,410	
Medical Reimbursement Plan	1,000	
Total Liabilities	<u>\$ 2,410</u>	<u>\$ 12,326</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Reporting Entity:**

The Mannington Township School District is a Type II District located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the District is to educate students in grades Pre K-8. The Mannington Township School District had an approximate enrollment at June 30, 2020 of 190.

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.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation:**

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation: (continued)**

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**B. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

**GOVERNMENTAL FUNDS**

**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 sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting: (continued)**

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

**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. The district currently has no capital projects and, therefore, has not included a capital projects fund.

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

Food Service Fund - Equipment

12 Years

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**FIDUCIARY FUNDS**

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and Scholarship Funds, if any.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

**Agency Funds** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds. This includes a Flexible Medical Spending Plan.

**C. Basis of Accounting and Measurement Focus:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the 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". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Basis of Accounting and Measurement Focus: (continued)**

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board(GASB) and the pronouncements of the Financial Accounting Standards Board(FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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 N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which 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.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Encumbrance Accounting:**

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as 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.

**F. Tuition Receivable:**

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

**G. Tuition Payable:**

Tuition charges for the fiscal years 2017-18, 2018-19, and 2019-20 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**H. Short-Term Interfund Receivables/Payables:**

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

**I. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

**J. Assets, Liabilities and Equity:**

Transactions

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

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**J. Assets, Liabilities and Equity: (continued)**

Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020. At June 30, 2020, there was \$254 of supplies and \$562 of food in ending inventory in the Food Service Fund.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) 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. The District receives federal commodity food for meal service provided through a vended meal contract.

**Capital Assets**

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2020 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Equipment	5-10

**K. 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 for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**L. Unearned Revenue:**

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

**M. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**N. 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 not 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.

**O. 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.

**P. Lease Acquisition Costs:**

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2020.

**Q. Fund Equity:**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**R. Comparative Data/Reclassifications:**

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

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**S. Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**T. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**U. Net Position:**

Net Position represents the difference between assets and liabilities. Net investment 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 is available.

**V. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**W. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**W. Revenues – Exchange and Non-exchange Transactions: (continued)**

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**X. New Accounting Standards:**

The School District has adopted the following GASB statements:

- GASB Statement - No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*: The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. Management is evaluating the potential impact of the adoption of GASB 95 on the School District's financial statements.

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**X. New Accounting Standards:**

- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2018, the District had no funds on deposit with the New Jersey Cash Management.

**Deposits:** N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2020, the School District's bank balance of \$2,102,544 was subject to custodial credit risk as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>2,017,806</u>
Total	\$ <u>2,267,806</u>

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

As of June 30, 2020, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking Accounts	\$ <u>2,211,158</u>

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Township of Mannington Board of Education by inclusion of \$1,000 on September 12, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 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.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4. CAPITAL RESERVE ACCOUNT (CONT'D)**

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	917,444
Interest Earnings		3,225
Deposits - Approved by Resolution		221,620
Withdraws		(18,500)
		<u>                    </u>
Ending Balance, June 30, 2020	\$	<u><u>1,123,789</u></u>

The balance in Capital Reserve at June 30, 2020 is to be within the LRFPP maximum balance of local support costs of uncompleted capital projects.

**NOTE 5. OPERATING LEASES**

The District leases copiers and a mailing system under operating leases. The terms of the contracts call for monthly or quarterly payments. The District has the following lease payments remaining for their copiers:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 5,856
Total	<u><u>\$ 5,856</u></u>

The District has the following lease payments remaining for their mailing system:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 830
2022	830
Total	<u><u>\$ 1,660</u></u>

The total operating lease payments made during the year ended June 30, 2020 were \$6,686.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	<b>Beginning Balance 7/1/19</b>	<b>Additions</b>	<b>Adjustment/ Retirements</b>	<b>Ending Balance 6/30/20</b>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 6,207	\$	\$	\$ 6,207
Construction in Progress		25,590		25,590
<b>Total Capital Assets not being Depreciated</b>	<b>6,207</b>	<b>25,590</b>		<b>31,797</b>
Land Improvements	186,914	34,992		221,906
Building and Building Improvements	2,654,639	29,771		2,684,410
Machinery and Equipment	242,735	32,258		274,993
<b>Totals at Historical Cost</b>	<b>3,084,288</b>	<b>97,021</b>		<b>3,181,309</b>
Less Accumulated Depreciation for:				
Land Improvements	(11,261)	(9,883)		(21,144)
Building and Improvements	(1,753,867)	(113,794)		(1,867,661)
Equipment	(119,812)	(16,609)		(136,421)
<b>Total Accumulated Depreciation</b>	<b>(1,884,940)</b>	<b>(140,286)</b>		<b>(2,025,226)</b>
<b>Total Capital Assets being Depreciated, Net of Accumulated Depreciation</b>	<b>1,199,348</b>			<b>1,156,083</b>
<b>Government Activities Capital Assets, Net</b>	<b>\$ 1,205,555</b>	<b>\$ (43,265)</b>	<b>\$</b>	<b>\$ 1,187,880</b>
	To A-1			To A-1
Business-type Activities - Equipment	\$ 13,345	\$	\$	\$ 13,345
Less Accumulated Depreciation	(4,867)	(687)		(5,554)
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 8,478</b>	<b>\$ (687)</b>	<b>\$</b>	<b>\$ 7,791</b>

Depreciation expense was charged to governmental functions as follows:

Instruction:			
Regular		\$ 80,286	
Special Education		3,353	
Other Instruction		477	
Support Services:			
Student & Instruction Related Services		22,109	
School Administration		8,922	
General & Business Administrative Services		4,503	
Central Services		5,836	
Plant Operations and Maintenance		14,800	
<b>Total Depreciation Expense</b>			<b>\$ 140,286</b>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2020 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectable in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Enterprise Fund</b>	<b>Special Revenue Fund</b>
<b>Receivables:</b>			
Intergovernmental	\$ 10,375	\$ 8,560	\$ 69,668
Other		1,691	
	\$ 10,375	\$ 10,251	\$ 69,668

**NOTE 8. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

	<b>Beginning Balance 7/1/19</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 6/30/20</b>	<b>Amounts Due within One Year</b>	<b>Long-term Portion</b>
<b>Governmental Activities:</b>						
Serial Bonds	\$ 995,000	\$	\$ 140,000	\$ 855,000	\$ 140,000	\$ 715,000
Compensated absences payable	71,620		2,516	69,104		69,104
Net Pension Liability	686,031		194,976	491,055		491,055
Total Long-term Obligations	\$ 1,752,651	\$	\$ 337,492	\$ 1,415,159	\$ 140,000	\$ 1,275,159

**A. Bonds Payable** - On April 12, 2017 the Bonds Payable issued on March 1, 2006 in the amount of \$1,400,000 were refunded.

Principal and interest due on bonds outstanding is as follows:

	<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$	140,000	\$ 16,502	\$ 156,502
2022		145,000	13,799	158,799
2023		145,000	11,001	156,001
2024		140,000	8,203	148,203
2025		145,000	5,501	150,501
2026		140,000	2,702	142,702
	\$	855,000	\$ 57,707	\$ 912,707

**B. Bonds Authorized But Not Issued** - As of June 30, 2020, the District had no bonds authorized but not issued.

**C. Capital Leases** - As of June 30, 2020, the District had no Capital Leases.

**NOTE 9. MAINTENANCE RESERVE**

As of June 30, 2020, the balance in the maintenance reserve is \$155,785.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

The following represents the membership tiers for PERS:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2020 were 13,805. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2020 is 13.69% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2020, and 2019, were \$26,618 and \$34,791 respectively.

The total payroll for the year ended June 30, 2020 was \$1,779,730. Payroll covered by PERS was \$184,072 for fiscal year 2020.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Components of Net Pension Liability** - At June 30, 2020, the District's proportionate share of the PERS net pension liability was \$491,055. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The District's proportion measured as of June 30, 2019 was 0.002725% which was a decrease of 0.00076% from its proportion measured as of June 30, 2018.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2020 PERS pension expense, with respect to GASB 68, was \$(52,983). The District's 2020 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 8,814	\$ 2,169
Changes of assumptions	49,034	170,444
Net difference between projected and actual earnings on pension plan investments	-	7,751
Changes in proportion	-	221,959
Contributions subsequent to the measurement date	26,618	
<b>Total</b>	<b>\$ 84,466</b>	<b>\$ 402,323</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year		PERS
2021	\$	(90,801)
2022		(123,430)
2023		(83,726)
2024		(38,444)
2025		(8,074)
Thereafter		
<b>Total</b>	<b>\$</b>	<b>(344,475)</b>

**Additional Information** - Collective Balances at June 30, 2020 and 2019 are as follows:

Year		2020		2019
Collective deferred outflows of resources	\$	84,466	\$	160,921
Collective deferred inflows of resources	\$	402,323	\$	355,120
Collective Net Pension Liability	\$	491,055	\$	686,031
District's Proportion		0.002725%		0.003484%

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Actuarial Assumptions** - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>PERS</b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.28%)	Current Discount (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	\$ 624,598	\$ 491,055	\$ 384,821



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100% special funding situation with the State of New Jersey.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$254,871 to the TPAF for pension contributions, \$94,553 for post-retirement benefits on behalf of the School, and \$311 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$100,325 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2020, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2020, the District recognized pension expense of \$406,853 and revenue of \$406,853 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF</b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

	TPAF	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (4.60%)</u>	<u>Current Discount (5.60%)</u>	<u>1% Increase (6.60%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 8,153,727	\$ 6,897,847	\$ 5,886,335
State's Share of the Net Pension Liability	<u>\$ 72,544,649,801</u>	<u>\$ 61,519,112,443</u>	<u>\$ 52,371,397,951</u>

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

- 
1. State or Local Officials who are elected or appointed on or after July 1, 2007
  2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
  3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
  4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
  5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP) (Continued)**

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2020, employee contributions totaled \$2,032 and the District's employer contribution, recognized in pension expense, was \$1,497. There were no forfeitures during the fiscal year.

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 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 Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Special Funding Situation**

The participating local education employer allocations included in the supplemental schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2019, was \$41,729,081,045. Of this amount, the total OPEB liability attributable to the School District was \$6,192,116. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.01484%. The total OPEB liability for the School District measured as of June 30, 2019 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2019 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Age	Age
Through 2026	1.55% - 3.05%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 3.05%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Discount rate**

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

State of New Jersey	<b><u>Total OPEB Liability</u></b>
<b>Balance as of June 30, 2018 Measurement Date</b>	\$ <u>46,110,832,982</u>
Changes for the year:	
Service Cost	1,734,404,850
Interest	1,827,787,206
Changes of Benefit Terms	
Differences between Expected and Actual	(7,323,140,818)
Changes of Assumptions	622,184,027
Benefit Payments	(1,280,958,373)
Contributions from Members	<u>37,971,171</u>
<b>Net Changes</b>	<u>(4,381,751,937)</u>
<b>Balance as of June 30, 2019 Measurement Date</b>	\$ <u><u>41,729,081,045</u></u>

**Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b><u>June 30, 2019</u></b>		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.50%	3.50%	4.50%
\$	49,298,534,898	41,729,081,045	35,716,321,820

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b><u>June 30, 2019</u></b>		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	34,832,902,820	41,729,081,045	51,453,912,586

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

For the year ended June 30, 2020, the School District recognized OPEB expense of \$11,452. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$	\$ 1,555,848
Changes of Assumptions		1,258,561
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		753,285
Contributions Subsequent to the Measurement Date		
Total	\$ 0	\$ 3,567,694

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2020	\$	(473,084)
2021		(473,084)
2022		(473,084)
2023		(473,084)
2024		(473,084)
Thereafter		(1,202,274)
Total	\$	(3,567,694)

**NOTE 12. COMPENSATED ABSENCES**

The School District accounts for compensated absences 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 school district and its employees, is accrued as employees earn the rights to the benefits.

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

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 12. COMPENSATED ABSENCES (CONT'D)**

In 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 vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, there was no liability for compensated absences in the Food Service Fund.

**NOTE 13. 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, permits 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 administrator is as follows:

Lincoln Investments  
Voya

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 36,378	\$
Special Revenue Fund		33,771
Food Service Fund		2,607
Total	\$ 36,378	\$ 36,378

**NOTE 15. 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$2,223,361 General Fund balance at June 30, 2020, \$1,123,789 is restricted for Capital Reserve; \$10,707 is assigned for Encumbrances; \$155,785 was restricted as Maintenance Reserve; \$728,023 was restricted as excess surplus at June 30, 2020 in accordance with N.J.S.A. 18A:7F-7; of which \$324,534 has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$870 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; and \$204,187 is unreserved and undesignated.

**Debt Service Fund** -The unrestricted and undesignated Debt Service fund balance at June 30, 2020 is \$0.



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 17. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess surplus fund balance at June 30, 2020 of \$324,534, must be budgeted in the 2020-21 budget and \$403,489 must be budgeted in the 2021-22 budget.

**NOTE 18. LITIGATION**

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

**NOTE 19. TAX ABATEMENT**

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.

**NOTE 20. DEFICIT FUND BALANCES**

The District has a deficit fund balance in the Special Revenue Fund of \$26,916 as of June 30, 2020 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current 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, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. The deficit of \$26,916 is equal to the 19<sup>th</sup> and 20<sup>th</sup> payments received in July 2020.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 21. SUBSEQUENT EVENTS**

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,855,285	\$	\$ 2,855,285	\$ 2,855,285	\$
Tuition from Individuals	80,000		80,000	115,860	35,860
Interest on Capital Reserve	500		500	3,225	2,725
Interest on Maintenance Reserve				10	10
Interest on Investments	10		10	4,049	4,039
Miscellaneous	1,490		1,490		(1,490)
<b>Total - Local Sources</b>	<b>2,937,285</b>		<b>2,937,285</b>	<b>2,978,429</b>	<b>41,144</b>
State Sources:					
Equalization Aid	33,846		33,846	33,846	
Categorical Transportation Aid	117,432		117,432	117,432	
Categorical Special Education Aid	106,577		106,577	106,577	
Categorical Security Aid	29,905		29,905	29,905	
Adjustment Aid	202,672		202,672	202,672	
On-Behalf TPAF Post Retirement Medical Contrib (non-budgeted)				94,553	94,553
On-Behalf TPAF Long-Term Disability Contrib (non-budgeted)				311	311
On-Behalf TPAF Pension Contribution (non-budgeted)				254,871	254,871
Reimbursement TPAF Social Security (non-budgeted)				100,325	100,325
<b>Total - State Sources</b>	<b>490,432</b>		<b>490,432</b>	<b>940,492</b>	<b>450,060</b>
Federal Sources:					
<b>Total - Federal Sources</b>					
<b>TOTAL REVENUES</b>	<b>3,427,717</b>		<b>3,427,717</b>	<b>3,918,921</b>	<b>491,204</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	56,500	5,650	62,150	61,573	577
Kindergarten	91,000		91,000	88,375	2,625
Grades 1-5	486,000	(5,650)	480,350	465,739	14,611
Grades 6-8	333,000		333,000	319,860	13,140
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000		4,000		4,000
Purchased Professional-Educational Services	3,000		3,000	2,568	432
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	21,500	1,000	22,500	16,662	5,838
Purchased Professional-Educational Services	28,000	2,500	30,500	29,282	1,218
Purchased Technical Services	32,000	(7,000)	25,000	19,930	5,070
Other Purchased Services	33,000	15,300	48,300	41,752	6,548
General Supplies	67,750	637	68,387	51,062	17,325
Textbooks	25,000	(16,364)	8,636		8,636
Other Objects	1,000	(510)	490	334	156
<b>Total Regular Programs - Instruction</b>	<b>\$ 1,181,750</b>	<b>\$ (4,437)</b>	<b>\$ 1,177,313</b>	<b>\$ 1,097,137</b>	<b>\$ 80,176</b>

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES:</b>					
Special Education - Instruction:					
Resource Room/Resource Center					
Salaries of Teachers	\$ 122,000	\$	\$ 122,000	\$ 117,396	\$ 4,604
General Supplies	3,000		3,000	661	2,339
Total Resource Room/Resource Center	125,000		125,000	118,057	6,943
Total Special Education - Instruction	125,000		125,000	118,057	6,943
Basic Skills/Remedial - Instruction					
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction					
School Sponsored Co-curricular Activities					
Purchased Services	500		500	412	88
Supplies and Materials		500	500	366	134
Other Objects	5,000	(500)	4,500		4,500
Total School Sponsored Co-curricular Activities	5,500		5,500	778	4,722
Total Instruction	1,312,250	(4,437)	1,307,813	1,215,972	91,841
Undistributed Expenditures:					
Instruction					
Tuition - Other LEAs Within the State - Regular	348,391		348,391	342,241	6,150
Tuition - Other LEAs Within the State - Special	65,092	(8,000)	57,092	32,700	24,392
Tuition - County Voc. School Dist. - Regular	184,162	8,000	192,162	189,336	2,826
Co.Spec.Services and Regional Day Schools	83,186		83,186	65,670	17,516
Tuition - Private Schools/Disabled Within State	108,000	(15,100)	92,900		92,900
Total Instruction	788,831	(15,100)	773,731	629,947	143,784
Attendance and Social Work Services:					
Salaries	3,500	120	3,620	3,615	5
Total Attendance and Social Work Services	\$ 3,500	\$ 120	\$ 3,620	\$ 3,615	\$ 5

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>EXPENDITURES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Health Services:					
Salaries	\$ 62,000		\$ 62,000	\$ 53,135	\$ 8,865
Purchased Professional/Technical Services	3,400		3,400	2,728	672
Supplies and Materials	2,000		2,000	317	1,683
Total Health Services	67,400		67,400	56,180	11,220
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	45,000	5,200	50,200	49,671	529
Total Speech, OT, PT and Related Services:	45,000	5,200	50,200	49,671	529
Other Support Services - Extraordinary Services					
Salaries	72,000		66,800	54,453	12,347
Purchased Professional/Educational Services	1,000		1,000		1,000
Total Other Support Services - Extraordinary Services	73,000	(5,200)	67,800	54,453	13,347
Guidance					
Salaries of Other Professional Staff					
Supplies and Materials					
Total Other Support Serv-Guidance					
Other Support Services-Students-Child Study Teams:					
Salaries of Secretarial and Clerical Assistants	1,750	60	1,810	1,808	2
Purchased Professional/Educational Services	38,918	(5,680)	33,238	15,914	17,324
Miscellaneous Purchased Services	200		200		200
Supplies and Materials	200		200		200
Total Other Support Serv-Students-Special Services	41,068	(5,620)	35,448	17,722	17,726
Improvement of Instruction Services:					
Salaries of Other Professional Staff	10,000	(60)	9,940	3,600	6,340
Salaries of Other Secretarial and Clerical Assistants	1,750	60	1,810	1,808	2
Purchased Professional Educational Services	15,000	(500)	14,500	1,475	13,025
Other Purchased Services	2,000		2,000		2,000
Total Improvement of Instruction Services	28,750	(500)	28,250	6,883	21,367
Educational Media Services/School Library:					
Salaries	14,000		14,000	1,000	13,000
Salaries of Technology Coordinators		5,500	5,500	5,312	188
Purchased Professional/Technical Services	1,500		1,500	907	593
Supplies and Materials	2,000		2,000	311	1,689
Total Educational Media Services/School Library	\$ 17,500	\$ 5,500	\$ 23,000	\$ 7,530	\$ 15,470

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Instructional Staff Training Services:					
Other Salaries	\$	\$ 500	\$ 500	\$ 375	\$ 125
Purchased Professional/Educational Services	1,884	(400)	1,484		1,484
Other Purchased Services	3,000	400	3,400	541	2,859
<b>Total Instructional Staff Training Services</b>	<b>4,884</b>	<b>500</b>	<b>5,384</b>	<b>916</b>	<b>4,468</b>
Support Services - General Administration:					
Salaries	37,100	120	37,220	37,177	43
Legal Fees	8,000	(120)	7,880	2,837	5,043
Audit Fees	12,500		12,500	12,173	327
Other Purchased Professional Services	4,900		4,900	1,790	3,110
Communications/Telephone	9,400	(1,200)	8,200	6,306	1,894
Other Purchased Services	10,000	1,200	11,200	9,202	1,998
General Supplies	1,000		1,000	(51)	1,051
BOE In-House Training/Meeting Supplies	250		250	170	80
Miscellaneous Expenditures	2,000		2,000	1,723	277
BOE Membership Dues and Fees	3,000		3,000	2,380	620
<b>Total Support Services - General Administration</b>	<b>88,150</b>		<b>88,150</b>	<b>73,707</b>	<b>14,443</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	76,700		76,700	63,666	13,034
Salaries of Secretarial/Clerical Assistants	22,500		22,500	17,704	4,796
Supplies and Materials	1,000		1,000	690	310
<b>Total Support Services - School Administration</b>	<b>100,200</b>		<b>100,200</b>	<b>82,060</b>	<b>18,140</b>
Central Services:					
Salaries	60,885		60,885	54,518	6,367
Purchased Technical Services	15,000	(300)	14,700	12,989	1,711
Miscellaneous Purchased Services	1,000	(500)	500	475	25
Supplies and Materials	1,000	850	1,850	1,848	2
Miscellaneous Expenditures	1,000	(50)	950	858	92
<b>Total Central Services</b>	<b>\$ 78,885</b>	<b>\$</b>	<b>\$ 78,885</b>	<b>\$ 70,688</b>	<b>\$ 8,197</b>



**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Increase in Maintenance Reserve	\$	\$	\$	\$	\$
Salaries	42,500		42,500	42,450	50
Cleaning, Repair and Maintenance Services	40,000	3,050	43,050	27,877	15,173
Lead Testing of Drinking Water	1,000		1,000		1,000
General Supplies	7,500	(3,050)	4,450	3,988	462
<b>Total Required Maintenance for School Facilities</b>	<b>91,000</b>		<b>91,000</b>	<b>74,315</b>	<b>16,685</b>
Undistributed Expenditures - Custodial Services					
Salaries	8,000	(175)	7,825	4,749	3,076
Salaries of Non- Instructional Aides	5,500		5,500	3,490	2,010
Purchased Professional/Technical Services	12,000	(875)	11,125	10,933	192
Cleaning, Repair and Maintenance Services	45,000	1,050	46,050	35,447	10,603
Insurance	15,000	(600)	14,400	11,872	2,528
Miscellaneous Purchased Services	500	500	1,000	900	100
General Supplies	11,000		11,000	10,041	959
Energy (Natural Gas)	30,000		30,000	19,185	10,815
Energy (Electricity)	28,000		28,000	26,749	1,251
Other Objects	250	100	350	337	13
<b>Total Other Operation and Maint. of Plant Services</b>	<b>155,250</b>		<b>155,250</b>	<b>123,703</b>	<b>31,547</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>246,250</b>		<b>246,250</b>	<b>198,018</b>	<b>48,232</b>
Student Transportation Services:					
Sal. For Pupil Trans (Bet Home & School)- Reg	3,000		3,000	2,925	75
Other Purchased Prof. And Technical Serv.	1,000		1,000		1,000
Contracted Serv. - Aid in Lieu of Payments- Non Pul	7,100	1,000	8,100	4,698	3,402
Contracted Services (Home/School) Vendors	180,000	(1,000)	179,000	141,658	37,342
Contracted Services (Not Home/School) Vendors	2,750		2,750	1,934	816
Contracted Services (Regular Students) ESC's	30,000	14,450	44,450	41,406	3,044
Contracted Services (Special Education) ESC's	50,000	(14,450)	35,550	35,549	1
<b>Total Student Transportation Services</b>	<b>273,850</b>		<b>273,850</b>	<b>228,170</b>	<b>45,680</b>
Unallocated Benefits:					
Social Security Contributions	33,000		33,000	24,598	8,402
Other Retirement Contributions - PERS	40,000		40,000	28,115	11,885
Unemployment Compensation	8,000		8,000	7,016	984
Workmen's Compensation	25,000		25,000	20,048	4,952
Health Benefits	425,000		425,000	359,237	65,763
Tuition Reimbursement	8,000		8,000	2,796	5,204
Other Employee Benefits	36,150		36,150	22,443	13,707
<b>Total Unallocated Benefits</b>	<b>575,150</b>		<b>575,150</b>	<b>464,253</b>	<b>110,897</b>
On-Behalf TPAF Post Retirem. Medical Contrib.(non-budgeted)				94,553	(94,553)
On-Behalf TPAF Long-Term Disability Contrib (non-budgeted)				311	(311)
On-Behalf TPAF Pension Contribution (non-budgeted)				254,871	(254,871)
Reimbursed TPAF Soc. Sec. Contrib. (non-budgeted)				100,325	(100,325)
<b>Total Undistributed Expenditures</b>	<b>2,432,418</b>	<b>(15,100)</b>	<b>2,417,318</b>	<b>2,393,873</b>	<b>23,445</b>
Interest Earned on Maintenance Reserve	10		10		10
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>\$ 3,744,678</b>	<b>\$ (19,537)</b>	<b>\$ 3,725,141</b>	<b>\$ 3,609,845</b>	<b>\$ 115,296</b>

**MANNINGTON TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CAPITAL OUTLAY:</b>					
Interest Deposit to Capital Reserve	\$	\$	\$	\$	\$
Equipment					
Undistributed Expenditures - Instruction		4,564	4,564	4,133	431
Undistributed Expenditures - Required Maintenance					
		<u>4,564</u>	<u>4,564</u>	<u>4,133</u>	<u>431</u>
Facilities Acquisition and Construction Services:					
Required Maintenance for School Facilities					
Total Facilities Acquisition and Construction Services					
Interest Deposit to Capital Reserve	500		500		500
<b>TOTAL CAPITAL OUTLAY</b>	<u>500</u>	<u>4,564</u>	<u>5,064</u>	<u>4,133</u>	<u>931</u>
<b>TOTAL EXPENDITURES</b>	<u>3,745,178</u>	<u>(14,973)</u>	<u>3,730,205</u>	<u>3,613,978</u>	<u>116,227</u>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	<u>(317,461)</u>	<u>14,973</u>	<u>(302,488)</u>	<u>304,943</u>	<u>607,431</u>
Other Financing Sources (uses):					
Transfer to Capital Projects Fund				(18,500)	(18,500)
Transfer from Capital Projects Fund				21,620	21,620
Transfer to Charter School		(15,100)	(15,100)	(15,100)	
Transfer to Food Service	(10,000)		(10,000)		10,000
Total Other Financing Sources	<u>(10,000)</u>	<u>(15,100)</u>	<u>(25,100)</u>	<u>(11,980)</u>	<u>13,120</u>
Excess (deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(327,461)</u>	<u>(127)</u>	<u>(327,588)</u>	<u>292,963</u>	<u>620,551</u>
Fund Balances, July 1	1,976,211		1,976,211	1,976,211	
Fund Balances, June 30	\$ <u>1,648,750</u>	\$ <u>(127)</u>	\$ <u>1,648,623</u>	\$ <u>2,269,174</u>	\$ <u>620,551</u>
<b>RECAPITULATION :</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				\$ 1,123,789	
Maintenance Reserve				155,785	
Excess Surplus				403,489	
Excess Surplus - Designated for Subsequent Year's Expenditures				324,534	
<b>Assigned to Year-End Encumbrances</b>				10,707	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				870	
<b>Unassigned Fund Balance</b>					
				250,000	
				<u>2,269,174</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(45,813)	
Fund Balance per Governmental Funds (GAAP)				\$ <u>2,223,361</u>	

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Federal Sources	\$ 172,778	\$ 8,170	\$ 180,948	\$ 174,836	\$ 6,112
State Sources	52,950	216,207	269,157	252,298	16,859
Other		25,406	25,406	25,406	
<b>Total Revenues</b>	<b>225,728</b>	<b>249,783</b>	<b>475,511</b>	<b>452,540</b>	<b>22,971</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	107,221	47,221	154,442	154,442	
Other Salaries for Instruction		36,878	36,878	36,878	
Purchased Professional/Technical Services	2,960		2,960	2,960	
General Supplies		19,956	19,956	19,907	49
Other Objects	2,580	936	3,516	246	3,270
<b>Total Instruction</b>	<b>112,761</b>	<b>104,991</b>	<b>217,752</b>	<b>214,433</b>	<b>3,319</b>
<b>Support Services</b>					
Salaries of Supervisors		13,011	13,011	13,011	
Salaries - Other Professionals		13,842	13,842	11,017	2,825
Secretarial and Clerical Salaries		4,601	4,601	4,601	
Salaries - Other	15,099	(9,795)	5,304	5,304	
Family/Parent Liaison		5,173	5,173	5,173	
Facilitator/Coach/Master		10,259	10,259	10,259	
Employee Benefits	26,251	28,758	55,009	52,710	2,299
Purchased Professional/Technical Services	56,262		56,262	56,262	-
Purchased Professional/Educational Services		9,441	9,441	145	9,296
Other Purchased Professional Services		9,620	9,620	9,620	
Clean/Repair/Maint Svc.		5,345	5,345	5,345	
Other Purchased Services	224	3,850	4,074		4,074
Supplies & Materials	400	395	795	426	369
Other Objects		350	350		350
<b>Total Support Services</b>	<b>98,236</b>	<b>94,850</b>	<b>193,086</b>	<b>173,873</b>	<b>19,213</b>
<b>Capital Outlay:</b>					
<b>Equipment :</b>					
Instructional Equipment	12,337	14,430	26,767	26,767	
Non-instructional Equipment	2,394	12,500	14,894	14,455	439
<b>Total Equipment</b>	<b>14,731</b>	<b>26,930</b>	<b>41,661</b>	<b>41,222</b>	<b>439</b>
<b>Facilities Acquisition and Construction Services:</b>					
Construction		23,012	23,012	23,012	
<b>Total Facilities Acquisition and Construction Services</b>	<b>14,731</b>	<b>49,942</b>	<b>64,673</b>	<b>64,234</b>	<b>439</b>
<b>Total Expenditures</b>	<b>225,728</b>	<b>249,783</b>	<b>475,511</b>	<b>452,540</b>	<b>22,971</b>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<b>225,728</b>	<b>249,783</b>	<b>475,511</b>	<b>452,540</b>	<b>22,971</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**BUDGET-TO-GAAP RECONCILIATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 3,918,921	<b>[C-2]</b>	\$ 452,540
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. Current Year				(19,416)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.		53,322		5,295
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(45,813)		(26,916)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	<u>\$ 3,926,430</u>	<b>[B-2]</b>	<u>\$ 411,503</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 3,613,978	<b>[C-2]</b>	\$ 452,540
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. Current Year				(19,416)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<b>[B-2]</b>	<u>\$ 3,613,978</u>	<b>[B-2]</b>	<u>\$ 433,124</u>

**REQUIRED SUPPLEMENTARY INFORMATION PART III**

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.002725%	0.003484%	0.003715%	0.004063%	0.004222%	0.004232%	0.004692%
District's Proportionate Share of the Net Pension Liability	\$ 491,055	\$ 686,031	\$ 864,755	\$ 1,203,274	\$ 947,862	\$ 792,369	\$ 896,753
District's Covered-Employee Payroll	\$ 184,072	\$ 162,139	\$ 193,672	\$ 253,825	\$ 257,366	\$ 277,149	\$ 287,786
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	266.77%	423.11%	446.50%	474.06%	368.29%	285.90%	311.60%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	56.27%	53.60%	48.10%	48.10%	40.14%	47.93%	52.08%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 26,618	\$ 34,791	\$ 34,877	\$ 36,200	\$ 36,302	\$ 34,889	\$ 35,354
Contributions in relation to the Contractually Required Contribution	(26,618)	(34,791)	(34,877)	(36,200)	(36,302)	(34,889)	(35,354)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 184,072	\$ 162,139	\$ 193,672	\$ 253,825	\$ 257,366	\$ 277,149	\$ 287,786
Contributions as a Percentage of Covered-Employee Payroll	14.46%	21.46%	18.01%	14.26%	14.11%	12.59%	12.28%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.011240%	0.010491%	0.010715%	0.011214%	0.010929%	0.011818%	0.011685%
District's Proportionate Share of the Net Pension Liability	\$ 6,897,847	\$ 6,673,922	\$ 7,224,546	\$ 8,821,920	\$ 6,907,341	\$ 6,316,522	\$ 5,905,382
District's Covered-Employee Payroll	\$ 1,392,997	\$ 1,279,166	\$ 1,234,278	\$ 1,163,789	\$ 1,093,431	\$ 1,080,037	\$ 1,159,914
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	495.18%	521.74%	585.33%	758.03%	631.71%	584.84%	509.12%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 213,183	\$ 236,444	\$ 285,996
Interest Cost	286,766	315,083	274,696
Changes of Benefit Terms			
Differences Between Expected and Actual Experiences	(1,503,853)	(896,985)	
Changes of Assumptions	92,325	(836,351)	(1,157,906)
Member Contributions	5,634	6,735	7,384
Gross Benefit Payments	(190,079)	(194,882)	(200,538)
<b>Net Change in Total OPEB Liability</b>	<u>(1,096,024)</u>	<u>(1,369,956)</u>	<u>(790,368)</u>
<b>Total OPEB Liability - Beginning</b>	<u>7,288,050</u>	<u>8,658,006</u>	<u>9,448,374</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 6,192,026</u>	<u>\$ 7,288,050</u>	<u>\$ 8,658,006</u>
<b>Covered-Employee Payroll</b>	<u>\$ 1,577,069</u>	<u>\$ 1,441,305</u>	<u>\$ 1,427,950</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	392.63%	505.66%	606.32%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUND - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	NCLB			REAP Grant	Safety Grant	Wellness Foundation	Sub-Total Per E-1(2)	Totals	
	Title I		Title IV					2020	2019
	Part A	Reallocated							
<b>REVENUES:</b>									
Federal Sources	\$ 99,389	\$ 2,960	\$ 3,888	\$ 12,337	\$	\$	\$ 56,262	\$ 174,836	\$ 186,095
State Sources							252,298	252,298	52,950
Other					2,394	23,012		25,406	2,691
<b>Total Revenues</b>	<b>99,389</b>	<b>2,960</b>	<b>3,888</b>	<b>12,337</b>	<b>2,394</b>	<b>23,012</b>	<b>308,560</b>	<b>452,540</b>	<b>241,736</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	73,086						81,356	154,442	113,965
Other Salaries for Instruction							36,878	36,878	
Purchased Professional/Technical Services									1,900
Purchased Professional/Educational Services		2,960						2,960	
Other Purchased Services									2,167
General Supplies				10,492			9,415	19,907	13,451
Other Objects							246	246	391
<b>Total Instruction</b>	<b>73,086</b>	<b>2,960</b>		<b>10,492</b>			<b>127,895</b>	<b>214,433</b>	<b>131,874</b>
Support Services:									
Salaries of Supervisors							13,011	13,011	
Salaries - Other Professionals			3,488				7,529	11,017	17,532
Secretarial and Clerical Salaries							4,601	4,601	
Salaries - Other							5,304	5,304	
Family/Parent Liaison							5,173	5,173	
Facilitator/Coach/Master							10,259	10,259	
Employee Benefits	26,303						26,407	52,710	25,799
Purchased Professional/Technical Services							56,262	56,262	57,168
Purchased Professional/Educational Services							145	145	
Other Purchased Professional Services							9,620	9,620	
Other Purchased Services									224
Clean/Repair/Maint Svc.							5,345	5,345	
Supplies & Materials			400				26	426	617
<b>Total Support Services</b>	<b>26,303</b>		<b>3,888</b>				<b>143,682</b>	<b>173,873</b>	<b>101,340</b>
Capital Outlay:									
Equipment :									
Instructional Equipment				1,845			24,922	26,767	6,048
Non-Instructional Equipment							12,061	14,455	2,474
<b>Total Equipment</b>				<b>1,845</b>			<b>36,983</b>	<b>41,222</b>	<b>8,522</b>
Facilities Acquisition/Construction:									
Construction							23,012	23,012	
<b>Total Facilities Acquisition/Construction</b>				<b>1,845</b>	<b>2,394</b>	<b>23,012</b>	<b>36,983</b>	<b>64,234</b>	<b>8,522</b>
<b>Total Expenditures</b>	<b>\$ 99,389</b>	<b>\$ 2,960</b>	<b>\$ 3,888</b>	<b>\$ 12,337</b>	<b>\$ 2,394</b>	<b>\$ 23,012</b>	<b>\$ 308,560</b>	<b>\$ 452,540</b>	<b>\$ 241,736</b>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUND - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Title IIA	Preschool Education Program	IDEA		Totals 2020
			Basic Part B	Part B Pre- School	
<b>REVENUES:</b>					
Federal Sources	\$ 6,210	\$	\$ 49,288	\$ 764	\$ 56,262
State Sources		252,298			252,298
Other					
<b>Total Revenues</b>	<b>6,210</b>	<b>252,298</b>	<b>49,288</b>	<b>764</b>	<b>308,560</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers		81,356			81,356
Other Salaries for Instruction		36,878			36,878
Supplies & Materials		9,415			9,415
Other Objects		246			246
<b>Total Instruction</b>		<b>127,895</b>			<b>127,895</b>
Support Services:					
Salaries of Supervisors		13,011			13,011
Salaries - Other Professionals		7,529			7,529
Salaries Sec/Clerical		4,601			4,601
Other Salaries		5,304			5,304
Family/Parent Liaison		5,173			5,173
Facilitator/Coach/Master		10,259			10,259
Employee Benefits		26,407			26,407
Purchased Professional/Technical Services	6,210		49,288	764	56,262
Purchased Professional/Educational Services		145			145
Other Purchased Professional Services		9,620			9,620
Clean/Repair/Maint Svc.		5,345			5,345
Supplies & Materials		26			26
<b>Total Support Services</b>	<b>6,210</b>	<b>87,420</b>	<b>49,288</b>	<b>764</b>	<b>143,682</b>
Facilities Acquisition/Construction:					
Instructional Equipment		24,922			24,922
Noninstructional Equipment		12,061			12,061
<b>Total Facilities Acquisition/Construction</b>		<b>36,983</b>			<b>36,983</b>
<b>Total Expenditures</b>	<b>\$ 6,210</b>	<b>\$ 252,298</b>	<b>\$ 49,288</b>	<b>\$ 764</b>	<b>\$ 308,560</b>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 81,356	\$ 81,356	\$
Other Salaries for Instruction	36,878	36,878	
Supplies & Materials	9,464	9,415	49
Other Objects	936	246	690
<b>Total Instruction</b>	<u>128,634</u>	<u>127,895</u>	<u>739</u>
<b>Support Services:</b>			
Salaries of Supervisors	13,011	13,011	
Salaries - Other Professionals	7,529	7,529	
Salaries Sec/Clerical	4,601	4,601	
Other Salaries	5,304	5,304	
Family/Parent Liaison	5,173	5,173	
Facilitator/Coach/Master	10,259	10,259	
Employee Benefits	28,223	26,407	1,816
Purchased Professional/Educational Services	9,441	145	9,296
Other Purchased Professional Services	9,620	9,620	
Clean/Repair/Maint Svc.	5,345	5,345	
Contracted Services	3,850		3,850
Supplies & Materials	395	26	369
Other Objects	350		350
<b>Total Support Services</b>	<u>103,101</u>	<u>87,420</u>	<u>15,681</u>
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment	24,922	24,922	
Non-instructional Equipment	12,500	12,061	439
<b>Total Facilities Acquisition and Const. Services</b>	<u>37,422</u>	<u>36,983</u>	<u>439</u>
<b>Total Expenditures</b>	<u>\$ 269,157</u>	<u>\$ 252,298</u>	<u>\$ 16,859</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2019-20 Preschool Education Aid Allocation	\$ 269,157	(1)
Add: Actual ECPA Carryover (June 30, 2019)		(2)
Add: Budgeted Transfer from General Fund 2019-20		(3)
<b>Total Preschool Education Aid Funds Available for 2019-20 Budget</b>	<u>269,157</u>	(4)
Less: 2019-20 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(269,157)	(5)
<b>Available &amp; Unbudgeted Preschool Education Aid Funds as of June 30, 2020</b>		(6)
Add: June 30, 2020 Unexpended Preschool Education Aid		(7)
Less: 2019-20 Commissioner-approved Transfer to the General Fund		(8)
<b>2019-20 Carryover - Preschool Education Aid</b>	<u>\$</u>	(9)
<b>2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21</b>	<u>\$</u>	(10)

## **CAPITAL PROJECTS FUND DETAIL STATEMENT**

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



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Encumbered</u>	<u>Unexpended Balance June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>			
Parking Lot Project	2018-19	\$ 213,757	\$ 180,157	\$ 11,980	\$ 21,620	\$	\$
Security Door Upgrades	2018-19	15,400		15,400			
Air Conditioning Upgrade in All Purpose Room	2018-19	39,961		39,961			
Acquisition of Access Control System	2019-20	18,500		18,500			
		<u>\$ 287,618</u>	<u>\$ 180,157</u>	<u>\$ 85,841</u>	<u>\$ 21,620</u>	<u>\$</u>	<u>\$</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Revenues and Other Financing Sources**

Transfer from Capital Reserve Funds	\$ 18,500
Transfer to Capital Reserve	(21,620)
	<hr/>
Total Revenues	(3,120)
	<hr/>

**Expenditures and Other Financing Uses**

Architectural Costs	
Construction Services	85,841
	<hr/>
Total Expenditures	85,841
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,961)
Fund Balance - Beginning	88,961
	<hr/>
Fund Balance - Ending	\$ -
	<hr/> <hr/>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**PARKING LOT PROJECT**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve Funds	\$ 213,757	\$	\$ 213,757	\$ 213,757
Total Revenues	<u>213,757</u>		<u>213,757</u>	<u>213,757</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	213,757		213,757	213,757
Total Expenditures	<u>213,757</u>		<u>213,757</u>	<u>213,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

**Additional Project Information:**

Total Projected Cost	\$192,137
Percentage Completion	94%
Original Target Completion Date	6/30/2019
Revised Target Completion Date	8/31/2019

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**SECURITY DOOR UPGRADES**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve Funds	\$ 15,400	\$	\$ 15,400	\$ 15,400
Total Revenues	<u>15,400</u>		<u>15,400</u>	<u>15,400</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs				
Construction Services	15,400		15,400	15,400
Total Expenditures	<u>15,400</u>		<u>15,400</u>	<u>15,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Additional Project Information:</b>				
Total Projected Cost	\$15,400			
Percentage Completion	0%			
Original Target Completion Date	6/30/2019			
Revised Target Completion Date	8/31/2019			

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**AIR CONDITIONING UPGRADE IN ALL PURPOSE ROOM**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve Funds	\$ 39,961	\$	\$ 39,961	\$ 39,961
Total Revenues	39,961		39,961	39,961
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs				
Construction Services	39,961		39,961	39,961
Total Expenditures	39,961		39,961	39,961
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$
<b>Additional Project Information:</b>				
Total Projected Cost	\$39,961			
Percentage Completion	50%			
Original Target Completion Date	6/30/2019			
Revised Target Completion Date	9/30/2019			

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**ACQUISITION OF ACCESS CONTROL SYSTEM**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve Funds	\$	\$ 18,500	\$ 18,500	\$ 18,500
Total Revenues		18,500	18,500	18,500
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs				
Construction Services		18,500	18,500	18,500
Total Expenditures		18,500	18,500	18,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$
<b>Additional Project Information:</b>				
Total Projected Cost		\$18,500		
Percentage Completion		100%		
Original Target Completion Date		6/30/2020		
Revised Target Completion Date		6/30/2020		

## PROPRIETARY FUND DETAIL STATEMENTS

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

**Food Services Fund** – This fund provides for the operation of food services for the schools within the school district.

**Internal Service Funds** – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5  
AND B-6.**

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINED SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2020 AND 2019**

	<u>Food Service Fund</u>	<u>SACC Program</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 2,681	\$ 8,593	\$ 11,274	\$ 10,817
Accounts Receivable:				
State	262		262	22
Federal	8,298		8,298	943
Other	214	1,477	1,691	1,394
Inventory	816		816	136
Total Current Assets	<u>12,271</u>	<u>10,070</u>	<u>22,341</u>	<u>13,312</u>
Fixed Assets:				
Equipment	13,345		13,345	13,345
Accumulated Depreciation	(5,554)		(5,554)	(4,867)
Total Fixed Assets	<u>7,791</u>		<u>7,791</u>	<u>8,478</u>
Total Assets	<u>20,062</u>	<u>10,070</u>	<u>30,132</u>	<u>21,790</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Unearned Revenue	1,801	82	1,883	742
Due to General Fund	2,607		2,607	2,607
Total Liabilities	<u>4,408</u>	<u>82</u>	<u>4,490</u>	<u>3,349</u>
<b>NET POSITION:</b>				
Investment in Fixed Assets	7,791		7,791	8,478
Unrestricted	7,863	9,988	17,851	9,963
Total Net Position	<u>\$ 15,654</u>	<u>\$ 9,988</u>	<u>\$ 25,642</u>	<u>\$ 18,441</u>



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>Food Service Fund</u>	<u>SACC Program</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES:</b>				
Local Sources:				
Food Sales Reimbursable Programs	\$ 15,700	\$	\$ 15,700	\$ 24,205
Food Sales Non-Reimbursable Programs	7,072		7,072	11,337
SACC Revenue		16,719	16,719	17,678
Total Operating Revenue	<u>22,772</u>	<u>16,719</u>	<u>39,491</u>	<u>53,220</u>
<b>OPERATING EXPENSES:</b>				
Cost of Sales - Reimbursable Programs	44,125		44,125	45,223
Cost of Sales - Non-Reimbursable Programs	4,482		4,482	8,557
Salaries	12,860	11,780	24,640	23,220
Employee Benefits	3,474	901	4,375	4,074
General Supplies	1,647	759	2,406	1,633
Other Purchased Services				
Depreciation	687		687	689
Total Operating Expenses	<u>67,275</u>	<u>13,440</u>	<u>80,715</u>	<u>83,396</u>
Operating Income/(Loss)	<u>(44,503)</u>	<u>3,279</u>	<u>(41,224)</u>	<u>(30,176)</u>
<b>NON-OPERATING REVENUES:</b>				
State Sources:				
State School Lunch Program	869		869	605
Federal Sources:				
National School Lunch Program	30,310		30,310	18,645
School Breakfast Program	12,835		12,835	4,630
USDA Commodities	4,411		4,411	1,038
Total Non-Operating Revenues	<u>48,425</u>		<u>48,425</u>	<u>24,918</u>
Change in Net Position before Operating Transfers				
In/(Out)	3,922	3,279	7,201	(2,258)
Operating Transfer In - General Fund				10,000
Net (Loss) Income	<u>3,922</u>	<u>3,279</u>	<u>7,201</u>	<u>7,742</u>
Net Position - July 1	<u>11,732</u>	<u>6,709</u>	<u>18,441</u>	<u>10,699</u>
Net Position - June 30	<u>\$ 15,654</u>	<u>\$ 9,988</u>	<u>\$ 25,642</u>	<u>\$ 18,441</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2020**

	<b>Food</b>	<b>SACC</b>	<b>Total</b>	
	<b>Service</b>	<b>Program</b>	<b>2020</b>	<b>2019</b>
	<b>Fund</b>	<b>Program</b>	<b>2020</b>	<b>2019</b>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 22,772	\$ 16,719	\$ 39,491	\$ 53,220
Payments to Employees	(12,860)	(11,780)	(24,640)	(23,220)
Payments for Employee Benefits	(3,474)	(901)	(4,375)	(4,074)
Payments to Suppliers	(57,475)	(969)	(58,444)	(56,722)
Net Cash Used by Operating Activities	(51,037)	3,069	(47,968)	(30,796)
Cash Flows from Noncapital Financing Activities				
Operating Transfer In-General Fund				10,000
Cash Received from State and Federal Reimbursements	48,425		48,425	27,918
Net Cash Provided by Noncapital Financing Activities	48,425		48,425	37,918
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Purchase of Fixed Assets				
Net Cash Provided by (Used for) Capital Financing Activities				
Net Increase (Decrease) in Cash	(2,612)	3,069	457	7,122
Cash and Cash Equivalents, July 1 (Overdraft)	5,293	5,524	10,817	3,695
Cash and Cash Equivalents, June 30 (Overdraft)	\$ 2,681	\$ 8,593	\$ 11,274	\$ 10,817
Operating Income (Loss)	\$ (44,503)	\$ 3,279	\$ (41,224)	\$ (30,176)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	687		687	689
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	(7,604)	(288)	(7,892)	(928)
(Increase)/Decrease in Inventory	(680)		(680)	31
Increase/(Decrease) in Due to General				
Increase/(Decrease) in Unearned Revenue	1,063	78	1,141	(412)
Total Adjustments	(6,534)	(210)	(6,744)	(620)
Net Cash Used by Operating Activities	\$ (51,037)	\$ 3,069	\$ (47,968)	\$ (30,796)

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and Cash Equivalents	\$ 9,793	\$ 2,043
Accounts Receivable		
	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 9,793</u>	<u>\$ 2,043</u>
LIABILITIES:		
Unearned Revenues	\$	\$
Accounts Payable		
	<u>          </u>	<u>          </u>
Total Liabilities	<u>          </u>	<u>          </u>
NET POSITION		
Net Position	9,793	2,043
	<u>          </u>	<u>          </u>
Total Net Position	<u>9,793</u>	<u>2,043</u>
Total Liabilities and Net Position	<u>\$ 9,793</u>	<u>\$ 2,043</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Shared Services - Other LEA	\$ 58,000	\$ 14,500
Total Operating Revenue	<u>58,000</u>	<u>14,500</u>
OPERATING EXPENSES:		
Salaries	47,885	11,786
Employee Benefits	2,365	671
Total Operating Expenses	<u>50,250</u>	<u>12,457</u>
Net Income (Loss)	<u>7,750</u>	<u>2,043</u>
Net Position - July 1	<u>2,043</u>	
Net Position - June 30	<u>\$ 9,793</u>	<u>\$ 2,043</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 58,000	\$ 14,500
Payments to Employees and Employee Benefits	(50,250)	(12,457)
	<u>7,750</u>	<u>2,043</u>
Net Cash Provided (Used) by Operating Activities	7,750	2,043
Net Increase in Cash and Cash Equivalents	<u>7,750</u>	<u>2,043</u>
Cash and Cash Equivalents, July 1	<u>2,043</u>	
Cash and Cash Equivalents, June 30	<u>\$ 9,793</u>	<u>\$ 2,043</u>
Operating Income (Loss)	\$ 7,750	\$ 2,043
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities		
Cancellation of Prior Year Accounts Receivable		
Change in Assets and Liabilities:		
(Increase)/Decrease in Intergovernmental Accounts Receivable		
Increase/(Decrease) in Unearned Revenue		
	<u>7,750</u>	<u>2,043</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,750</u>	<u>\$ 2,043</u>

## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	<u>Student</u>		<u>Total</u>	
	<u>Activity</u>	<u>Payroll</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 12,326	\$ 1,000	\$ 13,326	\$ 10,138
Accounts Receivable				1,558
Due from Employees		1,410	1,410	
Total Assets	<u>\$ 12,326</u>	<u>\$ 2,410</u>	<u>\$ 14,736</u>	<u>\$ 11,696</u>
<b>LIABILITIES AND NET POSITION:</b>				
Liabilities:				
Due to Student Groups	\$ 12,326	\$	\$ 12,326	\$ 9,688
Accounts Payable				1,008
Payroll Deductions and Withholdings		1,410	1,410	
Medical Reimbursement Plan		1,000	1,000	1,000
Unearned Revenue				
Total Liabilities	<u>\$ 12,326</u>	<u>\$ 2,410</u>	<u>\$ 14,736</u>	<u>\$ 11,696</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1,</u> <u>2019</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2020</u>
<b>Elementary School</b>	\$ 9,688	\$	\$ 16,212	\$ 13,572	\$	\$ 12,328
Band Account					\$	997
General						2,353
GenYouth Grant						1,125
Garden						1,001
Interest & Other						215
Fuel up to Play 60 Incentives						2,000
Scholastic Award						
Class of 2020						4,635
<b>Total</b>					\$	\$ 12,326



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,000	\$ 1,850,099	\$ 1,850,099	\$ 1,000
Due from Employees		1,410		1,410
	<u>\$ 1,000</u>	<u>\$ 1,851,509</u>	<u>\$ 1,850,099</u>	<u>\$ 2,410</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 1,068,253	\$ 1,068,253	\$
Payroll Deductions and Withholdings		783,252	781,842	1,410
Medical Reimbursement Plan	1,000	4	4	1,000
Total Liabilities	<u>\$ 1,000</u>	<u>\$ 1,851,509</u>	<u>\$ 1,850,099</u>	<u>\$ 2,410</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF OBLIGATION UNDER SERIAL BONDS**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount OF Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Refunded</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
Refunding of Series 3/1/06 Issue - Renovations to the Elementary School	4/12/16	\$ 1,400,000	3/1/21	\$ 140,000	1.93%	\$ 995,000	\$	\$	\$ 140,000	\$ 855,000
			3/1/22	145,000						
			3/1/23	145,000						
			3/1/24	140,000						
			3/1/25	145,000						
			3/1/26	140,000						
						<u>\$ 995,000</u>	<u>\$</u>	<u>\$</u>	<u>\$ 140,000</u>	<u>\$ 855,000</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources					
Local Tax Levy	\$ 105,074	\$	\$ 105,074	\$ 105,074	\$
State Sources					
Debt Service Aid - Type II	54,130		54,130	54,130	
<b>Total Revenues</b>	<u>159,204</u>		<u>159,204</u>	<u>159,204</u>	
<b>EXPENDITURES:</b>					
<b>Regular Debt Service</b>					
Redemption of Bond Principal	140,000		140,000	140,000	
Interest on Bonds	19,204		19,204	19,204	
<b>Total Expenditures</b>	<u>159,204</u>		<u>159,204</u>	<u>159,204</u>	
<b>Excess (Deficiency) of Revenues Over (Under)         Expenditures and Other Financing Sources (Uses)</b>					
Fund Balance - July 1, 2019					
Fund Balance - June 30, 2020	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**STATISTICAL SECTION**

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt (Deficit)	\$ (174,709)	\$ (280,504)	\$ (170,290)	\$ (133,151)	\$ (106,897)	\$ (78,130)	\$ (17,208)	\$ 39,570	\$ 241,754	\$ 364,079
Restricted	201,286	296,866	236,930	111,476	274,249	772,771	1,297,747	1,700,813	1,726,051	2,007,597
Unrestricted (Deficit)	111,369	183,990	27,717	49,339	(718,844)	(680,522)	(762,209)	(787,747)	(669,303)	(679,375)
<b>Total Governmental Activities Net Position</b>	<b>\$ 137,946</b>	<b>\$ 200,352</b>	<b>\$ 94,357</b>	<b>\$ 27,664</b>	<b>\$ (551,492)</b>	<b>\$ 14,119</b>	<b>\$ 518,330</b>	<b>\$ 952,636</b>	<b>\$ 1,298,502</b>	<b>\$ 1,692,301</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 7,686	\$ 7,144	\$ 5,004	\$ 4,461	\$ 2,372	\$ 2,162	\$ 9,855	\$ 9,167	\$ 8,478	\$ 7,791
Unrestricted (Deficit)	20,657	1,051	648	200	3,676	7,523	(1,110)	1,532	9,963	17,851
<b>Total Business-Type Activities Net Position</b>	<b>\$ 28,343</b>	<b>\$ 8,195</b>	<b>\$ 5,652</b>	<b>\$ 4,661</b>	<b>\$ 6,048</b>	<b>\$ 9,685</b>	<b>\$ 8,745</b>	<b>\$ 10,699</b>	<b>\$ 18,441</b>	<b>\$ 25,642</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt (Deficit)	\$ (167,023)	\$ (273,360)	\$ (165,286)	\$ (128,690)	\$ (104,525)	\$ (75,968)	\$ (7,353)	\$ 48,737	\$ 250,232	\$ 371,870
Restricted	201,286	296,866	236,930	111,476	274,249	772,771	1,297,747	1,700,813	1,726,051	2,007,597
Unrestricted (Deficit)	132,026	185,041	28,365	49,539	(715,168)	(672,999)	(763,319)	(786,215)	(659,340)	(661,524)
<b>Total District-Wide Net Position</b>	<b>\$ 166,289</b>	<b>\$ 208,547</b>	<b>\$ 100,009</b>	<b>\$ 32,325</b>	<b>\$ (545,444)</b>	<b>\$ 23,804</b>	<b>\$ 527,075</b>	<b>\$ 963,335</b>	<b>\$ 1,316,943</b>	<b>\$ 1,717,943</b>

Source: CAFR Schedule A-1

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 1,022,099	1,055,363	1,080,289	1,106,427	1,153,334	1,068,306	1,176,301	1,169,907	1,257,753	1,390,561
Special Education	195,531	166,555	174,368	173,722	90,145	55,681	111,607	117,336	120,281	121,410
Other Special Education										
Other Instruction	1,565	1,222	1,016	1,397	548	859	468	439	452	477
Support Services										
Tuition	366,720	434,999	417,605	527,318	507,963	346,463	394,633	375,095	528,063	629,947
Student and Instruction Related Services	332,623	366,400	351,150	326,640	294,313	298,124	286,975	359,453	354,477	391,270
General Administrative Services	53,654	57,669	57,703	65,899	84,324	100,832	87,965	76,612	81,626	82,629
School Administrative Services	98,188	92,607	90,222	107,832	94,505	95,291	97,340	84,183	90,598	86,563
Central Services	86,320	88,891	90,505	92,039	89,483	96,185	98,926	102,200	100,836	76,524
Plant Operations and Maintenance	201,174	192,824	199,831	217,577	208,516	213,598	238,401	222,436	240,131	226,294
Pupil Transportation	251,364	276,904	236,136	199,350	215,638	215,021	203,239	212,593	195,403	228,170
Employee Benefits	772,498	774,539	862,689	763,130	973,975	1,091,438	1,391,635	1,548,464	1,177,624	962,070
Amortization of Debt Issue Costs	1,789	1,789								
Interest on Long-Term Debt	88,505	79,596	76,053	70,214	63,995	46,791	30,985	28,247	20,940	19,204
<b>Total Governmental Activities Expense</b>	<b>3,472,030</b>	<b>3,589,358</b>	<b>3,637,567</b>	<b>3,651,545</b>	<b>3,776,739</b>	<b>3,628,589</b>	<b>4,118,475</b>	<b>4,296,965</b>	<b>4,168,184</b>	<b>4,215,119</b>
<b>Business-Type Activities</b>										
Food Service	74,830	85,586	95,512	89,404	91,635	95,039	82,809	62,682	70,895	67,275
SACC								4,349	12,501	13,440
<b>Total Business-Type Activities Expense</b>	<b>74,830</b>	<b>85,586</b>	<b>95,512</b>	<b>89,404</b>	<b>91,635</b>	<b>95,039</b>	<b>82,809</b>	<b>67,031</b>	<b>83,396</b>	<b>80,715</b>
<b>Total District Expenses</b>	<b>\$ 3,546,860</b>	<b>3,674,944</b>	<b>3,733,079</b>	<b>3,740,949</b>	<b>3,868,374</b>	<b>3,723,628</b>	<b>4,201,284</b>	<b>4,363,996</b>	<b>4,251,580</b>	<b>4,295,834</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charge for Services										
Instruction (Tuition)	\$ 26,200	62,517	13,338	11,700	11,809				14,500	58,000
Operating Grants and Contributions	350,409	399,852	409,855	369,495	311,987	387,177	410,037	433,255	428,922	581,889
<b>Total Governmental Activities Prog. Revenues</b>	<b>376,609</b>	<b>462,369</b>	<b>423,193</b>	<b>381,195</b>	<b>323,796</b>	<b>387,177</b>	<b>410,037</b>	<b>433,255</b>	<b>443,422</b>	<b>639,889</b>
<b>Business-Type Activities</b>										
Charges for Services										
Food Service	27,767	32,591	32,622	31,008	29,448	30,441	40,983	30,833	35,542	22,772
SACC								5,881	17,678	16,719
Operating Grants and Contributions	36,383	31,000	39,944	35,905	39,452	45,235	30,886	24,008	27,918	48,425
<b>Total Business-Type Activities Prog. Revenues</b>	<b>64,150</b>	<b>63,591</b>	<b>72,566</b>	<b>66,913</b>	<b>68,900</b>	<b>75,676</b>	<b>71,869</b>	<b>60,722</b>	<b>81,138</b>	<b>87,916</b>
<b>Total District Program Revenues</b>	<b>\$ 440,759</b>	<b>525,960</b>	<b>495,759</b>	<b>448,108</b>	<b>392,696</b>	<b>462,853</b>	<b>481,906</b>	<b>493,977</b>	<b>524,560</b>	<b>727,805</b>
<b>Net (Expense) Revenues</b>										
<b>Governmental Activities</b>	<b>\$ (3,095,421)</b>	<b>(3,126,989)</b>	<b>(3,214,374)</b>	<b>(3,270,350)</b>	<b>(3,452,943)</b>	<b>(3,241,412)</b>	<b>(3,708,438)</b>	<b>(3,863,710)</b>	<b>(3,724,762)</b>	<b>(3,575,230)</b>
<b>Business-Type Activities</b>	<b>(10,680)</b>	<b>(21,995)</b>	<b>(22,946)</b>	<b>(22,491)</b>	<b>(22,735)</b>	<b>(19,363)</b>	<b>(10,940)</b>	<b>(6,309)</b>	<b>(2,258)</b>	<b>7,201</b>
<b>Total District-Wide Net Expenses</b>	<b>\$ (3,106,101)</b>	<b>(3,148,984)</b>	<b>(3,237,320)</b>	<b>(3,292,841)</b>	<b>(3,475,678)</b>	<b>(3,260,775)</b>	<b>(3,719,378)</b>	<b>(3,870,019)</b>	<b>(3,727,020)</b>	<b>(3,568,029)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purpose, Net	\$ 2,307,927	2,311,434	2,357,663	2,404,816	2,571,505	2,622,935	2,753,976	2,668,575	2,750,279	2,855,285
Taxes Levied for Debt Service	131,178	132,367	133,422	134,346	135,137	113,116	113,507	109,651	90,448	105,074
Unrestricted Grants and Contributions	612,750	664,293	605,108	620,492	985,912	1,029,432	1,290,148	1,440,895	1,110,357	875,220
Restricted Grants, Tuition and Contributions										
Tuition	48,940	83,984	63,625	60,297	62,267	57,000	46,817	70,600	116,680	115,860
Investment Earnings	2,126	1,771	1,575	992	1,134	1,714	2,486	3,055	11,042	7,284
Miscellaneous Income	2,136	8,795	9,713	4,214	5,231	5,826	15,715	13,503	3,898	25,406
Transfers		(1,847)	(22,000)	(21,500)	(26,000)	(23,000)	(10,000)	(8,263)	(10,000)	(15,100)
Fixed Assets Adjustments		(11,402)	(17,463)						(2,076)	
<b>Total Governmental Activities</b>	<b>3,105,057</b>	<b>3,189,395</b>	<b>3,131,643</b>	<b>3,203,657</b>	<b>3,735,186</b>	<b>3,807,023</b>	<b>4,212,649</b>	<b>4,298,016</b>	<b>4,070,628</b>	<b>3,969,029</b>
<b>Business-Type Activities</b>										
Fixed Asset Adjustments			(1,597)		(1,878)					
Transfers		1,847	22,000	21,500	26,000	23,000	10,000	8,263	10,000	15,100
<b>Total Business-Type Activities</b>		<b>1,847</b>	<b>20,403</b>	<b>21,500</b>	<b>24,122</b>	<b>23,000</b>	<b>10,000</b>	<b>8,263</b>	<b>10,000</b>	<b>15,100</b>
<b>Total District-wide</b>	<b>\$ 3,105,057</b>	<b>3,191,242</b>	<b>3,152,046</b>	<b>3,225,157</b>	<b>3,759,308</b>	<b>3,830,023</b>	<b>4,222,649</b>	<b>4,306,279</b>	<b>4,080,628</b>	<b>3,984,129</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	<b>\$ 9,636</b>	<b>62,406</b>	<b>(82,731)</b>	<b>(66,693)</b>	<b>282,243</b>	<b>565,611</b>	<b>504,211</b>	<b>434,306</b>	<b>345,866</b>	<b>393,799</b>
<b>Business-Type Activities</b>	<b>(10,680)</b>	<b>(20,148)</b>	<b>(22,543)</b>	<b>(991)</b>	<b>1,387</b>	<b>3,637</b>	<b>(940)</b>	<b>1,954</b>	<b>7,742</b>	<b>7,201</b>
<b>Total District-wide</b>	<b>\$ (1,044)</b>	<b>42,258</b>	<b>(85,274)</b>	<b>(67,684)</b>	<b>283,630</b>	<b>569,248</b>	<b>503,271</b>	<b>436,260</b>	<b>353,608</b>	<b>401,000</b>

Source: CAFR Schedule A-2

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
 (UNAUDITED)

	<b>Fiscal Year Ending June 30,</b>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Restricted	\$ 208,427	\$ 304,696	\$ 243,124	\$ 117,071	\$ 279,485	\$ 778,192	\$ 1,289,234	\$ 1,687,767	\$ 1,726,051	\$ 2,007,597
Assigned				1,799	27,657	58,835	26,430	14,826	90,248	11,577
Unassigned	198,249	191,493	183,833	183,766	201,763	194,099	194,427	196,159	195,551	204,187
<b>Total General Fund</b>	<u>\$ 406,676</u>	<u>\$ 496,189</u>	<u>\$ 426,957</u>	<u>\$ 302,636</u>	<u>\$ 508,905</u>	<u>\$ 1,031,126</u>	<u>\$ 1,510,091</u>	<u>\$ 1,898,752</u>	<u>\$ 2,011,850</u>	<u>\$ 2,223,361</u>
All Other Governmental Funds										
Assigned, Reported in Debt Service Fund								\$ 13,046		
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	\$ (7,144)	\$ (7,831)	\$ (6,199)	\$ (5,600)	\$ (5,241)	\$ (5,600)	\$ (4,881)	\$ (5,959)	\$ (5,295)	\$ (26,916)
Capital Projects Fund										
Debt Service Fund	3	4	5	5	5	5	13,046			
<b>Total All Other Governmental Funds</b>	<u>\$ (7,141)</u>	<u>\$ (7,827)</u>	<u>\$ (6,194)</u>	<u>\$ (5,595)</u>	<u>\$ (5,236)</u>	<u>\$ (5,595)</u>	<u>\$ 8,165</u>	<u>\$ 7,087</u>	<u>\$ (5,295)</u>	<u>\$ (26,916)</u>

Source: CAFR Schedule B-1



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 2,439,105	\$ 2,443,801	\$ 2,491,085	\$ 2,539,162	\$ 2,706,642	\$ 2,736,051	\$ 2,867,483	\$ 2,778,226	\$ 2,840,727	\$ 2,960,359
Tuition Charges	48,940	83,984	63,625	60,297	62,267	57,000	46,817	70,600	116,680	115,860
Interest Earnings	2,126	1,771	1,575	992	1,134	1,714	2,486	3,055	11,042	7,284
Miscellaneous	2,136	8,795	9,713	4,214	5,231	5,826	15,715	13,503	3,898	25,406
State Sources	833,126	915,976	916,374	877,243	929,991	940,078	975,661	1,009,417	1,064,480	1,232,808
Federal Sources	130,033	148,169	98,589	112,744	87,104	144,562	182,203	194,818	186,095	155,420
<b>Total Revenues</b>	<b>3,455,466</b>	<b>3,602,496</b>	<b>3,580,961</b>	<b>3,594,652</b>	<b>3,792,369</b>	<b>3,885,231</b>	<b>4,090,365</b>	<b>4,069,619</b>	<b>4,222,922</b>	<b>4,497,137</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	954,585	988,494	1,012,742	1,037,017	1,084,350	1,032,019	1,097,542	1,095,925	1,181,644	1,310,275
Special Education Instruction	192,712	163,762	171,547	170,823	87,264	52,763	108,318	114,247	117,103	118,057
Other Special Instruction										
Other instruction	1,164	825	615	985	138	444				
<b>Support Services</b>										
Tuition	366,720	434,999	417,605	527,318	507,963	346,463	394,633	375,095	528,063	629,947
Student and Instruction Related Services	287,831	285,469	319,211	295,826	263,507	278,880	265,288	339,080	321,061	318,911
General administration	49,867	50,238	50,196	62,005	76,658	93,067	79,212	68,390	73,168	73,707
School Administrative Services	90,685	88,856	86,433	100,119	90,636	91,372	92,922	80,033	86,329	82,060
Other Administrative Services										
Central Services	81,412	84,030	85,595	86,993	84,469	91,106	93,201	96,822	95,304	70,688
Plant Operations and Maintenance	188,728	180,497	187,379	204,783	195,799	200,717	223,882	208,798	223,627	198,018
Pupil Transportation	251,364	276,904	236,136	199,350	215,638	215,021	203,239	212,593	195,403	228,170
Employee Benefits	754,428	757,196	827,594	779,580	738,838	759,853	794,082	868,494	929,843	967,023
Capital Outlay	10,513		29,349	28,519	9,726	7,275	76,378	54,881	203,852	136,087
<b>Debt Service</b>										
Principal	109,136	115,943	122,863	129,902	137,066	110,000	135,000	135,000	135,000	140,000
Interest and Other Charges	89,620	84,612	79,292	73,654	67,689	61,389	23,943	24,415	21,809	19,204
<b>Total Expenditures</b>	<b>3,428,765</b>	<b>3,511,825</b>	<b>3,626,557</b>	<b>3,696,874</b>	<b>3,559,741</b>	<b>3,340,369</b>	<b>3,587,640</b>	<b>3,673,773</b>	<b>4,112,206</b>	<b>4,292,147</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	26,701	90,671	(45,596)	(102,222)	232,628	544,862	502,725	395,846	110,716	204,990
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds										
Transfers Out		(1,847)	(22,000)	(21,500)	(26,000)	(23,000)	(10,000)	(8,263)	(10,000)	(15,100)
<b>Total Other Financing Sources (Uses)</b>		<b>(1,847)</b>	<b>(22,000)</b>	<b>(21,500)</b>	<b>(26,000)</b>	<b>(23,000)</b>	<b>(10,000)</b>	<b>(8,263)</b>	<b>(10,000)</b>	<b>(15,100)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 26,701</b>	<b>\$ 88,824</b>	<b>\$ (67,596)</b>	<b>\$ (123,722)</b>	<b>\$ 206,628</b>	<b>\$ 521,862</b>	<b>\$ 492,725</b>	<b>\$ 387,583</b>	<b>\$ 100,716</b>	<b>\$ 189,890</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	5.8%	5.7%	5.6%	5.5%	5.8%	5.1%	4.4%	4.3%	3.8%	3.7%

Source: CAFR Schedule B-2

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Misc.</u>	<u>Total</u>
2020	\$ 7,284	\$ 115,860	- \$	123,144
2019	11,042	116,680	1,207	128,929
2018	3,055	70,600	11,038	84,693
2017	2,486	46,817	13,454	62,757
2016	1,714	57,000	3,590	62,304
2015	1,134	62,267	1,967	65,368
2014	992	60,297	4,214	65,503
2013	1,575	63,625	6,787	71,987
2012	1,771	48,940	2,136	52,847
2011	2,126	48,940	2,136	53,202

Source: District Records

**MANNINGTON 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.	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual County Equalized Value
2020	\$ 4,324,600	\$ 71,844,800	\$ 46,477,400	\$ 7,487,600	\$ 20,682,700	\$ 30,329,900	\$ 181,147,000	\$ 493,335	\$ 181,640,335	1.660	\$ 190,001,049 *
2019	4,573,700	71,540,400	46,781,600	7,491,100	27,068,300	31,909,600	189,364,700	493,335	189,858,035	1.560	198,620,411
2018	3,927,800	72,129,600	46,495,700	7,524,100	27,021,700	31,909,600	189,008,500	471,204	189,479,704	1.499	198,246,801
2017	4,397,400	72,195,500	46,418,800	7,539,600	28,280,100	33,009,600	191,841,000	453,927	192,294,927	1.445	195,500,452
2016	4,461,700	71,077,900	47,313,700	7,608,300	47,638,400	34,509,600	212,609,600	458,846	213,068,446	1.346	201,503,423
2015	4,322,800	70,801,000	47,495,600	7,620,600	47,638,400	36,209,600	214,088,000	796,500	214,884,500	1.273	207,690,719
2014	4,240,200	71,041,000	47,705,900	7,632,300	47,885,900	37,709,600	216,214,900	475,531	216,690,431	1.250	214,068,000
2013	4,239,400	70,875,700	48,270,600	7,634,900	47,635,900	41,984,600	220,641,100	656,193	221,297,293	1.148	220,641,100
2012	4,341,400	71,591,800	48,404,200	7,557,100	48,284,100	41,984,600	222,163,200	683,136	222,846,336	1.118	225,615,111
2011	4,122,500	71,392,300	46,769,600	7,634,900	44,220,900	41,984,600	216,124,800	716,136	216,840,936	1.127	211,460,478

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

\* Estimate

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*  
*(UNAUDITED)*

Year Ended June 30,	Mannington Township Board of Education			Overlapping Rates			Total
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Mannington Township	Salem County	REAP CREDIT	
2020	\$ 1.601	\$ 0.059	\$ 1.660	\$ 0.300	\$ 1.220	\$	\$ 3.180
2019	1.510	0.050	1.560	0.301	1.235		3.096
2018	1.439	0.060	1.499	0.302	1.153		2.954
2017	1.385	0.060	1.445	0.302	1.128		2.875
2016	1.279	0.067	1.346	0.301	1.082		2.729
2015	1.209	0.064	1.273	0.301	0.949		2.523
2014	1.184	0.066	1.250	0.297	0.898		2.445
2013	1.087	0.610	1.148	0.297	0.941		2.386
2012	1.057	0.061	1.118	0.298	0.972		2.388
2011	1.066	0.061	1.127	0.288	0.919		2.334

Source: District Records and Municipal Tax Collector

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

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Mannington Mills, Inc.	\$ 33,126,800	17.49%	\$ 42,902,100	19.69%
Salem Hospital Corp	14,802,800	7.82%	35,688,100	16.38%
Golden Rehab & Nursing	4,065,000	2.15%		
Mannington Holding, LLC	1,450,000	0.77%		
Taxpayer #1	1,376,300	0.73%	1,553,600	0.71%
ISE America, Inc	1,375,700	0.73%		
Marino Brothers	1,029,600	0.54%	1,167,800	0.54%
Waldac Farms Inc.	967,200	0.51%	959,200	0.44%
Taxpayer #2	917,700	0.48%	1,327,000	0.61%
Taxpayer #3	878,100	0.46%		
Four B's			1,875,000	0.86%
Salem Farms			1,287,400	0.59%
LAM Services LLC			1,278,900	0.59%
ACJM & M Enterprises			1,000,000	0.46%
Verizon New Jersey			941,055	0.43%
<b>Total</b>	<b>\$ 59,989,200</b>	<b>31.68%</b>	<b>\$ 89,980,155</b>	<b>41.30%</b>

Source: District CAFR & Municipal Tax Assessor

**MANNINGTON 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 of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2020	\$ 2,960,359	\$ 2,960,359	100%	\$
2019	2,840,727	2,840,727	100%	
2018	2,778,226	2,867,483	100%	
2017	2,867,483	2,867,483	100%	
2016	2,736,051	2,736,051	100%	
2015	2,706,642	2,706,642	100%	
2014	2,539,162	2,539,162	100%	
2013	2,491,085	2,491,085	100%	
2012	2,443,801	2,443,801	100%	
2011	2,439,105	2,439,105	100%	

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

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

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2020	\$ 855,000	\$	\$	\$	\$	855,000	1.05%	\$ 501
2019	995,000					995,000	1.22%	580
2018	1,130,000					1,130,000	1.39%	660
2017	1,265,000					1,265,000	1.57%	739
2016	1,400,000					1,400,000	1.79%	817
2015	1,463,000					1,463,000	1.89%	849
2014	1,563,000	37,066				1,600,066	2.13%	917
2013	1,658,000	71,968				1,729,968	2.34%	984
2012	1,748,000	104,831				1,852,831	2.51%	1,044
2011	1,833,000	135,774				1,968,774	2.75%	1,151

\* Estimate

Source: District CAFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2020	\$ 855,000	\$	\$ 855,000	0.450%	\$ 501 *
2019	995,000		995,000	0.501%	580
2018	1,130,000		1,130,000	0.570%	660
2017	1,265,000		1,265,000	0.647%	739
2016	1,400,000		1,400,000	0.695%	817
2015	1,463,000		1,463,000	0.704%	849
2014	1,563,000		1,563,000	0.730%	896
2013	1,658,000		1,658,000	0.751%	943
2012	1,748,000		1,748,000	0.775%	985
2011	1,833,000		1,833,000	0.867%	1,030

\* Estimate

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2020**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Township of Mannington	\$ 50,000	100.00%	\$ 50,000
<b>Other Debt</b>			
County of Salem - Township's Share	38,650,075	3.9%	1,500,346
Subtotal, Overlapping Debt			<u>1,550,346</u>
<b>Mannington Township School District Direct Debt</b>			<u>855,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 2,405,346</u></u>

**Sources:** Mannington Township Finance Officer and Salem County Finance Office

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

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

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

**Legal Debt Margin Calculation for Fiscal Year 2019**

	Equalized Valuation Basis	
	2019	\$ 187,174,755
	2018	190,782,780
	2017	201,217,747
	<b>[A]</b>	<b>\$ 579,175,282</b>
Average Equalized Valuation of Taxable Property	<b>[A/3]</b>	<b>\$ 193,058,427</b>
Debt Limit (3% of Average Equalization Value)	<b>[B]</b>	5,791,753 <sup>a</sup>
Net Bonded School Debt	<b>[C]</b>	855,000
Legal Debt Margin	<b>[B-C]</b>	<b>\$ 4,936,753</b>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 6,420,777	\$ 6,452,586	\$ 6,521,149	\$ 6,337,079	\$ 6,156,737	\$ 6,127,039	\$ 6,144,504	\$ 6,142,195	\$ 5,949,885	\$ 5,791,753
Total Net Debt Applicable to Limit	1,833,000	1,748,000	1,658,000	1,563,000	1,463,000	1,400,000	1,265,000	1,130,000	995,000	855,000
Legal Debt Margin	<u>\$ 4,587,777</u>	<u>\$ 4,704,586</u>	<u>\$ 2,643,313</u>	<u>\$ 4,774,079</u>	<u>\$ 4,693,737</u>	<u>\$ 4,727,039</u>	<u>\$ 4,879,504</u>	<u>\$ 5,012,195</u>	<u>\$ 4,954,885</u>	<u>\$ 4,936,753</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29%	27%	25%	25%	24%	23%	21%	18%	17%	15%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income (thousands of dollars)</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2020	** 1,707	\$ 81,139,768	\$ 47,522	3.71%
2019	1,716	81,466,039	47,474	3.90%
2018	1,713	81,242,374	47,427	4.60%
2017	1,711	80,743,801	47,191	6.10%
2016	1,714	78,038,420	45,530	5.70%
2015	1,724	77,561,036	44,989	7.30%
2014	1,745	75,185,070	43,086	7.90%
2013	1,758	73,881,708	42,026	10.00%
2012	1,774	73,888,874	41,651	10.30%
2011	1,779	74,468,940	41,860	12.30%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\*\* Estimate

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

<u>Employer*</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
PSEG	1,500	1	5.51%			
Mannington Mills	800	2	2.94%	700	1	40.00%
Memorial Hospital of Salem County	720	3	2.65%	570	2	32.57%
EI duPont	685	4	2.52%			
McLane NJ	401	5	1.47%			
RE Pierson Construction	400	6	1.47%			
Inspira Health Network	400	7	1.47%			
Ardagh Group (Anchor Glass)	376	8	1.38%			
Larchmont Farms	275	9	1.01%			
Walmart	250	10	0.92%			
Salem County Community College	180	11	0.66%			
B & B Poultry Co., Inc.	175	12	0.64%			
Atlantis Rehabilitation	170	13	0.63%			
Southgate Healthcare Center	170	14	0.63%			
Home Care & Hospice Care of SJ	160	15	0.59%			
Ross Fogg Fuel Oil, Inc.	160	16	0.59%			
CFJ Properties	150	17	0.55%			
Salem County Correctional Center				168	3	9.60%
Salem County Vocational School				119	4	6.80%
Mannington Twp. School				33	5	1.89%
	<u>6,972</u>		<u>25.6%</u>	<u>1,270</u>		<u>90.86%</u>

**Source:** Salem County Economic Resource Guide

\* Salem County

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b><u>Function/Program</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Instruction										
Regular	14.8	14.8	14.8	14.8	14.8	14.6	15.6	15.2	16.6	17
Special Education	2.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.0
Other Special Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Instruction	5.0	5.5	5.5	5.5	5.0	4.0	4.0	4.0	3.0	4.0
Nonpublic School Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/Continuing Education Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Student & Instruction Related Services	0.6	0.6	0.6	0.6	0.6	0.6	0.5	1.0	1.0	1.0
General Administrative Services	2.5	2.5	2.5	2.5	2.5	2.5	1.5	1.0	1.0	1.0
School Administrative Services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0
Business Administrative Services	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.4	2.0	2.0
Plant Operations and Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
Pupil Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4
SACC										1.6
Totals	<u>28.9</u>	<u>29.4</u>	<u>29.4</u>	<u>29.4</u>	<u>27.9</u>	<u>27.7</u>	<u>28.6</u>	<u>28.1</u>	<u>29.00</u>	<u>32.0</u>

**Source:** District Personnel Records

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	171	\$ 3,230,009	\$ 18,889	4.03%	20.0	1:11	177.7	170.6	-6.62%	96.00%
2012	152	3,311,270	21,785	15.33%	20.0	1:13	166.8	159.9	-6.13%	95.86%
2013	183	3,424,402	18,713	-14.10%	20.0	1:13	178.9	174.2	7.25%	97.37%
2014	178	3,493,318	19,625	4.88%	18.0	1:13	176.0	169.2	-1.62%	96.14%
2015	181	3,354,986	18,536	-5.55%	16.0	1:11	181.2	172.7	2.93%	95.33%
2016	186	3,168,980	17,038	-8.08%	16.0	1:11	183.2	175.9	1.13%	96.02%
2017	158	3,428,697	21,701	27.37%	17.6	1:09	157.9	152.9	-13.83%	96.85%
2018	152	3,514,358	23,121	35.70%	17.2	1:09	154.9	147.2	-1.88%	95.03%
2019	162	3,955,398	24,416	12.51%	18.6	1:11	160.4	153.9	3.55%	95.95%
2020	190	4,132,943	21,752	0.24%	19.0	1:10	190.0	183.7	18.45%	96.68%

**Sources:** District records, ASSA.

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Mannington Township School(19..)										
Square Feet	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	171	167	183	183	181	179	157	152	162	190

Number of Schools at June 30, 2019  
Elementary = 1

**Source:** District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions.

MANNINGTON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
*(UNAUDITED)*

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Mannington Township School	27,318	\$ 74,315	\$ 100,859	\$ 75,656	\$ 65,158	\$ 53,833	\$ 36,083	\$ 39,939	\$ 35,933	\$ 37,135	\$ 37,139
Total School Facilities		<u>74,315</u>	<u>100,859</u>	<u>75,656</u>	<u>65,158</u>	<u>53,833</u>	<u>36,083</u>	<u>39,939</u>	<u>35,933</u>	<u>37,135</u>	<u>37,139</u>
Other Facilities											
Grand Total		<u>\$ 74,315</u>	<u>\$ 100,859</u>	<u>\$ 75,656</u>	<u>\$ 65,158</u>	<u>\$ 53,833</u>	<u>\$ 36,083</u>	<u>\$ 39,939</u>	<u>\$ 35,933</u>	<u>\$ 37,135</u>	<u>\$ 37,139</u>

\* Data not available for FY 2001



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
***(UNAUDITED)***

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
<b>New Jersey School Boards Association Insurance Group</b>	Blanket Building & Personal Property	\$ 4,921,036	\$ 1,000
	Commercial General Liability	11,000,000	
	Electronic Data processing	268,025	1,000
	Boiler and Machinery	100,000,000	1,000
	Commercial Crime	100,000	1,000
	Legal Liability	5,000,000	5,000
	Pollution Liability	1,000,000	250,000
	Business Automobile	11,000,000	1,000
	Workers' Compensation	2,000,000	
<b>Berkley Insurance Co.</b>	Student Accident	1,000,000	
<b>United States Fire Insurance Company</b>	Catastrophic Student Accident Coverage		
	Maximum Benefit per Participant	5,000,000	
	Cash Benefit - Maximum Benefit	500,000	25,000
<b>The Ohio Casualty Insurance Company</b>	Surety Bonds		
	Board Secretary/Business Administrator	160,000	

**SINGLE AUDIT SECTION**

# **NIGHTLINGER, COLAVITA & VOLPA**

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*Certified Public Accountants*

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## **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  
Mannington Township School District  
County of Salem, New Jersey 08079

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, the 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 Mannington Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education of the Mannington Township School District's basic financial statements, and have issued our report thereon dated December 22, 2020.

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

In planning and performing our audit of the financial statements, we considered the Mannington Township Board of Education's internal control over financial reporting (internal control) as a basis for designing 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 Mannington Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mannington Township Board of Education's internal control.

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

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

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

**Compliance and Other Matters**

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


**Purpose of this Report**

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

This report is intended solely for the information and use of management, the Mannington Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
December 22, 2020

# **NIGHTLINGER, COLAVITA & VOLPA**

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## **REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

### **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Mannington Township School District  
County of Salem, New Jersey 08079

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

We have audited the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, 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 Mannington Township School District's major federal and state programs for the fiscal year ended June 30, 2020. The Mannington Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

Our responsibility is to express an opinion on compliance for each of the Mannington Township Board of Education'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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey Treasury Circular OMB 15-08. Those standards, *Uniform Guidance and New Jersey Treasury Circular OMB 15-08*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

An audit includes examining, on a test basis, evidence about the Mannington Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Mannington Township Board of Education's compliance.

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

In our opinion, the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

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

Management of the Mannington Township School District's Board of Education 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 Mannington Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 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 Mannington Township School District Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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.

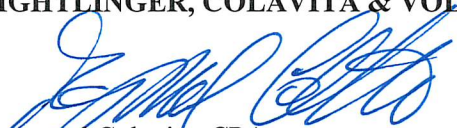
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated December 22, 2020. 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 Treasury Circular OMB 15-08. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Mannington Township Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
December 22, 2020

**TOWNSHIP OF MANNINGTON SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grant Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant From	Period To	Balance at June 30, 2019			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2020				
							Accounts Receivable	Unearned Revenue	Due to Grantor					Accounts Receivable	Unearned Revenue	Due to Grantor		
U.S. Department of Education																		
Passed-through State Department of Education:																		
Special Revenue Fund:																		
E.S.E.A.:																		
Title I, Part A	84.010	S010A190030	ESEA-2950-20	\$ 99,389	7/1/19	9/30/20				\$ 44,559	\$ (99,389)		\$ (99,389)	\$ (54,830)				
Title I, Part A (Reallocated)	84.010	S010A190030	ESEA-2950-20	2,960	7/1/19	9/30/20				2,960	(2,960)		(2,960)					
Title I, Part A (Reallocated)	84.010	S010A180030	ESEA-2950-19	49,002	7/1/18	6/30/19	(\$49,002)			49,002								
Title II, Part A	84.367A	S367A190029	ESEA-2950-20	6,210	7/1/19	9/30/20				4,035	(6,210)		(6,210)	(2,175)				
Title IV	84.424	S424A190031	ESEA-2950-20	10,000	7/1/19	9/30/20				1,717	(3,888)		(3,888)	(2,171)				
Title IV	84.424	S424A180031	ESEA-2950-19	5,523	7/1/18	6/30/19	(5,523)			5,523								
IDEA Cluster:																		
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA-2950-19	49,288	7/1/19	9/30/20				49,288	(49,288)		(49,288)					
I.D.E.A. Part B, Pre-School	84.173	H173A190114	IDEAPS-2950-19	764	7/1/19	9/30/20				764	(764)		(764)					
Rural Education Achievement Prog	84.358A	S358A192085	REAP-2950-20	12,337	7/1/19	9/30/20				1,845	(12,337)		(12,337)	(10,492)				
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES-2950-20	79,570	3/13/20	09/30/22												
Total Special Revenue Fund							(54,525)			159,693	(174,836)		(174,836)	(69,668)				
U.S. Department of Agriculture																		
Passed-through State Department of Education:																		
Enterprise Fund:																		
Non-Cash Assistance:																		
Food Distribution Program	10.565	Unknown	N/A	4,411	7/1/19	6/30/20				4,411	(4,411)		(4,411)					
Child Nutrition Cluster:																		
Cash Assistance:																		
National School Breakfast Program	10.553	201NJ304N1099	N/A	12,835	7/1/19	6/30/20				9,621	(12,835)		(12,835)	(3,214)				
National School Breakfast Program	10.553	191NJ304N1099	N/A	4,630	7/1/18	6/30/19	(283)			283								
National School Lunch Program	10.555	201NJ304N1099	N/A	30,310	7/1/19	6/30/20				25,226	(30,310)		(30,310)	(5,084)				
National School Lunch Program	10.555	191NJ304N1099	N/A	18,645	7/1/18	6/30/19	(660)			660								
Total Enterprise Fund							(943)			40,201	(47,556)		(47,556)	(8,298)				
Total Federal Financial Awards							\$(55,468)			\$ 199,894	\$ (222,392)		\$ (222,392)	\$ (77,966)				

(A) There were no awards passed through to subrecipients.

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF MANNINGTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019 Accounts Receivable	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balances at June 30, 2020			MEMO	
			From	To					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	20-495-034-5120-078	\$33,846	7/1/19	6/30/20			\$ 30,685	\$ (33,846)	\$ (3,161)			* \$ (3,161)	\$ 33,846
Equalization Aid	19-495-034-5120-078	33,846	7/1/18	6/30/19	\$ (3,385)		3,385						
Transportation Aid	20-495-034-5120-014	117,432	7/1/19	6/30/20			106,462	(117,432)	(10,970)			* (10,970)	117,432
Transportation Aid	19-495-034-5120-014	117,432	7/1/18	6/30/19	(11,743)		11,743						
Special Education Categorical Aid	20-495-034-5120-089	106,577	7/1/19	6/30/20			96,621	(106,577)	(9,956)			* (9,956)	106,577
Special Education Categorical Aid	19-495-034-5120-089	106,577	7/1/18	6/30/19	(10,658)		10,658						
Security Aid	20-495-034-5120-084	29,905	7/1/19	6/30/20			27,111	(29,905)	(2,794)			* (2,794)	29,905
Security Aid	19-495-034-5120-084	29,905	7/1/18	6/30/19	(2,990)		2,990						
Adjustment Aid	20-495-034-5120-085	202,672	7/1/19	6/30/20			183,740	(202,672)	(18,932)			* (18,932)	202,672
Adjustment Aid	19-495-034-5120-085	246,483	7/1/18	6/30/19	(24,546)		24,546						
Non-public Transportation	19-495-034-5120-014	870	7/1/18	6/30/19	(870)		870						
Reimbursed TPAF SS Contribution	20-495-034-5094-003	100,325	7/1/19	6/30/20			100,325	(100,325)				* (100,325)	100,325
Reimbursed TPAF SS Contribution	19-495-034-5094-003	93,338	7/1/18	6/30/19	(4,664)		4,664						
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	94,553	7/1/19	6/30/20			94,553	(94,553)				* (94,553)	94,553
On-Behalf TPAF Long-Term Disability	19-495-034-5094-004	311	7/1/19	6/30/20			311	(311)				* (311)	311
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	254,871	7/1/19	6/30/20			254,871	(254,871)				* (254,871)	254,871
Total General Fund					(58,856)		953,535	(940,492)	(45,813)			(45,813)	940,492
Special Revenue Fund:													
Preschool Education Aid	20-495-034-5120-086	269,157	7/1/19	6/30/20			242,241	(252,298)	(26,916)	\$ 16,859		(26,916)	252,298
Preschool Education Aid	19-495-034-5120-086	52,950	7/1/18	6/30/19	(5,295)		5,295						
Total Special Revenue Fund					(5,295)		247,536	(252,298)	(26,916)	16,859		(26,916)	252,298
Debt Service Fund:													
Debt Service Aid Type II	19-495-034-5120-017	54,130	7/1/19	6/30/20			54,130	(54,130)				* (54,130)	54,130
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	20-100-010-3350-022	869	7/1/19	6/30/20			607	(869)	(262)			* (262)	869
State School Lunch Program	19-100-010-3350-023	605	7/1/18	6/30/19	(22)		22						
Total Enterprise Fund					(22)		629	(869)	(262)				869
Total State Financial Assistance					\$ (64,173)		\$ 1,255,830	\$ (1,247,789)	\$ (72,991)	\$ 16,859		\$ (72,729)	\$ 1,247,789
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	94,553	7/1/19	6/30/20			\$ 94,553	\$ (94,553)					
On-Behalf TPAF Long-Term Disability	20-495-034-5094-004	311	7/1/19	6/30/20			311	(311)					
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	254,871	7/1/19	6/30/20			254,871	(254,871)					
Total State Financial Assistance - Major Program Determination							\$ 906,095	\$ (898,054)					

See accompanying notes to schedules of financial assistance



**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2020**

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Mannington Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 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, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 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. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

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 *N.J.S.A., 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 one or more state June aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$7,509 for the general fund and (\$41,037) for the special revenue fund. See Note 2 (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 on the following page:

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**

**JUNE 30, 2020**

**(Continued)**

	Federal	State	Total
General Fund	\$	\$ 948,001	\$ 948,001
Special Revenue Fund	155,420	230,677	386,097
Debt Service		54,130	54,130
Food Service Fund	<u>47,556</u>	<u>869</u>	<u>48,425</u>
 Total Financial Assistance	 \$ <u>202,976</u>	 \$ <u>1,233,677</u>	 \$ <u>1,436,653</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: FEDERAL AND STATE LOANS OUTSTANDING**

The Mannington School District had no federal or state loan balances outstanding at June 30, 2020.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, except for ESEA grants that are schoolwide programs.

**NOTE 8: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

MANNINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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? \_\_\_\_\_ yes  X  none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards      **N/A**

Internal control over major programs:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: **N/A**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
----------------	----------------	------------------------------------

N/A

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

MANNINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)

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

State Awards

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

1) Material weakness (es) identified?   yes  X  no

2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Treasury Circular Letter 15-08   yes  X  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-084	Security Aid
20-495-034-5120-085	Adjustment Aid

**MANNINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding:** N/A

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**MANNINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)**

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS - N/A**

**Finding:**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS - N/A**

**Finding:**

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**MANNINGTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.