

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Township of Mahwah Board of Education
Mahwah, New Jersey**

For the Fiscal Year Ended June 30, 2011

Prepared by

**Township of Mahwah Board of Education
Finance Department**

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	1-5a
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	
Independent Auditor’s Report on General Purpose Financial Statements and Supplementary Schedules of Expenditures of Federal Awards and State Financial Assistance	11-12
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management’s Discussion and Analysis (Unaudited)	14-20
BASIC FINANCIAL STATEMENTS	
A. District – wide Financial Statements:	
A-1 Statement of Net Assets	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
B-4 Statement of Net Assets	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	35
B-8 Statement of Changes in Fiduciary Net Assets	36

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

TABLE OF CONTENTS
CONTINUED

	<u>Page</u>
NOTES TO BASIC FINANCIAL STATEMENTS	38-59
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	62-65
C-2 Budgetary Comparison Schedule – Special Revenue Fund	66
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	
C-3 Budget to GAAP Reconciliation	68
OTHER SUPPLEMENTARY INFORMATION	
D. School Level Schedules:Fund Financial Statements:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type-Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	72
E-1a Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis	73
E-1b Combining Schedule of Federal Program Revenues and Expenditures - Budgetary	74
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	76
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	77
F-2a to F-2g – Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	78-84
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-3 Combining Statement of Cash Flows	N/A

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

TABLE OF CONTENTS
CONTINUED

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION –PART II (CONTINUED)	
G. Proprietary Funds:	
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Fund	
H-1 Combining Statement of Fiduciary Net Assets	N/A
H-2 Combining Statement of Changes in Fiduciary Net Assets	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	89
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	90
I. Long – Term Debt	
I-1 Schedule of Serial Bonds	92
I-2 Schedule of Obligation Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	93

STATISTICAL SECTION (UNAUDITED)

J. Financial Trends:	
J-1 Net Assets by Component	96
J-2 Changes in Net Assets	97-98
J-3 Fund Balances – Governmental Funds	99
J-4 Changes in Fund Balances – Governmental Funds	100-101
J-5 General Fund – Other Local Revenue by Source Revenue Capacity	102
J-6 Assessed Value and Estimated Actual Value of Taxable Property	103
J-7 Direct and Overlapping Property Tax Rates	104
J-8 Principal Property Taxpayers	105
J-9 Property Tax Levies and Collections Debt Capacity	106
J-10 Ratios of Outstanding Debt by Type	107
J-11 Ratios of Net General Bonded Debt Outstanding	108
J-12 Direct and Overlapping Governmental Activities Debt as of June 30	109
J-13 Legal Debt Margin Information Demographic and Economic Information	110
J-14 Demographic and Economic Statistics	111
J-15 Principal Employers	112

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

TABLE OF CONTENTS
COTINUED

STATISTICAL SECTION (UNAUDITED) (Continued)	<u>Page</u>
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	113
J-17 Operating Statistics	114
J-18 School Building Information	115
J-19 Schedule of Required Maintenance for School Facilities	116
J-20 Insurance Schedule	117
 SINGLE AUDIT SECTION	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"	119-120
K-2 Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	121-122
K-3 Schedule of Expenditures of Federal Awards, Schedule A	123
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	124
K-5 Notes to Schedules of Expenditures of Awards and Financial Assistance	125-126
K-6 Schedules of Findings and Questioned Costs	
Part 1 Summary of Auditor's Results	127-128
Part 2 Schedule of Financial Statement Findings	129
Part 3 Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	130
K-7 Summary Schedule of Prior-Year Audit Findings and Questioned Costs as Prepared by Management	131

**Mahwah Township Board of Education
60 Ridge Road
Mahwah, NJ 07430**

September 30, 2011

Honorable President and
Members of the Board of Education
Mahwah Township School District
Bergen County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Mahwah Township School District for the fiscal year ended June 30, 2011, 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mahwah Township School District as of June 30, 2011, and the respective changes in financial positions and cash flows, where applicable, thereof for the year ended in conformity with the accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Mahwah Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Mahwah Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These services include regular and vocational as well as special education for handicapped youngsters. The District provides a pre-school program and also provides a pre-school program for special education students for a total of 60 students. The District completed the 2010-2011 fiscal year with an enrollment of 3,371 students, which is 112 fewer students than the previous year's enrollment. In addition, 51 students are sent to out-of-district special education programs. The following table details the changes in the student enrollment of the District.

Average Daily Enrollment as of June 30

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	3,369	(2.20)%
2009-2010	3,445	(1.10)%
2008-2009	3,484	0.81%
2007-2008	3,456	1.24%
2006-2007	3,420	1.24%
2005-2006	3,378	1.50%
2004-2005	3,328	1.00%
2003-2004	3,295	2.00%
2002-2003	3,230	3.89%
2001-2002	3,109	4.47%
2000-2001	2,976	3.05%
1999-2000	2,888	5.64%
1998-1999	2,734	5.15%
1997-1998	2,600	7.52%
1996-1997	2,418	4.40%
1995-1996	2,316	5.65%
1994-1995	2,192	2.00%
1993-1994	2,149	0.90%
1992-1993	2,130	4.70%
1991-1992	2,035	6.30%
1990-1991	1,915	4.90%

2) ECONOMIC CONDITION AND OUTLOOK: Mahwah Township is experiencing the slowdown in growth that is prevalent in the country.

3) MAJOR INITIATIVES: Every effort continues to be made to service the needs of all students in-district whenever possible. The special needs of all students are addressed through appropriate, and where applicable, alternative instructional techniques.

4) DISTRICT INFORMATION:

The Guidance Department had a very productive year. We processed 1,514 applications and students were accepted to 59% of the schools they applied. This fall, students from Mahwah HS will be attending college in 20 different states! Three students will be attending Ivy League universities in addition to Northwestern, Carnegie Mellon, Dartmouth, and Boston College.

Graduates

From the Class of 2011, 252 students received their diplomas, having successfully completed the requirements by the State of New Jersey and Mahwah High School. This year, Mahwah High School proudly 9 National Merit Commended students and racked up close to 8 million dollars in scholarship money (an increase of nearly 2.5 million dollars from the Class of 2010).

Ninety-seven percent of our graduates are pursuing higher education. This is an increase of 2% from the class of 2010.

Post Graduation Plans

Total Graduates	252	255	238
4- Yr. Colleges	80%	80%	79%
Other	4%	5%	7%

Advanced Placement Testing

This year 149 sophomores through seniors (21 more than in 2009-2010) took 295 Advanced Placement tests (+37) in 19 different subjects. Eighty-eight percent (-1.2%) of the students scored a three or above and are eligible to receive college credit at most colleges or universities in the United States. This is over 13% better than the New Jersey state average. See chart for more detailed analysis.

Biology	42
Calculus BC	100
Comparative Govt. & Politics	100
Economics-Macro	71
English Language	92
European History	93
Physics C- Mechanics	77
Spanish Language	33
Studio Art – Drawing	80
World History	100

College Data

Mahwah High School students will be attending college in the following states in the fall (Number attending and percent of college bound population).

NJ	96	40%
PA	34	14%
MA	15	6%
DE	4	2%
CT	3	1%
MI	3	1%
IL	2	1%
CO	1	0%
WV	1	0%
SC	1	0%

Class of 2011 – College Matriculation

Adirondack Community College	1	Massachusetts College of Art and Design	1
American University	1	University of Michigan	2
Amherst College	1	Monmouth University	2
Andrews University	1	Montclair State University	9
Babson College	1	Mount Saint Mary College	2
University of Baltimore	1	New England College	2
Baruch College of the CUNY	1	New Jersey Institute of Technology	1
Bennington College	1	The College of New Jersey	5
Bentley University	3	New York University	3
Bergen Community College	32	Northeastern University	5
Binghamton University	2	Northwestern University	1
Boston College	1	Nova Southeastern University	1
Boston University	1	Ocean County College	1
Bryant University	1	Pennsylvania State Univ., Schuylkill	1
Bucknell University	4	Pennsylvania State Univ., University Park	5
Carnegie Mellon University	1	Philadelphia University	1
Chestnut Hill College	1	Polk Community College	1
Colgate University	1	Quinnipiac University	1
Colorado State University	1	Ramapo College of New Jersey	12
Columbia University	1	Rensselaer Polytechnic Institute	1
Cornell University	1	University of Rhode Island	9
County College of Morris	1	Richard Stockton College of New Jersey	1
Dartmouth College	1	Rider University	3
Deerfield Academy	1	Rockland Community College	1
University of Delaware	4	Roger Williams University	7
Drexel University	2	Rowan University	4
Duquesne University	1	Rutgers at New Brunswick	13
East Stroudsburg University	1	Rutgers at Newark	2
Fashion Institute of Technology	1	Sacred Heart University	1
Five Towns College	1	Saint Joseph's University	1
Fordham University	2	Salve Regina University	2
George Washington University	1	Seton Hall University	3
Hartwick College	1	University of South Carolina	1
University of Hawaii at Manoa	1	St. John's University - Queens	1
Hofstra University	2	St. Thomas Aquinas College	1

Hunter College of the CUNY	2	State University of New York at Albany	1
University of Illinois at Urbana-Champaign	1	Stevens Institute of Technology	1
Indiana Univ. of Pennsylvania	1	Syracuse University	3
Ithaca College	1	Temple University	1
James Madison University	5	The Art Institute of Philadelphia	1
Johnson & Wales University	2	HoHoKus School of Business & Medical Sciences	1
Kutztown University	3	The University of Scranton	2
La Roche College	1	Tufts University	1
Lafayette College	2	The University of the Arts	1
Tehigh University	1	Ursinus College	1
Lock Haven University	1	Virginia Military Institute	1
Loyola University Maryland	1	Virginia Tech	1
Lynchburg College	1	Washington University in St. Louis	1
Lynn University	1	Wesleyan University	1
Manhattan College	1	West Chester University of Pennsylvania	1
Marist College	6	West Virginia University	1
Marymount Manhattan College	1	William Paterson University of New Jersey	4

5) 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 judgements by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as adjusted appropriations and are reported as reservations of fund balance at June 30, 2011.

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

8) DEBT ADMINISTRATION: At June 30, 2011, the District's outstanding debt issues included \$21,029,000 of general obligation bonds.

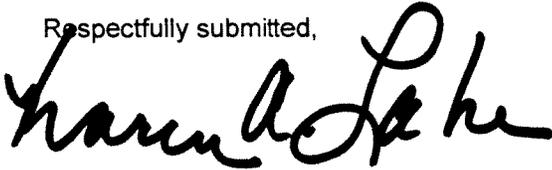
9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note II. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the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

10) 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.

11) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of T.M. Vrabel & Associates, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Dr. Karen Lake
Interim Superintendent



Edward J. Deptula
Board Secretary/Business Administrator

**MAHWAH TOWNSHIP BOARD OF EDUCATION
MAHWAH, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patricia Shada, President	2014
Charles Saldarini, 1st Vice President	2013
Christine Davis, 2 nd Vice President	2012
Kenneth Angelo	2014
Suzanne Curry	2013
Douglas D'Angelo	2013
John Dolan	2012
Candace Larson	2012
Peter Wendrychowicz	2014
<u>Other Officials</u>	
Charles V. Montesano, Superintendent of Schools	
Edward J. Deptula, Business Administrator/Board Secretary	
Kenneth Sesholtz, Treasurer	

MAHWAH TOWNSHIP BOARD OF EDUCATION

Consultants and Advisors

Architect Firm

Tokarski & Millemann Architects, LLC
228 Brick Boulevard, 2nd Floor
Brick, NJ 08724

Audit Firm

T. M. Vrabel & Associates, LLC
170 East Main Street
P.O. Box 541
Denville, NJ 07834

Attorneys

Schwartz Simon Edelstein Celso, LLC
44 Whippany Road
Morristown, NJ 07960

Schenck Price Smith & King, LLP
220 Park Avenue
Florham Park, NJ 07932

Risk Management Consultants

LDP Consulting Group, Inc.
80 Lambert Lane, Suite 140
Lambertville, NJ 08530

McCarthy Forde, LLC
136 Broadway
Woodcliff Lake, NJ 07677

Athletic Training Services

The Valley Hospital Sports Institute
223 North Van Dien Avenue
Ridgewood, NJ 07450

Official Depository

TD Bank
One Interstate Shopping Center
Ramsey, NJ 07446

Financial Section

Independent Auditor's Report



T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA



INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Mahwah School District
County of Bergen, New Jersey

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mahwah School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Mahwah School District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit 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 in compliance with audit requirements as prescribed by the Division of 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mahwah School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 15, 2011 on our consideration of the Township of Mahwah School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

170 East Main Street
P.O. Box 541
Denville, NJ 07834
973-625-2920 Fax: 973-625-8733
Email: tmvrabeldvc@optonline.net

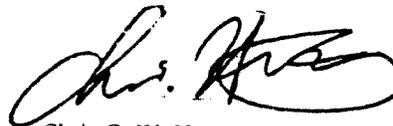
The Management's Discussion and Analysis on page 14 through 20 and budgetary comparison information on schedules C-1 and C-2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mahwah School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

July 15, 2011

**REQUIRED SUPPLEMENTARY INFORMATION -
PART I**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Township of Mahwah School District financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 23.

FINANCIAL HIGHLIGHTS

- The District's net assets increased \$3,696,000 as a result of this year's operations. Net assets of our business-type activities increased by \$24,000, or 15.0 percent, and net assets of our governmental activities increased by \$3,672,000 or 19.0 percent.
- Total cost of all of the District's programs was \$58,824,000 in 2010-2011 compared to \$60,163,000 in 2009-2010.
- During the year, the District had expenses for governmental activities that were \$2,027,000 less than the \$61,148,000 generated in tax and other program revenues.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 23 and 24) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 16. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net assets are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base, and the condition of the District's capital assets to assess the overall *health* of the District.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities: most of the District's basic services are reported here, including general administration, local taxes, tuition and state and federal aid finance most of these activities.
- Business-type-activities: the District has one proprietary fund as shown on pages 32 and 33.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 18. The fund financial statements begin on page 27 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on page 29.

Proprietary funds: when the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 35 and 36. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

The District's *combined* net assets changed from a year ago, *increasing* from 19.524 to 23.220 million. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental and business-type activities as of June 30, 2011.

Table 1
Net Assets (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	8,557	6,331	153	124	8,710	6,455
Long term receivables	799	829			799	829
Capital assets	<u>38,654</u>	<u>39,584</u>	<u>43</u>	<u>53</u>	<u>38,697</u>	<u>39,637</u>
Total assets	<u>48,010</u>	<u>46,744</u>	<u>196</u>	<u>177</u>	<u>48,206</u>	<u>46,921</u>
Long-term debt outstanding	24,286	26,268			24,286	26,268
Other liabilities	<u>688</u>	<u>1,112</u>	<u>12</u>	<u>17</u>	<u>700</u>	<u>1,129</u>
Total liabilities	<u>24,974</u>	<u>27,380</u>	<u>12</u>	<u>17</u>	<u>24,986</u>	<u>27,397</u>
Net assets:						
Invested in capital assets, net of debt	17,585	16,685	43	53	17,628	16,738
Restricted	7,028	4,750			7,028	4,750
Unrestricted (deficit)	<u>(1,577)</u>	<u>(2,071)</u>	<u>141</u>	<u>107</u>	<u>(1,436)</u>	<u>(1,964)</u>
Total net assets	<u>23,036</u>	<u>19,364</u>	<u>184</u>	<u>160</u>	<u>23,220</u>	<u>19,524</u>

Net assets of the District's governmental activities increased by 19.0 percent. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by \$494,000. Restricted net assets, those restricted mainly for capital projects increased by \$2,278,000. Both net asset categories benefited from increased economic activity, which resulted in actual revenues exceeding budgeted revenues. The investment in capital assets, net of debt category increased by \$900,000.

Table 2
Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Revenues</u>						
Program revenues:						
Charges for Services	919	1,026	803	733	1,722	1,759
Operating Grants and Contributions	5,834	6,956	161	172	5,995	7,128
General revenues:						
Property Taxes	53,757	51,942			53,757	51,942
Tuition		1			-	1
Federal and State Aid	367	357			367	357
Interest and Investment Earnings	87	82	1	1	88	83
N.J. Schools Development Authority Grant	559	829			559	829
Other General Revenues	32	40	-	-	32	40
Total Revenues	<u>61,555</u>	<u>61,233</u>	<u>965</u>	<u>906</u>	<u>62,520</u>	<u>62,139</u>
<u>Program expenses including indirect expenses</u>						
Instruction:						
Regular	22,731	23,416			22,731	23,416
Special	6,537	5,893			6,537	5,893
Other instructiton	2,549	3,063			2,549	3,063
Support services:						
Tuition	2,604	2,746			2,604	2,746
Student and instruction related services	7,566	7,764			7,566	7,764
School administrative services	3,373	3,352			3,373	3,352
General and business administrative services	2,693	3,009			2,693	3,009
Plant operations and maintenance	5,608	5,702			5,608	5,702
Pupil transportation	3,280	3,279			3,280	3,279
Charter Schools	23				23	-
Interest on long-term debt	919	1,025			919	1,025
Business-type activities:						
Food Services	-	-	941	914	941	914
Total Expenses	<u>57,883</u>	<u>59,249</u>	<u>941</u>	<u>914</u>	<u>58,824</u>	<u>60,163</u>
Increase (Decrease) in Net Assets	<u>3,672</u>	<u>1,984</u>	<u>24</u>	<u>(8)</u>	<u>3,696</u>	<u>1,976</u>

THE DISTRICT'S FUNDS

Governmental Activities

Table 3

Information below compares revenues and expenditures for all governmental fund types for 2010-2011 and 2009-2010.

(\$000 omitted)

<u>Revenues by Source:</u>	<u>2010-2011</u>	<u>2009-2010</u>	<u>% Change</u>
Local Tax Levy	54,675	52,967	3.22%
Tuition Charges		1	100.00%
Interest Earned to Investments	87	83	4.82%
Miscellaneous	<u>185</u>	<u>190</u>	-2.63%
Total - Local Sources	54,947	53,241	3.20%
State Sources	4,731	6,309	-25.01%
Federal Sources	<u>1,470</u>	<u>1,004</u>	46.41%
Total Revenues	<u>61,148</u>	<u>60,554</u>	0.98%

(\$000 omitted)

<u>Expenditures by Function:</u>	<u>2010-2011</u>	<u>2009-2010</u>	<u>% Change</u>
Current:			
Regular Instruction	16,394	16,790	-2.36%
Special education	5,071	4,383	15.70%
Other instruction	2,011	2,295	-12.37%
Support Services and undistributed costs:			
Tuition	2,604	2,746	-5.17%
Student and instruction related services	5,942	5,953	-0.18%
School administrative services	2,526	2,519	0.28%
General and Business administrative services	2,168	2,582	-16.03%
Plant operations and maintenance	5,346	5,325	0.39%
Pupil transportation	3,083	3,051	1.05%
Employee Benefits	10,309	11,098	-7.11%
Capital Outlay	863	2,132	-59.52%
Charter School	23		100.00%
Debt Service:			
Principal	1,830	1,735	5.48%
Interest on long-term debt	<u>951</u>	<u>1,074</u>	-11.45%
Total Expenditures	<u>59,121</u>	<u>61,683</u>	-4.15%

Business-type Activities

The District's major Enterprise Funds consist of the Food Service. The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates return on ending assets and return on ending net assets.

Table 4

(\$000 omitted)

	<u>Food Service</u>
Total Assets	197
Net Assets	184
Change in Net Assets	24
Return on Ending Total Assets	12.18%
Return on Ending Net Assets	13.04%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 5

Capital Assets at Year-end (Net of Depreciation, in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	535	535			535	535
Land Improvements	2,149	2,149			2,149	2,149
Buildings	55,700	55,700			55,700	55,700
Machinery and Equipment	3,933	4,073	130	130	4,063	4,203
Construction-in-progress	<u>2,259</u>	<u>1,663</u>	-	-	<u>2,259</u>	<u>1,663</u>
Subtotal	64,576	64,120	130	130	64,706	64,250
Accumulated Depreciation	<u>(25,922)</u>	<u>(24,537)</u>	<u>(87)</u>	<u>(77)</u>	<u>(26,009)</u>	<u>(24,614)</u>
Totals	<u>38,654</u>	<u>39,583</u>	<u>43</u>	<u>53</u>	<u>38,697</u>	<u>39,636</u>

This year's major additions in the Governmental Activities included HVAC improvements, roof replacements, boiler replacements and acquisition of various equipment.

The District's 2011-2012 capital budget anticipates a spending level of \$57,405.00. More detailed information about the District capital assets is presented in Note III:C. to the basic financial statements

DEBT

At year – end the District had total debt of \$21,069,000 outstanding versus \$22,899,000 last year – a decrease of 8.0 percent – as shown in Table 6.

Outstanding Debt, at year –end (in thousands)
Table 6

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Serial Bonds	21,069	22,899
Loans		
Lease Purchase Agreement		
Temporary Notes		
Authorized but not Issued		
	<u>-</u>	<u>-</u>
	<u>21,069</u>	<u>22,899</u>

An analysis of District Debt is presented in Note III:D. to the basic financial statements.

BUDGETS

The significant variances between the originally adopted budget for the year 2011 and the final budget were caused by the treatment of encumbrances that are added to the original budget. In addition, transfers are made during the year to cover necessary expenditures without causing any budgetary line to have a negative balance.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Edward Deptula, the School Business Administrator, Mahwah Township School District, Mahwah, New Jersey.

BASIC FINANCIAL STATEMENTS

Section A
DISTRICT – WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Statement of Net Assets
June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,649,307.59	\$ 130,672.29	\$ 2,779,979.88
Receivables, net	2,485,489.33		2,485,489.33
Interfund receivable	252.63		252.63
Inventory		22,747.68	22,747.68
Restricted assets:			
Cash and cash equivalents	238,817.52		238,817.52
Capital reserve account - cash	3,981,565.15		3,981,565.15
Capital assets, net (Note III:C.):	<u>38,654,376.85</u>	<u>43,433.31</u>	<u>38,697,810.16</u>
Total Assets	<u>48,009,809.07</u>	<u>196,853.28</u>	<u>48,206,662.35</u>
LIABILITIES			
Accounts payable		12,565.24	12,565.24
Payable to federal government	666.00		666.00
Payable to state government	12,492.74		12,492.74
Bond interest payable	336,027.62		336,027.62
Deferred revenue	339,009.78		339,009.78
Noncurrent liabilities (Note IV:B.):			
Due within one year	2,116,712.00		2,116,712.00
Due beyond one year	<u>22,169,196.00</u>	<u>-</u>	<u>22,169,196.00</u>
Total liabilities	<u>24,974,104.14</u>	<u>12,565.24</u>	<u>24,986,669.38</u>
NET ASSETS			
Invested in capital assets, net of related debt	17,585,376.85	43,433.31	17,628,810.16
Restricted for:			
Capital projects	3,872,366.17		3,872,366.17
Debt service	(318,682.01)		(318,682.01)
Other purposes	3,473,961.14		3,473,961.14
Unrestricted	<u>(1,577,317.22)</u>	<u>140,854.73</u>	<u>(1,436,462.49)</u>
Total Net Assets	<u>\$ 23,035,704.93</u>	<u>\$ 184,288.04</u>	<u>\$ 23,219,992.97</u>

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

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 22,730,663.26	\$ -	\$ 1,860,035.35	\$ (20,870,647.91)	\$ -	\$ (20,870,647.91)
Special education	6,537,014.82		1,855,602.51	(4,681,412.31)		(4,681,412.31)
Other instruction	2,548,912.93		189,459.75	(2,359,453.18)		(2,359,453.18)
Support services:						
Tuition	2,603,900.66		626,292.82	(1,977,607.84)		(1,977,607.84)
Student and instruction related services	7,566,562.38		638,432.93	(6,928,129.45)		(6,928,129.45)
School administrative services	3,373,193.11		261,141.40	(3,112,051.71)		(3,112,051.71)
General and business administrative services	2,692,797.90		143,324.91	(2,549,472.99)		(2,549,472.99)
Plant operations and maintenance	5,608,176.10		77,885.61	(5,530,290.49)		(5,530,290.49)
Pupil transportation	3,279,740.84	328.00	182,006.57	(3,097,406.27)		(3,097,406.27)
Charter Schools	23,079.00			(23,079.00)		(23,079.00)
Interest on long-term debt	918,719.22		-	-		-
Total governmental activities	57,882,780.22	919,047.22	5,834,181.85	(51,129,551.15)		(51,129,551.15)
Business-type activities:						
Food Service	940,643.44	802,644.78	161,170.94		23,172.28	23,172.28
Total business-type activities	940,643.44	802,644.78	161,170.94	-	23,172.28	23,172.28
Total primary government	\$ 58,823,423.66	\$ 1,721,692.00	\$ 5,995,352.79	\$ (51,129,551.15)	\$ 23,172.28	\$ (51,106,378.87)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				\$ 51,901,030.00		\$ 51,901,030.00
Property taxes, levied for debt service principal				1,855,617.78		1,855,617.78
Federal and State aid not restricted				366,811.14		366,811.14
Investment Earnings				87,276.17	984.47	88,260.64
Miscellaneous Income				184,342.53		184,342.53
Debt Service Assessment				(92,327.00)		(92,327.00)
N.J.Schools Development Authority Grants				558,811.00		558,811.00
Adjustment to Capital Assets				(60,147.15)		(60,147.15)
Total general revenues, special items, extraordinary items and transfers				54,801,414.47	984.47	54,802,398.94
Change in Net Assets				3,671,863.32	24,156.75	3,696,020.07
Net Assets—beginning				19,363,841.61	160,131.29	19,523,972.90
Net Assets—ending				\$ 23,035,704.93	\$ 184,288.04	\$ 23,219,992.97

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

Section B
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Balance Sheet
Governmental Funds
June 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,558,414.85	\$ (914,704.89)	\$ 238,817.52	\$ 5,597.63	\$ 2,888,125.11
Interfunds receivable	622,728.11			11,747.98	634,476.09
Receivables from other governments	419,840.52	1,266,873.41	798,775.40		2,485,489.33
Restricted cash and cash equivalents	<u>3,981,565.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,981,565.15</u>
Total Assets	<u>\$ 8,582,548.63</u>	<u>\$ 352,168.52</u>	<u>\$ 1,037,592.92</u>	<u>\$ 17,345.61</u>	<u>\$ 9,989,655.68</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfunds payable	\$ -	\$ -	\$ 634,223.46	\$ -	\$ 634,223.46
Payable to federal government		666.00			666.00
Payable to state government		12,492.74			12,492.74
Deferred revenue		<u>339,009.78</u>	<u>-</u>		<u>339,009.78</u>
Total Liabilities		<u>352,168.52</u>	<u>634,223.46</u>		<u>986,391.98</u>
Fund Balances:					
Restricted for:					
Reserved Excess Surplus - Designated for					-
Subsequent Year's Expenditures	622,165.08				622,165.08
Reserve for Excess Surplus	810,555.06				810,555.06
Capital Reserve Account	3,981,565.15				3,981,565.15
Capital Projects			(109,198.98)		(109,198.98)
Debt Service				17,345.61	17,345.61
Assigned to:					
Other Purposes	1,528,672.56		512,568.44		2,041,241.00
Designated for Subsequent Year's Expenditures	577,834.92				577,834.92
Unassigned	<u>1,061,755.86</u>		<u>-</u>	<u>-</u>	<u>1,061,755.86</u>
Total Fund Balances	<u>8,582,548.63</u>	<u>-</u>	<u>403,369.46</u>	<u>17,345.61</u>	<u>9,003,263.70</u>
Total Liabilities and Fund Balances	<u>\$ 8,582,548.63</u>	<u>\$ 352,168.52</u>	<u>\$ 1,037,592.92</u>	<u>\$ 17,345.61</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Adjustment to Debt Service Fund net assets for the accrual of interest expense. (336,027.62)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$64,576,654.46 and the accumulated depreciation is \$25,922,277.61. 38,654,376.85

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note IV:B.) (24,285,908.00)

Net assets of governmental activities \$ 23,035,704.93

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

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local tax levy	\$ 51,901,030.00	\$ -	\$ -	\$ 2,774,337.00	\$ 54,675,367.00
Transportation fees	328.00				328.00
Interest earned on investments	77,067.96		3,711.71		80,779.67
Interest earned on Capital Reserve Funds	6,496.50				6,496.50
Miscellaneous	<u>184,342.53</u>		<u>-</u>	<u>-</u>	<u>184,342.53</u>
Total - Local Sources	52,169,264.99	-	3,711.71	2,774,337.00	54,947,313.70
State sources	4,709,342.62	21,615.26			4,730,957.88
Federal sources	<u>1,869.78</u>	<u>1,468,165.33</u>	<u>-</u>	<u>-</u>	<u>1,470,035.11</u>
Total Revenues	<u>56,880,477.39</u>	<u>1,489,780.59</u>	<u>3,711.71</u>	<u>2,774,337.00</u>	<u>61,148,306.69</u>
EXPENDITURES					
Current:					
Regular instruction	16,251,290.55	142,216.68			16,393,507.23
Special education instruction	3,898,432.83	1,172,806.50			5,071,239.33
Other instruction	2,011,110.01				2,011,110.01
Support services and undistributed costs:					
Tuition	2,603,900.66				2,603,900.66
Student and instruction related services	5,801,631.61	140,300.41			5,941,932.02
School administrative services	2,525,618.94				2,525,618.94
General and business administrative services	2,167,818.77				2,167,818.77
Plant operations and maintenance	5,346,286.51				5,346,286.51
Pupil transportation	3,083,276.15				3,083,276.15
Unallocated benefits	10,274,369.07	34,457.00			10,308,826.07
Transfer to charter school	23,079.00				23,079.00
Capital outlay	267,030.55		596,137.63		863,168.18
Debt service:					
Principal				1,830,000.00	1,830,000.00
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>951,088.50</u>	<u>951,088.50</u>
Total Expenditures	<u>54,253,844.65</u>	<u>1,489,780.59</u>	<u>596,137.63</u>	<u>2,781,088.50</u>	<u>59,120,851.37</u>
Excess (Deficiency) of revenues over expenditures					
	<u>2,626,632.74</u>	<u>-</u>	<u>(592,425.92)</u>	<u>(6,751.50)</u>	<u>2,027,455.32</u>
OTHER FINANCING SOURCES AND (USES)					
N.J.Schools Development Authority Grants			558,811.00		558,811.00
Transfers in				3,711.71	3,711.71
Transfers (out)			<u>(3,711.71)</u>	<u>-</u>	<u>(3,711.71)</u>
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>555,099.29</u>	<u>3,711.71</u>	<u>558,811.00</u>
Net change in fund balances	2,626,632.74	-	(37,326.63)	(3,039.79)	2,586,266.32
Fund Balance—July 1	<u>5,955,915.89</u>	<u>-</u>	<u>440,696.09</u>	<u>20,385.40</u>	<u>6,416,997.38</u>
Fund Balance—June 30	<u>\$ 8,582,548.63</u>	<u>\$ -</u>	<u>\$ 403,369.46</u>	<u>\$ 17,345.61</u>	<u>\$ 9,003,263.70</u>

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

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
June 30, 2011**

Total net change in fund balances - governmental funds (from B-2)		\$ 2,586,266.32
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)</p>		
Interest paid	\$ 951,088.50	
Interest accrued	<u>(918,719.22)</u>	32,369.28
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	(1,639,817.31)	
Capital outlays (exclusive of capital lease principal payments)	<u>863,168.18</u>	(776,649.13)
<p>Adjustment to Capital Assets in accordance with physical appraisal</p>		
<p>A Debt Service Assessment which is a capital outlay expenditure but not included in capital assets.</p>		(92,327.00)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)</p>		
		-
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).</p>		
		152,351.00
<p>Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Debt principal		1,830,000.00
Capital lease principal		
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Proceeds of long-term debt		
Capital lease proceeds		
<p>Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)</p>		
		-
Change in net assets of governmental activities		<u>\$ 3,671,863.32</u>

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

PROPRIETARY FUNDS

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Statement of Net Assets
Proprietary Funds
June 30, 2011**

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 130,672.29	\$ 130,672.29
Inventories	<u>22,747.68</u>	<u>22,747.68</u>
Total Current Assets	<u>153,419.97</u>	<u>153,419.97</u>
Noncurrent assets:		
Furniture, machinery and equipment	130,495.77	130,495.77
Less accumulated depreciation	<u>(87,062.46)</u>	<u>(87,062.46)</u>
Total Noncurrent Assets	<u>43,433.31</u>	<u>43,433.31</u>
Total Assets	<u>196,853.28</u>	<u>196,853.28</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	<u>12,565.24</u>	<u>12,565.24</u>
Total Current Liabilities	<u>12,565.24</u>	<u>12,565.24</u>
Total Liabilities	<u>12,565.24</u>	<u>12,565.24</u>
NET ASSETS		
Invested in capital assets, net of related debt	43,433.31	43,433.31
Unrestricted	<u>140,854.73</u>	<u>140,854.73</u>
Total Net Assets	<u>\$ 184,288.04</u>	<u>\$ 184,288.04</u>

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

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
Operating Revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 317,489.67	\$ 317,489.67
Daily sales - non-reimbursable programs	476,243.21	476,243.21
Special functions	8,911.90	8,911.90
Total Operating Revenues	<u>802,644.78</u>	<u>802,644.78</u>
Operating Expenses:		
Cost of sales	407,166.82	407,166.82
Salaries	312,153.80	312,153.80
Employee benefits	116,390.25	116,390.25
Other purchased professional services	49,114.51	49,114.51
General supplies	46,391.80	46,391.80
Depreciation	9,426.26	9,426.26
Total Operating Expenses	<u>940,643.44</u>	<u>940,643.44</u>
Operating Income (Loss)	<u>(137,998.66)</u>	<u>(137,998.66)</u>
Nonoperating Revenues (Expenses):		
State sources:		
State school lunch program	7,752.18	7,752.18
Federal sources:		
National school lunch program	123,544.52	123,544.52
Food distribution program	29,874.24	29,874.24
Interest and investment revenue	984.47	984.47
Total Nonoperating Revenues (Expenses)	<u>162,155.41</u>	<u>162,155.41</u>
Income (loss) before contributions and transfers	24,156.75	24,156.75
Transfers in (out)	<u>-</u>	<u>-</u>
Change in net assets	24,156.75	24,156.75
Total Net Assets—Beginning	<u>160,131.29</u>	<u>160,131.29</u>
Total Net Assets—Ending	<u>\$ 184,288.04</u>	<u>\$ 184,288.04</u>

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

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011**

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 813,048.66	813,048.66
Payments to employees	(312,153.80)	(312,153.80)
Payments for employee benefits	(116,390.25)	(116,390.25)
Payments to suppliers	<u>(510,388.27)</u>	<u>(510,388.27)</u>
Net cash provided by (used for) operating activities	<u>(125,883.66)</u>	<u>(125,883.66)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	7,752.18	7,752.18
Federal Sources	153,418.76	153,418.76
Operating subsidies and transfers to other funds	<u>-</u>	<u>-</u>
Net cash provided by (used for) non-capital financing activities	<u>161,170.94</u>	<u>161,170.94</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>984.47</u>	<u>984.47</u>
Net cash provided by (used for) investing activities	<u>984.47</u>	<u>984.47</u>
Net increase (decrease) in cash and cash equivalents	36,271.75	36,271.75
Balances—beginning of year	<u>94,400.54</u>	<u>94,400.54</u>
Balances—end of year	<u>\$ 130,672.29</u>	<u>\$ 130,672.29</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (137,998.66)	\$ (137,998.66)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	9,426.26	9,426.26
(Increase) decrease in accounts receivable, net	10,403.88	10,403.88
(Increase) decrease in inventories	(3,285.98)	(3,285.98)
Increase (decrease) in accounts payable	<u>(4,429.16)</u>	<u>(4,429.16)</u>
Total adjustments	<u>12,115.00</u>	<u>12,115.00</u>
Net cash provided by (used for) operating activities	<u>\$ (125,883.66)</u>	<u>\$ (125,883.66)</u>

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

FIDUCIARY FUNDS

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011**

	Unemployment Compensation <u>Trust</u>	Agency <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 405,346.33	\$ 674,726.89
Total Assets	<u>\$ 405,346.33</u>	<u>\$ 674,726.89</u>
LIABILITIES		
Payable to district	\$ -	\$ 252.63
Payable to student groups		674,681.16
Payroll deductions and withholdings	<u>-</u>	<u>(206.90)</u>
Total Liabilities		<u>\$ 674,726.89</u>
NET ASSETS		
Held in trust for unemployment claims and other purposes	<u>405,346.33</u>	

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

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan member	\$ 69,298.94
Other (Board)	-
Total Contributions	<u>69,298.94</u>
Investment earnings:	
Interest	<u>3,837.69</u>
Net investment earnings	<u>3,837.69</u>
Total Additions	<u>73,136.63</u>
DEDUCTIONS	
Unemployment claims	<u>218,741.73</u>
Total Deductions	<u>218,741.73</u>
Change in Net Assets	(145,605.10)
Net Assets—beginning	<u>550,951.43</u>
Net Assets—ending	<u>\$ 405,346.33</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Township of Mahwah School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District is required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. This Statement established new financial reporting requirements for state and local governments throughout the United States. It required new information and restructuring much of the information that governments had presented in the past. The District began implementing these standards for the fiscal year ending June 30, 2003.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34. Therefore, the District implemented for the fiscal year ending June 30, 2003, Statement No. 37 – Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus, and Statement No. 38 – Certain Financial Statement Note Disclosures.

B. Reporting Entity

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

The 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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary, one middle and one senior high school located in Mahwah. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the 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 nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities 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. 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, are presented as general revenues.

D. Basic Financial Statements- Fund Financial Statements

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

The following fund types are used by the District:

Governmental Fund Types

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

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

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

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

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note 1: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Special Revenue Fund – The Special 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 specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, 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 the 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.

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
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

E. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants entitlements and donations.

Government 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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. 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 to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Appropriation of prior year encumbrances in the amount of \$ 1,367,208.42 were made during the year ended June 30, 2011. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

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 reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Exhibit C-3.

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are 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 they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

2. Short – term Interfund Receivables/Payables

Short – term interfund receivables/payables represents 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.

3. Inventories

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in–first–out (FIFO) method.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

5. 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 noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations. (See Note IX)

6. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1 (F) regarding the special revenue fund.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

7. Long – term Obligations

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. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

8. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Use of Estimates

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

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note II: Reconciliation of Government Wide and Fund Financial Statements

Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets

"Total fund balances" of the District's governmental funds in B-I differs from "net assets" of governmental activities reported in the statement of net assets in A-1. This difference primarily results from the long - term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

	<u>Balance Sheet/Statement of Net Assets</u>			<u>Statement</u>
<u>Assets</u>	<u>Total</u>	<u>Long - term</u>	<u>Reclassifications</u>	<u>of Net</u>
	<u>Governmental</u>	<u>Assets</u>	<u>and Eliminations</u>	<u>Assets</u>
	<u>Funds</u>	<u>Liabilities (1)</u>	<u></u>	<u>Totals</u>
Cash and cash equivalents	\$ 2,888,125.11	\$ -	\$ (238,817.52)	\$ 2,649,307.59
Receivables, net			2,485,489.33	2,485,489.33
Interfund Receivables	634,476.09		(634,223.46)	252.63
Receivables from Other Governments	2,485,489.33		(2,485,489.33)	-
Restricted assets:				
Cash and cash equivalents			238,817.52	238,817.52
Capital Reserve Account - cash	3,981,565.15			3,981,565.15
Capital Assets, net	<u>-</u>	<u>38,654,376.85</u>	<u>-</u>	<u>38,654,376.85</u>
 Total Assets	 <u>\$ 9,989,655.68</u>	 <u>\$ 38,654,376.85</u>	 <u>\$ (634,223.46)</u>	 <u>\$ 48,009,809.07</u>
 <u>Liabilities</u>				
Interfunds Payable	\$ 634,223.46	\$ -	\$ (634,223.46)	\$ -
Payable to Federal Government	666.00			666.00
Payable to State Government	12,492.74			12,492.74
Bond Interest Payable			336,027.62	336,027.62
Deferred Revenue	339,009.78			339,009.78
Noncurrent Liabilities	<u>-</u>	<u>21,069,000.00</u>	<u>3,216,908.00</u>	<u>24,285,908.00</u>
Total Liabilities	<u>986,391.98</u>	<u>21,069,000.00</u>	<u>2,918,712.16</u>	<u>24,974,104.14</u>
 <u>Fund Balances/Net Assets</u>				
<u>Net Assets</u>				
Invested in capital assets, net of related debt		17,585,376.85		17,585,376.85
Restricted for:				
Capital projects	3,872,366.17			3,872,366.17
Debt Service	17,345.61		(336,027.62)	(318,682.01)
Other purposes	3,473,961.14			3,473,961.14
Unrestricted	<u>1,639,590.78</u>	<u>-</u>	<u>(3,216,908.00)</u>	<u>(1,577,317.22)</u>
Total Fund Balances/Net Assets	<u>9,003,263.70</u>	<u>17,585,376.85</u>	<u>(3,552,935.62)</u>	<u>23,035,704.93</u>
Total Liabilities and Fund Balances/Net Assets	<u>9,989,655.68</u>	<u>38,654,376.85</u>	<u>(634,223.46)</u>	<u>48,009,809.07</u>

1. When Capital Assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 64,576,654.46
Accumulated depreciation	<u>(25,922,277.61)</u>
	<u>\$ 38,654,376.85</u>

Long - term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long - term are reported in the of net assets.

Serial Bonds	\$ 21,069,000.00
Compensated Absences	<u>3,216,908.00</u>
	<u>\$ 24,285,908.00</u>

Adjustment to Debt Service Fund net assets for the accrual of interest expense. \$ (336,027.62)

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010**

Note II: Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Operating Statement of Activities

The "net change in fund balances" for governmental funds in B-2 differs from the "change in net assets" for governmental activities reported in the statement of activities in A-2. The difference arise primarily for the long - term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities

Revenues and Other Sources	Total Governmental Funds	Long - term Revenue, Expenses (2)	Capital Related Items (3)	Long - term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
Local Tax Levy	\$ 54,675,367.00	\$ -	\$ -	\$ -	\$ -	\$ 54,675,367.00
Tuition Charges	-	-	-	-	-	-
Transportation Fees	328.00	-	-	-	-	328.00
Interest Earned on Investments	87,276.17	-	-	-	-	87,276.17
Miscellaneous	184,342.53	-	-	-	-	184,342.53
State Sources	4,730,957.88	-	-	-	-	4,730,957.88
Federal Sources	1,470,035.11	-	-	-	-	1,470,035.11
Adjustment to Capital Assets	-	-	(60,147.15)	-	-	(60,147.15)
Total	61,148,306.69	-	(60,147.15)	-	-	61,088,159.54
Expenditures						
Current:						
Regular instruction	16,393,507.23	-	1,170,498.44	(53,155.00)	5,219,832.59	22,730,683.26
Special education	5,071,239.33	-	143,982.15	15,216.00	1,306,577.34	6,537,014.82
Other instruction	2,011,110.01	-	21,887.00	(63,535.00)	579,450.92	2,548,912.93
Support Services and undistributed costs:						
Tuition	2,603,900.66	-	-	-	-	2,603,900.66
Student and instruction related services	5,941,932.02	-	79,869.34	(26,041.00)	1,570,802.02	7,566,562.38
School administrative services	2,525,618.94	-	60,324.34	(11,435.00)	798,684.83	3,373,193.11
General and business administrative services	2,167,818.77	-	75,633.76	10,995.00	438,350.37	2,692,797.90
Plant operations and maintenance	5,346,286.51	-	51,826.28	(28,145.00)	238,208.31	5,608,176.10
Pupil transportation	3,083,276.15	-	35,796.00	3,749.00	156,919.69	3,279,740.84
Unallocated Benefits	10,308,826.07	-	-	-	(10,308,826.07)	-
Transfer to Charter school	23,079.00	-	-	-	-	23,079.00
Capital Outlay	863,168.18	-	(863,168.18)	-	-	-
Debt Service:						
Principal	1,830,000.00	-	-	(1,830,000.00)	-	-
Interest	951,088.50	(32,369.28)	-	-	-	918,719.22
Total	59,120,851.37	(32,369.28)	776,649.13	(1,982,351.00)	-	57,882,780.22
Other Financing Uses/Changes in Net Assets:						
Debt Service Assessment	-	-	(92,327.00)	-	-	(92,327.00)
N.J. Schools Development Authority Grants	558,811.00	-	-	-	-	558,811.00
Total	558,811.00	-	(92,327.00)	-	-	466,484.00
Net Change for the Year	\$ 2,586,266.32	\$ 32,369.28	\$ (929,123.28)	\$ 1,982,351.00	\$ -	\$ 3,671,863.32

2. In the statement of activities, interest on long - term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliations. (+) \$ 32,369.28

3. 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 which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (1,639,817.31)
Capital outlays	863,168.18
	<u>\$ (776,649.13)</u>

3. Adjustment to Capital Assets in accordance with physical appraisal \$ (60,147.15)

3. A Debt Service Assessment which is a capital outlay expenditure but not included in capital assets. \$ (92,327.00)

3. In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

4. In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). \$ 152,351.00

Payment of long-term liability principal is an expenditure in the government funds, but the payment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.

Debt principal	1,830,000.00
Capital lease principal	-
	<u>\$ 1,982,351.00</u>

4. Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long - term liabilities in the statement of net assets.

Proceeds of long - term debt	-
Capital lease proceeds	-
	<u>\$ -</u>

5. Allocate Benefits expenditures

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

At June 30, 2011 the Township of Mahwah School District's cash and cash equivalent's amounted to \$10,710,193.21. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$10,460,193.21 was covered by a collateral pool maintained by the banks as required by GUDPA

At June 30, 2011 the Township of Mahwah School District had no participation in the State of New Jersey Cash Management Fund.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Township of Mahwah School District will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2011, the Township of Mahwah School District's cash and cash equivalents of \$10,710,193.21 was not exposed to custodial credit risk.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 18A:20-37) permit the Township of Mahwah School District to purchase the following types of securities:

a. When authorized by resolution adopted by a majority vote of all its members the board of education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district;

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the school district or bonds or other obligations of local unit or units within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by school district;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Mahwah School District had no investments as described in Note I:G.1 at June 30, 2011.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

B. Interfund Receivables and Payables

As of June 30, 2011, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$622,728.11	\$
Capital Projects Fund		634,223.46
Debt Service Fund	11,747.98	
Trust and Agency Fund	<u>-0-</u>	<u>252.63</u>
	<u>\$634,476.09</u>	<u>\$634,476.09</u>

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30, 2011 in the amount of \$3,711.71 was transferred to debt service fund to offset future interest payments to bondholders. Accordingly, an interfund accounts receivable and payable covering three years for \$11,747.98 was established in the debt service and capital projects funds, respectively.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 535,075.00	\$ -	\$ -	\$ -	\$ 535,075.00
Land Improvements	2,149,086.20				2,149,086.20
Construction in Progress	1,663,479.96	596,137.63	-	-	2,259,617.59
Total Capital assets not being depreciated	<u>4,347,641.16</u>	<u>596,137.63</u>	<u>-</u>	<u>-</u>	<u>4,943,778.79</u>
Buildings and Improvements	55,699,555.67				55,699,555.67
Machinery and Equipment	4,073,250.00	174,703.55	(314,633.55)	-	3,933,320.00
Totals at historical cost	<u>59,772,805.67</u>	<u>174,703.55</u>	<u>(314,633.55)</u>	<u>-</u>	<u>59,632,875.67</u>
Less accumulated depreciation for:					
Buildings and Improvements	(22,454,881.50)	(1,356,195.11)			(23,811,076.61)
Machinery and Equipment	(2,082,065.20)	(283,622.20)	254,486.40	-	(2,111,201.00)
Total accumulated depreciation	<u>(24,536,946.70)</u>	<u>(1,639,817.31)</u> (1)	<u>254,486.40</u>	<u>-</u>	<u>(25,922,277.61)</u>
Net capital assets being depreciated	<u>35,235,858.97</u>	<u>(1,465,113.76)</u>	<u>(60,147.15)</u>	<u>-</u>	<u>33,710,598.06</u>
Governmental activities capital assets, net	<u>\$ 39,583,500.13</u>	<u>\$ (868,976.13)</u>	<u>\$ (60,147.15)</u>	<u>\$ -</u>	<u>\$ 38,654,376.85</u>
Business - type activities:					
Equipment	\$ 130,495.77	\$ -	\$ -	\$ -	\$ 130,495.77
Less accumulated depreciation	(77,636.20)	(9,426.26)	-	-	(87,062.46)
Business - type activities capital assets, net	<u>\$ 52,859.57</u>	<u>\$ (9,426.26)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,433.31</u>

(1) Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,170,498.44
Special Education	143,982.15
Other Instruction (Athletic)	21,887.00
Student and Instruction Related Services	79,869.34
School Administrative Services	60,324.34
General and Business Administrative Services	75,633.76
Plant Operations and Maintenance	51,826.28
Pupil Transportation	35,796.00
	<u>\$ 1,639,817.31</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease copying equipment under operating leases which expire in March 2015 . Total operating lease payments made during the year ended June 30, 2011 were \$84,446.89. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2012	\$ 59,540.30
June 30, 2013	45,000.00
June 30, 2014	45,000.00
June 30, 2015	39,315.00
June 30, 2016	<u>14,840.00</u>
Total future minimum lease payments	<u>\$ 203,695.30</u>

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Long - Term debt:					
Serial Bonds	\$ 22,899,000.00	\$ -	\$ (1,830,000.00)	\$ 21,069,000.00	\$ 1,875,000.00
Total debt payable	<u>22,899,000.00</u>	<u>-</u>	<u>(1,830,000.00)</u> (1)	<u>21,069,000.00</u>	<u>1,875,000.00</u>
Other liabilities:					
Compensated absences	3,369,259.00	391,711.00	(544,062.00)	3,216,908.00	241,712.00
Total other liabilities	<u>3,369,259.00</u>	<u>391,711.00</u>	<u>(544,062.00)</u> (2)	<u>3,216,908.00</u>	<u>241,712.00</u>
Governmental activities					
long - term liabilities	<u>\$ 26,268,259.00</u>	<u>\$ 391,711.00</u>	<u>\$ (2,374,062.00)</u>	<u>\$ 24,285,908.00</u>	<u>\$ 2,116,712.00</u>

(1) Paid by debt service fund

(2) Paid by general fund

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2011 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
1997 Bonds	5.10%	7/15	2017	\$13,612,000.00	\$ 5,537,000.00
2002 Bonds	Various	9/15	2023	12,545,000.00	615,000.00
2003 Bonds	Various	8/15	2023	9,522,000.00	7,002,000.00
Refunding of 2009	Various	9/15	2022	<u>7,950,000.00</u>	<u>7,915,000.00</u>
				<u>\$43,629,000.00</u>	<u>\$21,069,000.00</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2012	\$1,875,000.00	\$866,788.49	\$2,741,788.49
2013	1,915,000.00	785,515.99	2,700,515.99
2014	1,950,000.00	707,590.99	2,657,590.99
2015	1,995,000.00	629,049.74	2,624,049.74
2016	2,030,000.00	548,751.00	2,578,751.00
2017	2,070,000.00	462,067.25	2,532,067.25
2018	2,047,000.00	370,463.75	2,417,463.75
2019	1,350,000.00	296,270.25	1,646,270.25
2020	1,375,000.00	237,969.00	1,612,969.00
2021	1,395,000.00	175,201.00	1,570,201.00
2022	1,400,000.00	109,494.00	1,509,494.00
2023	1,105,000.00	50,759.00	1,155,759.00
2024	<u>562,000.00</u>	<u>12,504.50</u>	<u>574,504.50</u>
	<u>\$21,069,000.00</u>	<u>\$ 5,252,424.96</u>	<u>\$26,321,424.96</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

2. Temporary Notes

The District had no temporary notes outstanding as of June 30, 2011.

3. Bonds Authorized But Not Issued

As of June 30, 2011 the Board had no authorized but not issued bonds.

4. Capital Leases Payable

The District had no leases payable.

Note V: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, 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 fund balance at June 30, 2011 is \$1,432,720.14. The reserved fund balance of \$622,165.08 has been appropriated in the fiscal year 2011-2012 and \$810,555.06 will be appropriated in the fiscal year 2012-2013.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

B. Capital Reserve Account

A capital reserve account was established by the Township of Mahwah Board of Education by inclusion of \$10,000.00 on October 4, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to 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.

2000-2001 Budget (Unreserved Fund Balance)	\$ 10,000.00
2001-2002 Investment Income	250.00
2002-2003 Investment Income	200.00
2003-2004 Budget (Tax Levy)	1,200,000.00
2003-2004 Investment Income	125.00
2004-2005 Investment Income	29,861.03
2005-2006 Budget (Unreserved Fund Balance)	713,000.00
2005-2006 Investment Income	79,895.64
2005-2006 Expenditures	(1,033,350.00)
2006-2007 Budget (Unreserved Fund Balance)	250,000.00
2006-2007 Investment Income	60,145.05
2006-2007 Expenditures	(180,235.00)
2007-2008 Budget (Unreserved Fund Balance)	515,000.00
2007-2008 Investment Income	39,088.83
2008-2009 Budget (Unreserved Fund Balance)	1,550,000.00
2008-2009 Investment Income	20,108.63
2008-2009 Expenditures	(897,160.00)
2009-2010 Budget (Unreserved Fund Balance)	750,000.00
2009-2010 Investment Income	19,466.83
2009-2010 Expenditures	(1,352,662.02)
2009-2010 Transfer from Capital Projects Fund	1,334.66
2010-2011 Investment Income	6,496.50
2010-2011 Budget (Unreserved Fund Balance)	<u>2,200,000.00</u>

Balance June 30, 2011 \$ 3,981,565.15

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$14,038,674.00

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note VI: Pension Plans

Description of Systems

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

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

The Teachers' Pension and Annuity Fund (TPAF) was established in January 1955, under the provisions of N.J.S.A. 18:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Retirement Benefits

For PERS and TPAF employees, the benefits will be 1/55 of the average of the three highest years compensation for each year of service. However, for PERS and TPAF who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note VI: Pension Plans (Continued)

Significant Legislation

P.L. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPE, JRS, and SPRS) is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 72.1 percent and \$15.1 billion.

The required supplementary information regarding the funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared o past expectations and new estimates are made about the probability of future events.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note VI: Pension Plans (Continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 5.5 percent for TPAF and 5.5 percent for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the state fiscal year ended June 30, 2010, for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, annual pension cost equals contributions made.

The District's total payroll for the year ended June 30, 2011 was \$31,061,083.87 and covered payroll was \$23,351,052.00 for TPAF and \$4,488,979.00 for PERS. Contributions to the TPAF and the PERS for the year ended June 30, 2010 made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

		TPAF	Percent of Covered Payroll	PERS	Percent of Covered Payroll
Employees	6/30/11	\$1,284,310.26	5.50%	\$246,895.24	5.50%
	6/30/10	1,331,183.36	5.53%	268,934.41	5.64%
	6/30/09	1,304,955.07	5.53%	262,951.11	5.63%
Board of Education	6/30/11	N/A	N/A	539,515.00	12.02%
	6/30/10	N/A	N/A	461,899.16	9.69%
	6/30/09	N/A	N/A	466,292.75	9.99%
State of New Jersey	6/30/11	\$1,640,559.00	7.03%	N/A	N/A
	6/30/10	1,616,311.00	6.71%	N/A	N/A
	6/30/09	1,707,792.00	7.23%	N/A	N/A

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,718,792.62 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note VII: Post-Retirement Medical Benefits

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, respectively, to fund post-retirement medical benefits for those employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the state contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

Note VIII: Risk Management

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following table is a summary of district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 0.00	\$ 69,298.94	\$ 218,741.73	\$ 405,346.33
2009-2010	250,000.00	78,913.00	217,442.00	550,951.43
2008-2009	200,000.00	69,758.19	173,138.43	439,453.77

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.

The District is a member of the Northeast Bergen County School Board Insurance Group (the “Group”).

The Group is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost Workers' Compensation, Property Damage, Employer's Liability, Automobile and Equipment Liability, School Board Legal Liability and Boiler and Machinery insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Group and should it be determined that payments received by the Group are deficient, additional assessments may be levied. Additionally, the Group maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

The District continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

Note IX: Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

In the district-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year are 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, 2011, no liability existed for compensated absences in the Food Service Fund.

Note X: Contingent Liabilities

The Township of Mahwah School District is a defendant in several lawsuits, none of which is unusual for a Board of Education of its size. Additional liabilities, if not covered by insurance, should not be material in amount.

**REQUIRED SUPPLEMENTARY INFORMATION -
PART II**

Section C
BUDGETARY COMPARISON SCHEDULES

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011**

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 51,901,030.00	\$ -	\$ 51,901,030.00	\$ 51,901,030.00	\$ -	
Transportation Fees		-		328.00	328.00	
Interest Earned on Investments	60,000.00	-	60,000.00	77,067.96	17,067.96	
Interest Earned on Capital Reserve Funds	100.00	-	100.00	6,496.50	6,396.50	
Miscellaneous	175,000.00	-	175,000.00	184,342.53	9,342.53	
Total - Local Sources	<u>52,136,130.00</u>	<u>-</u>	<u>52,136,130.00</u>	<u>52,169,264.99</u>	<u>33,134.99</u>	
State Sources:						
Categorical Special Education Aid	735,363.00	-	735,363.00	735,363.00	-	
Extraordinary Aid	300,000.00	-	300,000.00	290,214.00	(9,786.00)	
Nonpublic Transportation Aid		-		43,866.00	43,866.00	
TPAF Pension (On-Behalf - Non-Budgeted)		-		1,640,559.00	1,640,559.00	
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,718,792.62	1,718,792.62	
Total State Sources	<u>1,035,363.00</u>	<u>-</u>	<u>1,035,363.00</u>	<u>4,428,794.62</u>	<u>3,393,431.62</u>	
Federal Sources:						
Medical Assistance Program	17,141.00	-	17,141.00	1,869.78	(15,271.22)	
Total - Federal Sources	<u>17,141.00</u>	<u>-</u>	<u>17,141.00</u>	<u>1,869.78</u>	<u>(15,271.22)</u>	
Total Revenues	<u>53,188,634.00</u>	<u>-</u>	<u>53,188,634.00</u>	<u>56,599,929.39</u>	<u>3,411,295.39</u>	
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	110-100-101	\$ 594,200.00	\$ -	\$ 594,200.00	\$ 340,894.07	\$ 253,305.93
Grades 1-5 - Salaries of Teachers	120-100-101	5,507,900.00	(15,000.00)	5,492,900.00	5,418,803.22	74,096.78
Grades 6-8 - Salaries of Teachers	130-100-101	4,272,700.00	(45,000.00)	4,227,700.00	4,008,166.79	221,533.21
Grades 9-12 - Salaries of Teachers	140-100-101	5,344,100.00	35,000.00	5,379,100.00	5,352,715.63	26,384.37
Purchased Professional-Educational Services	140-100-320		10,000.00	10,000.00	6,300.00	3,700.00
Regular Programs - Home Instruction:						
Salaries of Teachers	150-100-101	40,000.00	-	40,000.00	6,487.50	33,512.50
Purchased Professional-Educational Services	150-100-320	10,000.00	-	10,000.00	1,673.00	8,327.00
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	190-100-106	325,600.00	15,000.00	340,600.00	336,041.63	4,558.37
Other Purchased Services (400-500 series)	190-100-500	162,477.00	10,295.61	172,772.61	109,219.36	63,553.25
General Supplies	190-100-610	437,552.00	41,343.90	478,895.90	429,883.02	49,012.88
Textbooks	190-100-640	162,777.00	36,101.70	198,878.70	172,084.77	26,793.93
Other Objects	190-100-800	69,942.00	10,300.75	80,242.75	71,021.56	9,221.19
TOTAL REGULAR PROGRAMS - INSTRUCTION		<u>16,927,248.00</u>	<u>98,041.96</u>	<u>17,025,289.96</u>	<u>16,251,290.55</u>	<u>773,999.41</u>
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	204-100-101	607,600.00	(2,000.00)	605,600.00	557,130.00	48,470.00
Other Salaries for Instruction	204-100-106	170,200.00	20,000.00	190,200.00	153,549.43	36,650.57
General Supplies	204-100-610	20,557.00	6,201.05	26,758.05	20,618.29	6,139.76
Textbooks	204-100-640	1,161.00	(908.00)	253.00	250.80	2.20
Total Learning and/or Language Disabilities		<u>799,518.00</u>	<u>23,293.05</u>	<u>822,811.05</u>	<u>731,548.52</u>	<u>91,262.53</u>
Resource Room/Resource Center:						
Salaries of Teachers	213-100-101	2,700,200.00	92,000.00	2,792,200.00	2,725,668.94	66,531.06
Other Salaries for Instruction	213-100-106	26,800.00	72,500.00	99,300.00	87,688.18	11,611.82
General Supplies	213-100-610	33,350.00	5,007.94	38,357.94	35,525.94	2,832.00
Textbooks	213-100-640	5,113.00	(4,448.00)	665.00	664.43	0.57
Total Resource Room/Resource Center		<u>2,765,463.00</u>	<u>165,059.94</u>	<u>2,930,522.94</u>	<u>2,849,547.49</u>	<u>80,975.45</u>
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	241,200.00	5,000.00	246,200.00	244,325.24	1,874.76
Other Salaries for Instruction	215-100-106	23,750.00	9,000.00	32,750.00	30,225.26	2,524.74
General Supplies	215-100-610	2,577.00	1,000.00	3,577.00	2,996.17	580.83
Total Preschool Disabilities - Part-Time		<u>267,527.00</u>	<u>15,000.00</u>	<u>282,527.00</u>	<u>277,546.67</u>	<u>4,980.33</u>
Home Instruction:						
Salaries of Teachers	219-100-101	10,000.00	28,500.00	38,500.00	38,440.15	59.85
Purchased Professional-Educational Services	219-100-320	15,000.00	(10,500.00)	4,500.00	1,350.00	3,150.00
Total Home Instruction		<u>25,000.00</u>	<u>18,000.00</u>	<u>43,000.00</u>	<u>39,790.15</u>	<u>3,209.85</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION		<u>3,857,508.00</u>	<u>221,352.99</u>	<u>4,078,860.99</u>	<u>3,898,432.83</u>	<u>180,428.16</u>
Basic Skills/Remedial - Instruction						
Salaries of Teachers	230-100-101	1,034,800.00	(9,500.00)	1,025,300.00	863,855.00	161,445.00
General Supplies	230-100-610	23,683.00	1,647.29	25,330.29	22,895.24	2,434.45
Textbooks	230-100-640	2,298.00	-	2,298.00	2,267.29	30.71
Total Basic Skills/Remedial - Instruction		<u>1,060,781.00</u>	<u>(7,852.71)</u>	<u>1,052,928.29</u>	<u>889,018.13</u>	<u>163,910.16</u>
Bilingual Education - Instruction						
Salaries of Teachers	240-100-101	88,700.00	-	88,700.00	70,848.57	17,851.43
General Supplies	240-100-610	3,388.00	1,155.18	4,543.18	2,840.13	1,703.05
Textbooks	240-100-640	880.00	-	880.00	-	880.00
Total Bilingual Education - Instruction		<u>92,968.00</u>	<u>1,155.18</u>	<u>94,123.18</u>	<u>73,688.70</u>	<u>20,434.48</u>
School-Spon. Cocurricular Actvts. - Inst.						
Salaries	401-100-100	359,000.00	-	359,000.00	316,744.30	42,255.70
Supplies and Materials	401-100-600	11,000.00	3,735.00	14,735.00	7,688.20	7,046.80
Other Objects	401-100-800	25,300.00	(401.45)	24,898.55	19,789.81	5,108.74
Total School-Spon. Cocurricular Actvts. - Inst.		<u>395,300.00</u>	<u>3,333.55</u>	<u>398,633.55</u>	<u>344,222.31</u>	<u>54,411.24</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011**

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Athletics - Inst.					
Salaries					
402-100-100	\$ 529,600.00	\$ -	\$ 529,600.00	\$ 470,331.66	\$ 59,268.34
Purchased Services (300-500 series)	168,520.00	(6,406.00)	162,114.00	147,096.61	15,017.39
Supplies and Materials	71,800.00	13,400.00	85,200.00	84,437.47	762.53
Other Objects	2,392.00	-	2,392.00	2,315.13	76.87
Total School-Spon. Athletics - Inst.	772,312.00	6,994.00	779,306.00	704,180.87	75,125.13
Total Instruction	23,106,117.00	323,024.97	23,429,141.97	22,160,833.39	1,268,308.58
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	000-100-562	635,000.00	438,500.00	1,073,500.00	907,710.72
Tuition to County Voc. School Dist. - Regular	000-100-563	204,000.00	(1,000.00)	203,000.00	156,723.62
Tuition to County Voc. School Dist. - Special	000-100-564	54,000.00	-	54,000.00	39,626.39
Tuition to CSSD & Regional Day Schools	000-100-565	753,000.00	-	753,000.00	39,626.39
Tuition to Private Schools for the Disabled - Within State	000-100-566	1,500,000.00	(458,500.00)	294,500.00	280,403.00
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	000-100-567	49,601.00	(231,100.20)	1,268,899.80	1,182,428.87
Tuition - State Facilities	000-100-568	30,750.00	-	49,601.00	6,258.06
Total Undistributed Expenditures - Instruction:	3,226,351.00	(252,100.20)	2,974,250.80	2,803,900.66	370,350.14
Undist. Expend. - Health Services					
Salaries	000-213-100	405,100.00	(47,500.00)	357,600.00	344,649.80
Supplies and Materials	000-213-600	11,974.00	486.00	12,460.00	10,917.79
Total Undistributed Expenditures - Health Services	417,074.00	(47,014.00)	370,060.00	355,567.59	14,492.41
Undist. Expend. - Speech,OT,PT & Related Services					
Salaries of Other Professional Staff	000-216-100	427,000.00	-	427,000.00	416,376.08
Purchased Professional - Educational Services	000-216-320	919,000.00	(87,175.00)	831,825.00	688,365.27
Supplies and Materials	000-216-600	7,000.00	2,000.00	9,000.00	8,720.15
Other Objects	000-216-800	8,500.00	15,056.92	23,556.92	21,698.59
Total Undist. Expend. - Speech,OT,PT & Related Services	1,361,500.00	(70,118.08)	1,291,381.92	1,135,160.09	156,221.83
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries of Other Professional Staff	000-217-100	813,000.00	80,000.00	893,000.00	891,765.62
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	813,000.00	80,000.00	893,000.00	891,765.62	1,234.38
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	000-218-104	652,300.00	25,000.00	677,300.00	674,461.93
Salaries of Secretarial and Clerical Assistants	000-218-105	120,200.00	-	120,200.00	119,677.76
Supplies and Materials	000-218-600	49,535.00	(442.45)	49,092.55	30,940.76
Other Objects	000-218-800	96,350.00	8,169.04	104,519.04	78,813.07
Total Undist. Expend. - Guidance	918,385.00	32,726.59	951,111.59	903,893.52	47,218.07
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	000-219-104	1,013,700.00	(25,000.00)	988,700.00	969,849.08
Salaries of Secretarial and Clerical Assistants	000-219-105	119,400.00	-	119,400.00	115,002.87
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	000-219-592	18,250.00	178.25	18,428.25	18,428.25
Supplies and Materials	000-219-600	13,000.00	(4,250.00)	8,750.00	11,643.27
Other Objects	000-219-800	10,000.00	1,231.74	11,231.74	7,364.31
Total Undist. Expend. - Child Study Team	1,174,350.00	(27,840.01)	1,146,509.99	1,107,185.32	39,324.67
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Other Professional Staff	000-221-104	467,000.00	(5,700.00)	461,300.00	461,212.36
Salaries of Sacr and Clerical Assist.	000-221-105	64,600.00	(2,800.00)	61,800.00	61,725.12
Other Salaries	000-221-110	22,000.00	-	22,000.00	15,230.64
Other Purch Prof. and Tech. Services	000-221-390	10,000.00	(7,300.00)	2,700.00	2,627.30
Travel	000-221-580	5,000.00	(5,000.00)	-	-
Supplies and Materials	000-221-600	2,000.00	9,304.00	11,304.00	11,247.09
Other Objects	000-221-800	10,000.00	4,500.00	14,500.00	14,392.45
Total Undist. Expend. - Improvement of Inst. Serv.	580,600.00	(6,996.00)	573,604.00	566,434.96	7,169.04
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	000-222-100	655,500.00	(54,000.00)	601,500.00	589,569.95
Supplies and Materials	000-222-600	117,518.00	32,500.74	150,018.74	143,758.90
Other Objects	000-222-800	8,500.00	34,000.00	42,500.00	13,357.50
Total Undist. Expend. - Edu. Media Serv./Sch. Library	781,518.00	12,500.74	794,018.74	746,686.35	47,332.39
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service	000-223-320	2,000.00	(2,000.00)	-	-
Other Purchased Prof. and Tech. Services	000-223-390	25,000.00	27,707.50	52,707.50	52,704.50
Other Purchased Services (400-500 series)	000-223-500	2,000.00	(1,100.00)	900.00	872.30
Supplies and Materials	000-223-600	2,000.00	(1,200.00)	800.00	695.71
Other Objects	000-223-800	4,000.00	36,717.30	40,717.30	40,665.65
Total Undist. Expend. - Instructional Staff Training Serv.	35,000.00	60,124.80	95,124.80	94,938.16	186.64
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	000-230-100	371,300.00	200.00	371,500.00	371,386.54
Legal Services	000-230-331	125,000.00	(15,613.62)	109,386.38	47,095.80
Audit Fees	000-230-332	28,250.00	-	28,250.00	27,700.00
Other Purchased Professional Services	000-230-339	31,000.00	11,400.00	42,400.00	29,708.50
Purchased Technical Services	000-230-340	40,500.00	22,306.46	62,806.46	55,350.66
Communications/Telephone	000-230-530	277,510.00	49,790.24	327,300.24	167,222.10
BOE Other Purchased Services	000-230-585	5,000.00	-	5,000.00	263.21
General Supplies	000-230-610	26,000.00	1,054.15	27,054.15	16,978.11
BOE In-House Training/Meeting Supplies	000-230-630	3,000.00	-	3,000.00	1,244.25
Miscellaneous Expenditures	000-230-890	28,000.00	(1,982.75)	26,017.25	19,797.16
BOE Membership Dues and Fees	000-230-895	29,000.00	-	29,000.00	28,446.60
Total Undist. Expend. - Supp. Serv. - General Admin.	964,560.00	67,154.48	1,031,714.48	765,192.93	266,521.55

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011**

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	\$ 1,380,881.00	\$ (18,000.00)	\$ 1,362,881.00	\$ 1,360,111.84	\$ 2,769.16
Salaries of Other Professional Staff	000-240-104	325,300.00	-	325,300.00	324,187.44	1,112.56
Salaries of Secretarial and Clerical Assistants	000-240-105	703,300.00	-	703,300.00	688,911.54	14,388.46
Other Purchased Services (400-500 series)	000-240-500	5,000.00	-	5,000.00	298.53	4,701.47
Supplies and Materials	000-240-600	127,982.00	23,311.78	151,293.78	134,774.34	16,519.44
Other Objects	000-240-800	16,525.00	848.60	17,373.60	17,335.25	38.35
Total Undist. Expend. - Support Serv. - School Admin.		<u>2,558,988.00</u>	<u>6,160.38</u>	<u>2,565,148.38</u>	<u>2,525,618.94</u>	<u>39,529.44</u>
Undist. Expend. - Central Services						
Salaries	000-251-100	618,000.00	4,600.00	622,600.00	622,572.72	27.28
Purchased Technical Services	000-251-340	153,000.00	13,165.00	166,165.00	124,343.40	41,821.60
Miscellaneous Purchased Services (400-500 series)	000-251-592	4,500.00	(1,851.00)	2,649.00	2,647.07	1.93
Supplies and Materials	000-251-600	24,000.00	2,520.00	26,520.00	26,025.57	494.43
Other Objects	000-251-890	9,000.00	(612.09)	8,387.91	8,378.10	9.81
Total Undist. Expend. - Central Services		<u>808,500.00</u>	<u>17,821.91</u>	<u>826,321.91</u>	<u>783,966.86</u>	<u>42,355.05</u>
Undist. Expend. - Admin. Info. Technology						
Salaries	000-252-100	307,000.00	1,600.00	308,600.00	308,554.33	45.67
Purchased Professional Services	000-252-330	24,000.00	133,435.00	157,435.00	31,945.43	125,489.57
Other Purchased Services (400-500 series)	000-252-500	32,500.00	(1,500.00)	31,000.00	6,244.63	24,755.37
Supplies and Materials	000-252-600	285,000.00	14,700.00	299,700.00	271,914.59	27,785.41
Total Undist. Expend. - Admin. Info. Technology		<u>648,500.00</u>	<u>148,235.00</u>	<u>796,735.00</u>	<u>618,658.98</u>	<u>178,076.02</u>
Undist. Expen.-Allowable Maint. For School Facilities						
Salaries	000-261-100	454,000.00	(55,200.00)	398,800.00	385,241.26	13,558.74
Cleaning, Repair and Maintenance Services	000-261-420	384,000.00	563,224.18	947,224.18	709,652.92	237,571.26
General Supplies	000-261-610	152,000.00	7,200.00	159,200.00	122,771.92	36,428.08
Total Undist. Expen.-Allowable Maint. For School Facilities		<u>990,000.00</u>	<u>515,224.18</u>	<u>1,505,224.18</u>	<u>1,217,666.10</u>	<u>287,558.08</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant						
Salaries	000-262-100	361,200.00	-	361,200.00	322,570.53	38,629.47
Purchased Professional and Technical Services	000-262-300	1,013,500.00	99,775.94	1,113,275.94	1,097,320.09	15,955.85
Cleaning, Repair and Maintenance Services	000-262-420	362,615.00	674,972.69	1,037,587.69	925,225.35	112,362.34
Insurance	000-262-520	250,000.00	(3,200.00)	246,800.00	242,176.00	4,622.00
Miscellaneous Purchased Services	000-262-590	33,650.00	7,278.95	40,928.95	33,427.84	7,501.11
General Supplies	000-262-610	317,000.00	6,792.91	323,792.91	265,666.35	58,126.56
Energy (Natural Gas)	000-262-621	650,020.00	(254,071.74)	395,948.26	329,059.74	66,888.52
Energy (Electricity)	000-262-622	1,300,000.00	(238,433.96)	1,061,566.04	913,172.51	148,393.53
Total Undist. Expend. - Other Oper. & Maint. Of Plant		<u>4,287,985.00</u>	<u>293,114.79</u>	<u>4,581,099.79</u>	<u>4,128,620.41</u>	<u>452,479.38</u>
Undist. Expend. - Student Transportation Serv.						
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160	418,000.00	4,000.00	422,000.00	421,909.28	90.72
Salaries for Pupil Trans. (Between Home & School) - Special	000-270-161	40,000.00	-	40,000.00	11,907.63	28,092.37
Salaries for Pupil Trans. (Other than Between Home & School)	000-270-162	50,000.00	-	50,000.00	32,454.02	17,545.98
Contracted Services (Between Home and School) - Vendors	000-270-511	1,507,500.00	-	1,507,500.00	1,474,049.68	33,450.32
Contracted Services (Other than Between Home and School) - Vendors	000-270-512	49,500.00	-	49,500.00	47,791.95	1,708.05
Contracted Services (Regular Students) - ESCs	000-270-517	170,000.00	-	170,000.00	155,083.51	14,916.49
Contracted Services (Special Education Students) - ESCs	000-270-518	1,050,000.00	(81,400.00)	968,600.00	665,278.56	303,321.44
Contracted Services - Aid in Lieu of Payments-Non Public School	000-270-503	202,500.00	(8,000.00)	194,500.00	151,398.78	43,101.22
Miscellaneous Purchased Services - Transportation	000-270-593	9,100.00	58,000.00	67,100.00	10,616.71	56,483.29
Supplies and Materials	000-270-600	105,000.00	12,116.21	117,116.21	112,786.03	4,330.18
Total Undist. Expend. - Student Transportation Serv.		<u>3,601,600.00</u>	<u>(15,283.79)</u>	<u>3,586,316.21</u>	<u>3,083,276.15</u>	<u>503,040.06</u>
UNALLOCATED BENEFITS						
Social Security Contributions	000-291-220	562,320.00	-	562,320.00	533,964.26	28,355.74
Other Retirement Contributions - Regular	000-291-241	498,400.00	52,000.00	550,400.00	547,034.59	3,365.41
Workmen's Compensation	000-291-260	330,000.00	-	330,000.00	261,057.00	68,943.00
Health Benefits	000-291-270	6,382,000.00	(76,043.80)	6,305,956.20	5,413,166.59	892,789.61
Tuition Reimbursement	000-291-280	100,000.00	3,707.00	103,707.00	89,539.00	14,168.00
Other Employee Benefits	000-291-290	78,250.00	3,147.96	81,397.96	70,256.01	11,141.95
TOTAL UNALLOCATED BENEFITS		<u>7,950,970.00</u>	<u>(17,188.84)</u>	<u>7,933,781.16</u>	<u>6,915,017.45</u>	<u>1,018,763.71</u>
On-behalf TPAF pension Contributions (non-budgeted)		-	-	-	1,640,559.00	(1,640,559.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-	-	-	1,718,792.62	(1,718,792.62)
TOTAL ON-BEHALF CONTRIBUTIONS		<u>-</u>	<u>-</u>	<u>-</u>	<u>3,359,351.62</u>	<u>(3,359,351.62)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS		<u>7,950,970.00</u>	<u>(17,188.84)</u>	<u>7,933,781.16</u>	<u>10,274,369.07</u>	<u>(2,340,587.91)</u>
TOTAL UNDISTRIBUTED EXPENDITURES		<u>31,118,881.00</u>	<u>796,521.95</u>	<u>31,915,402.95</u>	<u>31,802,901.71</u>	<u>112,501.24</u>
TOTAL GENERAL CURRENT EXPENSE		<u>54,224,998.00</u>	<u>1,119,546.92</u>	<u>55,344,544.92</u>	<u>53,963,735.10</u>	<u>1,380,809.82</u>
CAPITAL OUTLAY						
Equipment						
Special Education - Instruction:						
Undistributed Expenditures - Instruction	000-100-730	-	26,178.00	26,178.00	25,875.50	302.50
Undist Expend.-Support Serv.-Students - Special	000-219-730	-	2,995.00	2,995.00	2,995.00	-
Undistributed Expenditures - Admin. Info. Technology	000-252-730	-	52,978.50	52,978.50	52,625.20	353.30
Undistributed Expenditures - Operation of Plant Services	000-260-730	-	128,310.00	128,310.00	76,527.85	51,782.15
Undistributed Expenditures - Student Transportation:						
Non-Instructional Equipment	000-270-732	-	10,000.00	10,000.00	-	10,000.00
Undistributed Expenditures - Non-Instructional Services	000-300-730	-	26,200.00	26,200.00	16,680.00	9,520.00
Total Equipment		<u>-</u>	<u>246,661.50</u>	<u>246,661.50</u>	<u>174,703.55</u>	<u>71,957.95</u>
Facilities Acquisition and Construction Services						
Debt Service Assessment	000-400-800	92,327.00	-	92,327.00	92,327.00	-
Total Facilities Acquisition and Construction Services		<u>92,327.00</u>	<u>-</u>	<u>92,327.00</u>	<u>92,327.00</u>	<u>-</u>
TOTAL CAPITAL OUTLAY		<u>92,327.00</u>	<u>246,661.50</u>	<u>338,988.50</u>	<u>267,030.55</u>	<u>71,957.95</u>
Transfer of Funds to Charter Schools	000-100-56X	22,119.00	1,000.00	23,119.00	23,079.00	40.00
TOTAL EXPENDITURES		<u>54,339,444.00</u>	<u>1,367,208.42</u>	<u>55,706,652.42</u>	<u>54,253,844.65</u>	<u>1,452,807.77</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,150,810.00)	\$ (1,367,208.42)	\$ (2,518,018.42)	\$ 2,346,084.74	\$ 4,864,103.16
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses)	(1,150,810.00)	(1,367,208.42)	(2,518,018.42)	2,346,084.74	4,864,103.16
Fund Balance, July 1	<u>6,236,463.89</u>	<u>-</u>	<u>6,236,463.89</u>	<u>6,236,463.89</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 5,085,653.89</u>	<u>\$ (1,367,208.42)</u>	<u>\$ 3,718,445.47</u>	<u>\$ 8,582,548.63</u>	<u>\$ 4,864,103.16</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):					
Increase in Capital Reserve	\$ 100.00	-	\$ 100.00	\$ 2,206,496.50	\$ 2,206,396.50
Adjustment for Prior Year Encumbrances	-	(1,367,208.42)	(1,367,208.42)	(1,367,208.42)	-
Budgeted Fund Balance	<u>(1,150,910.00)</u>	<u>-</u>	<u>(1,150,910.00)</u>	<u>1,506,796.68</u>	<u>2,657,706.66</u>
Total	<u>\$ (1,150,810.00)</u>	<u>\$ (1,367,208.42)</u>	<u>\$ (2,518,018.42)</u>	<u>\$ 2,346,084.74</u>	<u>\$ 4,864,103.16</u>
Analysis of Fund Balance June 30, 2011:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				622,165.08	
Reserve for Excess Surplus				810,555.06	
Capital Reserve Account				3,981,565.15	
Assigned Fund Balance:					
Year-end Encumbrances				1,528,672.56	
Designated for Subsequent Year's Expenditures				577,834.92	
Unassigned Fund Balance				<u>1,061,755.86</u>	
				<u>\$ 8,582,548.63</u>	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Fund Balance June 30, 2011					
Last Two Current Year State Aid Payments Not Realized on GAAP Basis				\$ 8,582,548.63	
				<u>-</u>	
				<u>\$ 8,582,548.63</u>	

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011**

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
REVENUES:					
State Sources	\$ 15,000.00	\$ 19,108.00	\$ 34,108.00	\$ 21,615.26	\$ 12,492.74
Federal Sources	<u>820,000.00</u>	<u>832,409.00</u>	<u>1,652,409.00</u>	<u>1,468,165.33</u>	<u>184,243.67</u>
Total Revenues	<u>\$ 835,000.00</u>	<u>\$ 851,517.00</u>	<u>\$ 1,686,517.00</u>	<u>\$ 1,489,780.59</u>	<u>\$ 196,736.41</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	\$ 135,000.00	\$ 231,116.00	\$ 366,116.00	\$ 227,484.34	\$ 138,631.66
Purchased Professional and Technical Services	45,000.00	76,400.00	121,400.00	99,641.28	21,758.72
Other Purchased Services (400-500 series)	600,000.00	72,378.00	672,378.00	672,378.00	-
General Supplies		316,654.79	316,654.79	310,980.67	5,674.12
Textbooks	<u>7,000.00</u>	<u>(861.00)</u>	<u>6,139.00</u>	<u>4,538.89</u>	<u>1,600.11</u>
Total Instruction	<u>787,000.00</u>	<u>695,687.79</u>	<u>1,482,687.79</u>	<u>1,315,023.18</u>	<u>167,664.61</u>
Support Services					
Personal Services - Salaries	40,000.00	(5,000.00)	35,000.00	34,999.92	0.08
Personal Services - Employee Benefits		34,457.00	34,457.00	34,457.00	-
Purchased Professional and Technical Services	8,000.00	70,913.00	78,913.00	64,365.11	14,547.89
Purchased Professional - Educational Services		31,767.00	31,767.00	28,229.37	3,537.63
Supplies and Materials	<u>-</u>	<u>14,000.00</u>	<u>14,000.00</u>	<u>12,706.01</u>	<u>1,293.99</u>
Total Support Services	<u>48,000.00</u>	<u>146,137.00</u>	<u>194,137.00</u>	<u>174,757.41</u>	<u>19,379.59</u>
Facilities Acquisition and Construction Services:					
Buildings		7,000.00	7,000.00		7,000.00
Noninstructional Equipment	-	<u>2,692.21</u>	<u>2,692.21</u>	-	<u>2,692.21</u>
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>9,692.21</u>	<u>9,692.21</u>	<u>-</u>	<u>9,692.21</u>
Total Expenditures	<u>835,000.00</u>	<u>851,517.00</u>	<u>1,686,517.00</u>	<u>1,489,780.59</u>	<u>196,736.41</u>
Total Outflows	<u>\$ 835,000.00</u>	<u>\$ 851,517.00</u>	<u>\$ 1,686,517.00</u>	<u>\$ 1,489,780.59</u>	<u>\$ 196,736.41</u>

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION**

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2011**

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

	<u>Exhibit</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1&C-2]	\$ 56,599,929.39	\$ 1,489,780.59
Difference - budget to GAAP:			
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		280,548.00	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	(339,009.78)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 56,880,477.39</u>	<u>\$ 1,150,770.81</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 54,253,844.65	\$ 1,489,780.59
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.		-	(339,009.78)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 54,253,844.65</u>	<u>\$ 1,150,770.81</u>

OTHER SUPPLEMENTARY INFORMATION

Section D
SCHOOL LEVEL SCHEDULES

Section E
SPECIAL REVENUE FUND

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Special Revenue Fund**

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011**

		<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>
REVENUES				
State Sources		\$ 21,615.26	\$ 21,615.26	\$ -
Federal Sources		<u>1,468,165.33</u>	<u>-</u>	<u>1,468,165.33</u>
Total Revenues		<u>\$ 1,489,780.59</u>	<u>\$ 21,615.26</u>	<u>\$ 1,468,165.33</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	100-100	\$ 227,484.34	\$ -	\$ 227,484.34
Purchased Professional and Technical Services	100-300	99,641.28	-	99,641.28
Other Purchased Services (400-500 series)	100-500	672,378.00	-	672,378.00
General Supplies	100-610	310,980.67	-	310,980.67
Textbooks	100-640	<u>4,538.89</u>	<u>4,538.89</u>	<u>-</u>
Total Instruction		<u>1,315,023.18</u>	<u>4,538.89</u>	<u>1,310,484.29</u>
Support Services:				
Personal Services - Salaries	200-100	34,999.92	-	34,999.92
Personal Services - Employee Benefits	200-200	34,457.00	-	34,457.00
Purchased Professional and Technical Services	200-300	64,365.11	7,274.00	57,091.11
Purchased Professional - Educational Services	200-320	28,229.37	9,802.37	18,427.00
Supplies and Materials	200-600	<u>12,706.01</u>	<u>-</u>	<u>12,706.01</u>
Total Support Services		<u>174,757.41</u>	<u>17,076.37</u>	<u>157,681.04</u>
Total Expenditures		<u>\$ 1,489,780.59</u>	<u>\$ 21,615.26</u>	<u>\$ 1,468,165.33</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Special Revenue Fund
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Handicapped Services	N.J. Nonpublic Nursing Services
REVENUES			
State Sources	\$ 21,615.26	\$ 4,538.89	\$ 9,802.37
	<u>\$ 21,615.26</u>	<u>\$ 4,538.89</u>	<u>\$ 9,802.37</u>
Total State Revenues			
	<u>\$ 21,615.26</u>	<u>\$ 4,538.89</u>	<u>\$ 9,802.37</u>
EXPENDITURES:			
Instruction:			
Textbooks	\$ 4,538.89	\$ 4,538.89	\$ -
Total Instruction	<u>4,538.89</u>	<u>4,538.89</u>	<u>-</u>
Support Services:			
Purchased Professional and Technical Services	7,274.00	-	7,274.00
Purchased Professional - Educational Services	9,802.37	9,802.37	-
Total Support Services	<u>17,076.37</u>	<u>9,802.37</u>	<u>7,274.00</u>
Total Expenditures			
	<u>\$ 21,615.26</u>	<u>\$ 4,538.89</u>	<u>\$ 9,802.37</u>
	<u>\$ 21,615.26</u>	<u>\$ 4,538.89</u>	<u>\$ 9,802.37</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Special Revenue Fund
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011**

	Total	E.S.E.A.			I.D.E.A. Part B		I.D.E.A. Part B (ARRA)		Indian Education Grant
		Title I	Title II	Title III	Basic	Preschool	Basic	Preschool	
REVENUES									
Federal Sources	\$ 1,468,165.33	\$ 84,530.00	\$ 86,856.00	\$ 13,181.00	\$ 661,351.00	\$ 32,854.00	\$ 530,440.61	\$ 20,234.01	\$ 38,718.71
Total Federal Revenues	\$ 1,468,165.33	\$ 84,530.00	\$ 86,856.00	\$ 13,181.00	\$ 661,351.00	\$ 32,854.00	\$ 530,440.61	\$ 20,234.01	\$ 38,718.71
EXPENDITURES:									
Instruction:									
100-100 Personal Services - Salaries	\$ 227,484.34	\$ 70,000.00	\$ 50,540.00	\$ 12,244.00	\$ -	\$ -	\$ 94,700.34	\$ -	\$ -
100-300 Purchased Professional and Technical Services	99,641.28						99,641.28		
100-500 Other Purchased Services (400-500 series)	672,378.00				640,156.00	32,222.00			
100-610 General Supplies	310,980.67	3,853.00	-	-	-	-	303,118.88	2,968.00	1,040.79
Total Instruction	1,310,484.29	73,853.00	50,540.00	12,244.00	640,156.00	32,222.00	497,460.50	2,968.00	1,040.79
Support Services:									
200-100 Personal Services - Salaries	34,999.92								34,999.92
200-200 Personal Services - Employee Benefits	34,457.00	5,477.00	10,108.00	937.00			15,257.00		2,678.00
200-300 Purchased Professional and Technical Services	57,091.11		26,208.00		7,988.00	632.00	17,723.11	4,560.00	
200-320 Purchased Professional - Educational Services	18,427.00	5,200.00			13,227.00				
200-600 Supplies and Materials	12,706.01							12,706.01	
Total Support Services	157,681.04	10,677.00	36,316.00	937.00	21,195.00	632.00	32,980.11	17,266.01	37,677.92
Total Expenditures	\$ 1,468,165.33	\$ 84,530.00	\$ 86,856.00	\$ 13,181.00	\$ 661,351.00	\$ 32,854.00	\$ 530,440.61	\$ 20,234.01	\$ 38,718.71

Section F
CAPITAL PROJECTS FUND

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2011**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations 6/30/2011</u>
			<u>Prior Years</u>	<u>Current Year</u>	
High School Athletic Field	4/18/2006	\$ 1,166,785.03	\$ 1,022,576.20	\$ -	\$ 144,208.83
High School HVAC Replacement	7/23/2010	655,726.12	602,693.54	32,000.00	21,032.58
Joyce Kilmer Roof Replacement	9/24/2010	647,002.30	427,887.00	74,410.40	144,704.90
Ramapo Ridge HVAC Replacement	7/23/2010	657,238.80	632,899.42	56,800.67	(32,461.29)
High School Boiler Replacement	9/1/2010	296,638.00	-	377,359.30	(80,721.30)
Betsy Ross Roof and HVAC Replacement	9/1/2010	172,451.00	-	47,872.26	124,578.74
George Washington HVAC Replacement	9/1/2010	89,722.00	-	7,695.00	82,027.00
Totals		\$ 3,685,563.25	\$ 2,686,056.16	\$ 596,137.63	\$ 403,369.46

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Summary Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011

REVENUES AND OTHER FINANCING SOURCES

State Sources - SDA Grant	\$ 558,811.00
Bond Proceeds	-
Contribution from private sources	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total Revenues	<u>558,811.00</u>

EXPENDITURES AND OTHER FINANCING USES

Equipment (73X)	-
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	-
Construction Services (450)	596,137.63
General Supplies (610)	-
Land and Improvements (710)	-
Lease Purchase Agreements - Principal (721)	-
Buildings other than Lease Purchase Agreements - Principal (722)	-
Other Objects (800)	-
Total Expenditures	<u>596,137.63</u>

Excess (deficiency) of revenues over (under) expenditures	(37,326.63)
Fund Balance - July 1	<u>440,696.09</u>
Fund Balance - June 30	<u>\$ 403,369.46</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
High School Athletic Field
From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	65,503.03	-	65,503.03	65,503.03
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>1,101,282.00</u>	<u>-</u>	<u>1,101,282.00</u>	<u>1,101,282.00</u>
	<u>1,166,785.03</u>	<u>-</u>	<u>1,166,785.03</u>	<u>1,166,785.03</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	-	-	-	-
Salaries (100)	-	-	-	-
Legal Services (331)	-	-	-	-
Other Purchased Professional and Technical Services (390)	25,550.20	-	25,550.20	30,000.00
Construction Services (450)	26,700.00	-	26,700.00	30,000.00
General Supplies (610)	970,326.00	-	970,326.00	1,106,785.03
Land and Improvements (710)	-	-	-	-
Lease Purchase Agreements - Principal (721)	-	-	-	-
Buildings other than Lease Purchase Agreements - Principal (722)	-	-	-	-
Other Objects (800)	-	-	-	-
Total Expenditures	<u>1,022,576.20</u>	<u>-</u>	<u>1,022,576.20</u>	<u>1,166,785.03</u>
Excess (deficiency) of revenues over (under) expenditures	<u>144,208.83</u>	<u>-</u>	<u>144,208.83</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number				
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Notes Paid by Budget Appropriation	\$ -			
Original Authorized Cost	\$ -			
Additional Authorized Cost	\$ 1,101,282.00			
Revised Authorized Cost	\$ 65,503.03			
	\$ 1,166,785.03			
Percentage Increase over Original Authorized Cost	5.95%			
Percentage Completed	87.64%			
Original Target Completion Date	9/1/2006			
Revised Target Completion Date	9/1/2006			

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
High School HVAC Replacement
From Inception and for the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 274,910.00	\$ -	\$ 274,910.00	\$ 274,910.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	380,816.12	-	380,816.12	412,365.00
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>655,726.12</u>	<u>-</u>	<u>655,726.12</u>	<u>687,275.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	17,782.18		17,782.18	20,000.00
Construction Services (450)	584,911.36	32,000.00	616,911.36	667,275.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>602,693.54</u>	<u>32,000.00</u>	<u>634,693.54</u>	<u>687,275.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,032.58</u>	<u>(32,000.00)</u>	<u>21,032.58</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-050-09-0ZMT			
Grant Date	7/23/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-		
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	687,275.00		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	687,275.00		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	92.35%			
Original Target Completion Date	9/1/2010			
Revised Target Completion Date	9/1/2010			

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Joyce Kilmer Roof Replacement
From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 315,880.00	\$ -	\$ 315,880.00	\$ 315,880.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	331,122.30		331,122.30	473,820.00
Transfer from capital outlay	-		-	-
Total Revenues	<u>647,002.30</u>	<u>-</u>	<u>647,002.30</u>	<u>789,700.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	33,070.50		33,070.50	35,000.00
Construction Services (450)	394,816.50	74,410.40	469,226.90	754,700.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	-		-	
Total Expenditures	<u>427,887.00</u>	<u>74,410.40</u>	<u>502,297.40</u>	<u>789,700.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>219,115.30</u>	<u>(74,410.40)</u>	<u>144,704.90</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-075-09-0ZMU			
Grant Date	9/24/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$ -			
Notes Paid by Budget Appropriation	\$ -			
Original Authorized Cost	\$ 789,700.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 789,700.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	63.61%			
Original Target Completion Date	9/1/2010			
Revised Target Completion Date	9/1/2010			

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Ramapo Ridge HVAC Replacement
From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 237,992.00	\$ -	\$ 237,992.00	\$ 237,992.00
Bond Proceeds	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	419,246.80	-	419,246.80	451,708.09
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>657,238.80</u>	<u>-</u>	<u>657,238.80</u>	<u>689,700.09</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	-	-	-	-
Salaries (100)	-	-	-	-
Legal Services (331)	-	-	-	-
Other Purchased Professional and Technical Services (390)	17,782.16	-	17,782.16	20,000.00
Construction Services (450)	615,117.26	56,800.67	671,917.93	669,700.09
General Supplies (610)	-	-	-	-
Land and Improvements (710)	-	-	-	-
Lease Purchase Agreements - Principal (721)	-	-	-	-
Buildings other than Lease Purchase Agreements - Principal (722)	-	-	-	-
Other Objects (800)	-	-	-	-
Total Expenditures	<u>632,899.42</u>	<u>56,800.67</u>	<u>689,700.09</u>	<u>689,700.09</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,339.38</u>	<u>(56,800.67)</u>	<u>(32,461.29)</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-076-09-0ZMV			
Grant Date	7/23/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-	\$	-
Notes Paid by Budget Appropriation	\$	-	\$	-
Original Authorized Cost	\$	594,980.00	\$	594,980.00
Additional Authorized Cost	\$	94,720.09	\$	94,720.09
Revised Authorized Cost	\$	689,700.09	\$	689,700.09
Percentage Increase over Original Authorized Cost	15.92%			
Percentage Completed	100.00%			
Original Target Completion Date	9/1/2010			
Revised Target Completion Date	9/1/2010			

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
High School Boiler Replacement
From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ -	\$ 296,638.00	\$ 296,638.00	\$ 296,638.00
Bond Proceeds			-	
Contribution from private sources			-	444,956.00
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total Revenues	<u>-</u>	<u>296,638.00</u>	<u>296,638.00</u>	<u>741,594.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		377,359.30	377,359.30	741,594.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)			-	
Total Expenditures	<u>-</u>	<u>377,359.30</u>	<u>377,359.30</u>	<u>741,594.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(80,721.30)</u>	<u>(80,721.30)</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-050-10-1001			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-		
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	741,594.00		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	741,594.00		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	50.88%			
Original Target Completion Date	9/1/2011			
Revised Target Completion Date	9/1/2011			

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Betsy Ross Roof and HVAC Replacement
From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ -	\$ 172,451.00	\$ 172,451.00	\$ 172,451.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	258,676.00
Total Revenues	<u>-</u>	<u>172,451.00</u>	<u>172,451.00</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		47,872.26	47,872.26	431,127.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)			-	
Total Expenditures	<u>-</u>	<u>47,872.26</u>	<u>47,872.26</u>	<u>431,127.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>124,578.74</u>	<u>124,578.74</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-060-10-1002			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	431,127.00		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	431,127.00		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	11.10%			
Original Target Completion Date	11/1/2011			
Revised Target Completion Date	11/1/2011			

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
George Washington HVAC Replacement
From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ -	\$ 89,722.00	\$ 89,722.00	\$ 89,722.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	-		-	134,584.00
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>-</u>	<u>89,722.00</u>	<u>89,722.00</u>	<u>224,306.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		7,695.00	7,695.00	224,306.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>-</u>	<u>7,695.00</u>	<u>7,695.00</u>	<u>224,306.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>82,027.00</u>	<u>82,027.00</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-075-09-0ZMU			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-		
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	224,306.00		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	224,306.00		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	3.43%			
Original Target Completion Date	11/1/2011			
Revised Target Completion Date	11/1/2011			

Section G
PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

Section H
FIDUCIARY FUND

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011**

<u>Schools</u>	<u>Balance June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Student Activity and Athletic Fund	\$ 583,696.98	\$ 798,370.81	\$ 707,386.63	\$ 674,681.16
	<u>\$ 583,696.98</u>	<u>\$ 798,370.81</u>	<u>\$ 707,386.63</u>	<u>\$ 674,681.16</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011**

	<u>Balance June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Payroll Deductions and Withholdings	\$ 246.72	\$ 14,210,545.14	\$ 14,210,791.86	\$ -
Net Salaries and Wages	(2,600.57)	19,563,938.06	19,561,544.39	(206.90)
Interfund Accounts Payable	<u>199.00</u>	<u>1,936.09</u>	<u>1,882.46</u>	<u>252.63</u>
	<u>\$ (2,154.85)</u>	<u>\$ 33,776,419.29</u>	<u>\$ 33,774,218.71</u>	<u>\$ 45.73</u>

Section I
LONG – TERM DEBT

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2011

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2011			Interest Rate	Balance June 30, 2010	Deceased Current Year	Retired Current Year	Balance June 30, 2011
			Date	Amount						
Additions and Renovations to Various Schools	7/15/97	\$ 13,650,000.00 (\$38,000 Canceled)	7/15/11-16	800,000.00	5.10%	\$ 6,337,000.00	\$ -	\$ 800,000.00	\$ 5,537,000.00	
			7/15/17	737,000.00						
Additions and Renovations to Ramapo Ridge and High School and Construction of New Elementary School	3/15/02	12,545,000.00	9/15/11	615,000.00	4.50%	1,205,000.00		590,000.00	615,000.00	
	8/15/03	9,522,000.00	8/15/11	420,000.00	3.70%	7,407,000.00		405,000.00	7,002,000.00	
			8/15/12	440,000.00	3.70%					
			8/15/13	460,000.00	3.70%					
			8/15/14	490,000.00	3.75%					
			8/15/15	510,000.00	3.85%					
			8/15/16	535,000.00	3.95%					
			8/15/17	555,000.00	4.00%					
			8/15/18	575,000.00	4.10%					
			8/15/19	595,000.00	4.20%					
8/15/20	615,000.00	4.30%								
8/15/21	620,000.00	4.35%								
8/15/22	625,000.00	4.40%								
8/15/23	562,000.00	4.45%								
Refunding Bonds of 2009	12/2/09	7,950,000.00	9/15/11	40,000.00	3.00%	7,950,000.00		35,000.00	7,915,000.00	
	9/15/12	675,000.00	3.00%							
	9/15/13	690,000.00	3.00%							
	9/15/14	705,000.00	2.75%							
	9/15/15	720,000.00	3.00%							
	9/15/16	735,000.00	4.00%							
	9/15/17	755,000.00	4.25%							
	9/15/18	775,000.00	4.25%							
	9/15/19	780,000.00	4.50%							
	9/15/20-21	780,000.00	5.00%							
	9/15/22	480,000.00	5.00%							
						\$ 22,899,000.00	\$ -	\$ 1,830,000.00	\$ 21,069,000.00	

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
Debt Service Fund**

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,774,337.00	-	\$ 2,774,337.00	\$ 2,774,337.00	-
Total Revenues	<u>2,774,337.00</u>	<u>-</u>	<u>2,774,337.00</u>	<u>2,774,337.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	951,089.00	-	951,089.00	951,088.50	0.50
Redemption of Principal	1,830,000.00	-	1,830,000.00	1,830,000.00	-
Total Regular Debt Service	<u>2,781,089.00</u>	<u>-</u>	<u>2,781,089.00</u>	<u>2,781,088.50</u>	<u>0.50</u>
Total Expenditures	<u>2,781,089.00</u>	<u>-</u>	<u>2,781,089.00</u>	<u>2,781,088.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,752.00)	-	(6,752.00)	(6,751.50)	0.50
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	3,711.71	3,711.71
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(6,752.00)	-	(6,752.00)	(3,039.79)	3,712.21
Fund Balance, July 1	20,385.40	-	20,385.40	20,385.40	-
Fund Balance, June 30	\$ 13,633.40	-	\$ 13,633.40	\$ 17,345.61	\$ 3,712.21
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (6,752.00)	-	\$ (6,752.00)	\$ (3,039.79)	\$ 3,712.21
Budgeted Fund Balance	<u>\$ (6,752.00)</u>	<u>-</u>	<u>\$ (6,752.00)</u>	<u>\$ (3,039.79)</u>	<u>\$ 3,712.21</u>

STATISTICAL SECTION (UNAUDITED)

GASB requires that ten years of statistical data be presented. Pursuant to State of New Jersey Department of Education requirements issued for the fiscal year ended June 30, 1994, only two years statistical data needed to be presented. Additional year's data will be included each year thereafter until ten years of data is presented.

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Assets by Component
J-2	Changes in Net Assets
J-3	Fund Balances - Governmental Funds
J-4	Changes in Fund Balances - Governmental Funds
J-5	General Fund - Other Local Revenue by Source

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property
J-7	Direct and Overlapping Property Tax Rates
J-8	Principal Property Taxpayers
J-9	Property Tax Levies and Collections

Debt Capacity

J-10	Ratios of Outstanding Debt by Type
J-11	Ratios of Net General Bonded Debt Outstanding
J-12	Direct and Overlapping Governmental Activities Debt as of June 30
J-13	Legal Debt Margin Information

Demographic and Economic Information

J-14	Demographic and Economic Statistics
J-15	Principal Employers

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program
J-17	Operating Statistics
J-18	School Building Information
J-19	Schedule of Required Maintenance for School Facilities
J-20	Insurance Schedule

Certain Exhibits do not contain ten years of information since GASBS No. 44 was implemented as of the fiscal year ending June 30, 2003.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities									
Invested in capital assets, net of related debt	\$ 17,585,376.85	\$ 16,684,500.13	\$ 14,688,076.28	\$ 13,340,400.21	\$ 12,703,216.79	\$ 9,965,045.69	\$ 8,206,922.04	\$ 7,589,291.31	\$ 10,950,664.18
Restricted	7,027,645.30	4,750,148.48	5,062,704.83	4,559,818.47	4,013,834.89	4,622,804.92	2,927,469.32	8,850,316.44	4,547,005.06
Unrestricted	(1,577,317.22)	(2,070,807.00)	(2,370,565.68)	(2,112,056.64)	(1,513,497.04)	(1,704,361.66)	467,803.26	(186,560.75)	(687,201.50)
Total governmental activities net assets	\$ 23,035,704.93	\$ 19,363,841.61	\$ 17,380,215.43	\$ 15,788,162.04	\$ 15,203,554.64	\$ 12,883,488.95	\$ 11,602,194.62	\$ 16,253,047.00	\$ 14,800,467.74
Business-type activities									
Invested in capital assets, net of related debt	\$ 43,433.31	\$ 52,859.57	\$ 62,285.83	\$ 60,662.09	\$ 69,365.50	\$ 78,183.39	\$ 81,912.29	\$ 90,803.89	\$ 10,107.49
Restricted	140,854.73	107,271.72	105,323.01	97,848.71	116,699.64	118,692.03	99,849.42	85,695.01	67,961.43
Unrestricted	(184,288.04)	(160,131.29)	(167,608.84)	(158,510.80)	(186,065.14)	(196,875.42)	(181,761.71)	(176,498.90)	(78,068.92)
Total business-type activities net assets									
District-wide									
Invested in capital assets, net of related debt	\$ 17,628,810.16	\$ 16,737,359.70	\$ 14,750,362.11	\$ 13,401,062.30	\$ 12,772,582.29	\$ 10,043,229.08	\$ 8,288,834.33	\$ 7,680,095.20	\$ 10,960,771.67
Restricted	7,027,645.30	4,750,148.48	5,062,704.83	4,559,818.47	4,013,834.89	4,622,804.92	2,927,469.32	8,850,316.44	4,547,005.06
Unrestricted	(1,436,462.49)	(1,963,535.28)	(2,265,242.67)	(2,014,207.93)	(1,396,797.40)	(1,585,669.63)	567,652.68	(100,865.74)	(629,240.07)
Total district net assets	\$ 23,219,992.97	\$ 19,523,972.90	\$ 17,547,824.27	\$ 15,946,672.84	\$ 15,389,619.78	\$ 13,080,364.37	\$ 11,783,956.33	\$ 16,429,545.90	\$ 14,878,536.66

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis or accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental activities									
Instruction									
Regular	\$ 22,730,683.26	\$ 23,415,618.17	\$ 23,601,775.26	\$ 23,514,320.64	\$ 22,138,311.42	\$ 20,596,969.69	\$ 20,342,594.51	\$ 18,663,484.58	\$ 17,987,362.08
Special education	6,537,014.82	5,693,421.73	5,838,537.38	5,604,265.93	5,642,887.50	5,474,484.11	5,050,670.16	4,708,636.27	4,777,094.67
Other instruction	2,548,912.83	3,062,707.03	2,961,761.36	2,870,807.81	2,397,160.36	2,630,007.32	2,071,409.34	1,648,046.63	2,225,866.57
Support Services:									
Tuition	2,603,900.66	2,745,506.08	2,429,116.33	2,655,202.82	2,665,166.65	2,604,006.02	2,433,766.69	2,474,794.26	2,674,187.05
Student and instruction related services	7,566,562.36	7,763,540.65	7,454,518.75	7,865,458.19	7,442,070.60	6,733,464.32	6,393,664.14	5,967,425.05	5,556,254.75
School administrative services	3,373,193.11	3,351,957.39	3,318,566.21	3,362,392.06	3,093,026.91	2,600,266.64	2,607,236.36	2,629,861.34	2,444,603.04
General and business administrative services	2,892,797.90	3,009,151.72	2,738,692.99	2,678,980.51	2,411,826.18	2,113,242.12	2,094,275.45	1,651,560.80	1,676,296.23
Plant operations and maintenance	3,666,176.10	3,702,289.02	4,782,756.02	5,251,429.76	5,012,186.08	4,841,370.02	4,064,419.46	3,797,066.31	3,601,191.88
Pupil transportation	3,278,740.64	3,278,243.74	3,267,136.74	3,448,822.79	3,531,171.70	3,302,857.61	3,039,513.99	2,901,846.32	2,717,252.71
Charter Schools	23,079.00			3,448,822.79		3,302,857.61		970.00	
Interest on long-term debt	918,719.22	1,025,224.90	1,141,672.90	1,218,959.75	1,293,423.51	1,365,246.64	1,434,892.23	1,450,526.18	1,257,050.34
Total governmental activities expenses	\$ 77,862,780.22	\$ 79,246,642.43	\$ 77,964,736.94	\$ 78,266,630.16	\$ 75,627,244.91	\$ 72,261,916.49	\$ 70,552,693.55	\$ 66,325,381.74	\$ 63,117,139.30
Business-type activities:									
Food service	940,643.44	913,955.36	867,638.62	905,916.94	868,656.48	854,245.91	836,812.32	824,504.42	744,651.76
Total business-type activities expense	940,643.44	913,955.36	867,638.62	905,916.94	868,656.48	854,245.91	836,812.32	824,504.42	744,651.76
Total distinct-wide expenses	\$ 58,823,423.66	\$ 60,162,597.79	\$ 58,452,375.56	\$ 59,164,547.12	\$ 56,696,101.39	\$ 53,116,162.40	\$ 50,369,443.87	\$ 47,149,886.16	\$ 43,861,791.06
Program Revenues									
Governmental activities:									
Charges for services:									
Pupil transportation	\$ 328.00	\$ 330.00	\$ 1,141,672.90	\$ 1,218,959.75	\$ 1,293,423.51	\$ 1,365,246.64	\$ 1,434,892.23	\$ 1,450,526.18	\$ 1,257,050.34
Interest on long-term debt	918,719.22	1,025,224.90	1,141,672.90	1,218,959.75	1,293,423.51	1,365,246.64	1,434,892.23	1,450,526.18	1,257,050.34
Operating grants and contributions	5,634,181.85	6,955,882.32	7,673,603.55	9,145,943.88	8,135,647.13	7,546,976.33	7,160,083.43	6,739,393.02	6,134,276.78
Total governmental activities program revenues	\$ 6,755,229.07	\$ 7,981,437.22	\$ 8,615,078.45	\$ 10,364,903.63	\$ 10,463,329.05	\$ 8,992,057.12	\$ 8,653,219.76	\$ 8,233,817.43	\$ 7,431,362.52

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities:									
Changes for services:									
Food service	\$ 802,644.78	\$ 733,219.08	\$ 728,490.42	\$ 723,605.80	\$ 746,650.56	\$ 747,267.22	\$ 722,524.48	\$ 695,821.79	\$ 632,848.72
Operating grants and contributions	161,170.94	172,361.22	156,731.76	139,095.03	105,440.48	103,607.17	102,007.96	106,013.48	96,390.49
Total business-type activities program revenues	963,815.72	905,580.30	885,222.18	862,700.83	852,091.04	850,874.39	824,532.44	801,835.27	729,239.21
Total district-wide program revenues	\$ 7,717,044.79	\$ 8,887,017.52	\$ 9,700,698.63	\$ 11,227,604.46	\$ 11,315,420.09	\$ 9,812,931.51	\$ 9,477,762.20	\$ 9,035,652.70	\$ 8,160,801.73
Net (Expense)/Revenue	\$ (51,129,551.15)	\$ (51,287,205.21)	\$ (48,749,263.49)	\$ (47,923,726.55)	\$ (45,363,915.86)	\$ (43,299,859.37)	\$ (40,899,411.79)	\$ (38,091,564.31)	\$ (35,685,776.78)
Governmental activities	23,172.28	(8,375.06)	(2,416.44)	(43,216.11)	(16,765.44)	(3,371.52)	(12,279.89)	(22,669.15)	(15,412.55)
Total district-wide net expense	\$ (51,106,378.87)	\$ (51,275,580.27)	\$ (48,751,679.93)	\$ (47,966,942.66)	\$ (45,380,681.30)	\$ (43,303,230.89)	\$ (40,911,691.67)	\$ (38,114,233.46)	\$ (35,701,189.33)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Property taxes, levied for general purposes	\$ 51,901,030.00	\$ 50,145,221.00	\$ 48,070,644.00	\$ 46,221,773.00	\$ 45,107,181.00	\$ 41,491,222.00	\$ 39,896,022.00	\$ 36,830,062.00	\$ 34,138,824.00
Property taxes, levied for debt service principal	1,855,817.78	1,796,958.10	1,707,676.10	1,651,619.26	1,550,645.49	1,474,179.36	1,738,262.77	1,026,009.82	943,466.66
Federal and State aid not restricted	368,811.14	357,197.35	465,884.36	379,549.78	251,660.94	238,105.83	334,982.18	282,717.94	460.00
Tuition (other than special schools)	87,276.17	1,494.00	46,334.00	26,633.00	6,950.00	352,296.64	193,686.48	146,744.18	132,499.80
Investment earnings	184,342.53	82,089.34	116,315.60	302,869.64	430,432.06	218,363.56	97,904.12	202,747.48	166,370.34
Miscellaneous income	(92,327.00)	189,891.19	231,814.07	180,991.02	209,764.80			1,599,900.00	
Debt Service Assessment						822,470.00			7,759,825.00
Special item - proceeds from sale of assets	558,811.00	828,782.00	(66,128.24)						
N.J. Economic Development Authority grants		25,503.03							
Refunding Bond Proceeds (Net)	(60,147.15)	(176,324.62)	(220,823.01)	(243,750.58)	127,347.26		(16,653.09)	(106,732.56)	(26,641.01)
Adjustment to Capital Assets			(10,200.00)	(11,351.17)		(15,483.69)			
Transfers	54,801,414.47	53,250,831.39	50,341,316.88	48,508,333.95	47,883,981.55	44,581,153.70	42,232,204.46	39,981,438.86	43,116,784.79
Total governmental activities	984.47	897.51	1,314.48	4,310.60	5,955.16	3,001.54	889.60	327.57	620.27
Business-type activities:									
Investment earnings	984.47	897.51	10,200.00		15,483.69	15,483.69	16,653.09	120,771.56	26,641.01
Transfers			11,514.48	4,310.60	5,955.16	16,485.23	17,542.89	12,099.13	27,261.29
Total business-type activities	\$ 54,802,398.94	\$ 53,251,729.90	\$ 50,352,831.36	\$ 48,512,644.55	\$ 47,889,936.71	\$ 44,589,638.93	\$ 42,249,747.15	\$ 40,102,538.99	\$ 43,144,046.07
Change in Net Assets	\$ 3,671,863.32	\$ 1,983,626.18	\$ 1,592,053.39	\$ 584,607.40	\$ 2,320,065.69	\$ 1,281,294.33	\$ 1,332,792.67	\$ 1,889,875.55	\$ 7,431,018.01
Governmental activities	24,156.75	(7,477.55)	9,098.04	(38,905.51)	(10,810.28)	15,113.71	5,262.81	98,429.98	11,848.73
Business-type activities	\$ 3,696,020.07	\$ 1,976,148.63	\$ 1,601,151.43	\$ 545,701.89	\$ 2,309,255.41	\$ 1,296,408.04	\$ 1,338,055.48	\$ 1,889,305.53	\$ 7,442,866.74

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Fund Balances - Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund	\$ 5,414,285.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rescinded	2,106,507.48								
Assigned	1,061,755.86								
Unassigned		4,657,463.89	5,562,394.32	5,016,347.16	4,099,925.78	3,453,156.32	2,287,669.19	2,188,836.08	600,611.25
Reserved		1,298,452.00	1,170,564.32	1,275,578.36	1,552,285.96	1,589,385.34	3,473,050.26	2,530,186.25	2,364,989.50
Unreserved		5,955,915.89	6,732,958.64	6,291,925.52	5,652,211.74	5,042,541.66	5,760,719.45	4,719,022.33	2,965,600.75
Total general fund	\$ 8,582,548.63	\$ 5,955,915.89	\$ 6,732,958.64	\$ 6,291,925.52	\$ 5,652,211.74	\$ 5,042,541.66	\$ 5,760,719.45	\$ 4,719,022.33	\$ 2,965,600.75
All Other Governmental Funds									
Rescinded, reported in:	\$ (109,198.98)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	17,345.61								
Debt service fund									
Assigned, reported in:	512,568.44								
Capital projects fund					382,620.59	2,704,939.71	451,572.91	5,444,763.63	
Reserved									
Unreserved, reported in:									
Special revenue fund									(6,766.05)
Capital projects fund		440,696.09	(89,186.14)	(23,057.90)	(7,161.89)	(1,090,482.69)	619,930.72	1,726,919.30	3,817,151.96
Debt service fund		20,385.40	6,751.63	14,073.55	15,329.76	60,457.18	100,482.72	47,742.14	136,007.90
Total all other governmental funds	\$ 420,715.07	\$ 461,081.49	\$ (82,434.51)	\$ (9,984.35)	\$ 390,768.46	\$ 1,674,914.20	\$ 1,171,986.35	\$ 7,219,425.07	\$ 3,946,393.81
Total Fund Balances	\$ 9,003,263.70	\$ 6,416,997.38	\$ 6,650,524.13	\$ 6,282,941.17	\$ 6,043,000.20	\$ 6,717,455.86	\$ 6,932,705.80	\$ 11,938,447.40	\$ 6,911,994.56

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Changes in Fund Balances - Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues									
Tax/levy	\$ 54,675,367.00	\$ 52,967,384.00	\$ 50,920,193.00	\$ 49,092,352.00	\$ 47,951,250.00	\$ 44,330,648.00	\$ 43,057,167.00	\$ 39,306,569.00	\$ 36,339,341.00
Tuition charges	328.00	1,484.00	46,334.00	26,633.00	6,950.00	49,832.15	58,244.10	43,898.23	40,035.40
Transportation fees	87,276.17	82,089.34	116,315.60	302,869.64	430,432.06	352,296.64	193,666.48	146,744.18	132,499.80
Interest earnings	184,342.53	189,931.19	231,614.07	180,991.02	209,764.80	218,363.56	97,904.12	202,747.48	168,370.34
Miscellaneous	4,730,957.88	6,309,017.56	7,187,607.65	8,608,598.01	8,450,906.02	6,818,083.37	6,536,180.08	6,151,612.90	5,380,107.96
State sources	1,470,035.11	1,004,062.11	951,880.26	916,895.66	936,402.05	967,000.79	958,895.53	870,498.06	754,618.82
Federal sources	61,148,306.69	60,554,308.20	59,453,944.58	59,128,339.33	58,019,963.34	52,736,224.51	50,902,077.31	46,722,089.85	42,814,873.32
Total revenues									
Expenditures									
Instruction	16,383,507.23	16,790,174.37	16,371,183.36	16,227,639.39	15,522,561.13	14,628,678.56	14,601,884.51	14,000,958.04	12,906,521.45
Regular instruction	5,071,239.33	4,383,035.85	4,271,454.13	4,177,151.60	4,170,278.10	4,162,557.37	3,458,888.99	3,306,157.27	2,681,397.80
Special education instruction	2,011,110.01	2,295,338.97	2,230,982.28	2,076,086.26	2,047,058.56	2,008,928.02	2,045,187.34	1,834,467.45	1,756,262.26
Other instruction									
Support Services:									
Tuition	2,603,900.66	2,745,506.08	2,429,116.33	2,855,202.62	2,665,169.65	2,604,006.02	2,433,765.89	2,474,794.26	2,674,167.05
Student and instruction related services	5,941,932.02	5,952,609.56	5,697,535.08	5,509,478.26	5,664,442.84	5,304,617.33	5,153,873.14	4,633,922.39	4,494,864.96
School administrative services	2,525,618.94	2,518,677.52	2,378,005.00	2,394,117.70	2,193,291.78	2,113,793.52	1,909,058.36	2,058,545.21	1,894,874.03
General and business administrative services	2,167,818.77	2,582,408.22	2,164,853.75	2,310,561.08	1,900,236.20	1,679,698.80	1,700,575.45	1,483,937.09	1,467,617.39
Plant operations and maintenance	5,346,286.51	5,324,655.62	4,411,109.84	4,620,180.67	4,398,968.48	4,168,120.72	3,429,333.46	3,278,488.58	3,082,648.24
Pupil transportation	3,083,276.15	3,051,281.60	3,072,622.91	3,259,903.67	3,350,686.16	3,139,167.50	2,911,627.99	2,797,071.32	2,605,141.31
Employee benefits	10,308,626.07	11,097,790.43	11,599,650.23	11,728,987.43	11,226,686.92	9,234,255.86	8,650,689.19	8,025,609.38	7,343,080.88
Charter Schools	23,079.00							6,446,005.70	970.00
Capital outlay	863,168.18	2,131,558.78	1,526,356.21	839,423.73	2,658,233.42	1,827,469.80	6,720,640.78	6,446,005.70	3,995,245.96
Debt service:									
Principal	1,830,000.00	1,735,000.00	1,685,000.00	1,630,000.00	1,575,000.00	1,495,000.00	1,699,525.00	1,327,500.00	844,500.00
Interest and other charges	951,088.50	1,074,082.98	1,172,162.26	1,248,294.76	1,321,809.76	1,392,167.26	1,460,640.72	1,329,877.76	1,269,322.21
Total expenditures	59,120,851.37	61,682,119.98	59,010,033.38	58,877,047.19	58,694,419.00	53,758,460.76	56,175,690.82	52,998,304.45	47,015,643.54
Excess (Deficiency) of revenues over (under) expenditures	2,027,455.32	(1,127,811.78)	443,911.20	251,292.14	(674,455.66)	(1,022,236.25)	(5,273,613.51)	(6,276,214.60)	(4,200,670.22)

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Changes in Fund Balances - Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30.								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing sources (uses)									
Proceeds from borrowing								9,522,000.00	319,500.00
Temporary Notes Paid by Budget		65,503.03					284,525.00	287,500.00	1,599,900.00
Sale of Assets						822,470.00		92,585.00	7,759,825.00
N.J. Economic Development Authority grants	558,811.00	828,782.00	(66,128.24)	6,459.55	1,289,130.34	1,041,065.72	41,761.30	(199,317.56)	48,628.01
Transfers in	3,711.71	1,354,550.43	291.34	(17,810.72)	(1,289,130.34)	(1,056,549.41)	(58,414.39)		(75,269.02)
Transfers out	(3,711.71)	(1,354,550.43)	(10,491.34)	(11,351.17)	-	806,986.31	267,871.91	11,302,667.44	8,052,683.99
Total other financing sources (uses)	558,811.00	894,285.03	(76,328.24)	\$239,940.97	\$ (674,455.66)	\$ (215,249.94)	\$ (5,005,741.60)	\$ 5,026,452.84	\$ 3,852,013.77
Net change in fund balances	#####	\$ (233,526.75)	\$367,582.96						
Debt service as a percentage of noncapital expenditures	4.77%	4.72%	4.97%	4.96%	5.17%	5.56%	6.39%	5.71%	4.91%

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Transportation	\$ 52,068.48	\$ 40,035.40	\$ 43,898.23	\$ 58,244.10	\$ 49,832.15	\$ 34,258.41	\$ -	\$ -	\$ 330.00	\$ 328.00
Tuition	19,334.00	83,871.79	146,744.18	151,925.18	344,580.92	422,818.72	26,633.00	46,334.00	1,494.00	83,564.46
Interest	61,210.51	123,388.30	125,611.38	34,331.96	140,587.41	97,953.80	296,410.09	116,315.60	81,535.59	89,276.76
Prior Year Refunds	91,889.76	42,116.04	42,291.75	47,940.00	63,930.95	64,272.50	111,855.23	157,108.07	111,305.16	80,092.50
Rentals	98,616.41	2,866.00	34,844.35	15,632.16	13,845.20	47,538.50	61,805.00	67,130.00	70,640.00	70,640.00
Gift										
Miscellaneous	21,275.68	2,866.00	34,844.35	15,632.16	13,845.20	47,538.50	7,330.79	7,376.00	7,986.03	14,973.27
	<u>\$ 344,394.84</u>	<u>\$ 292,277.53</u>	<u>\$ 393,389.89</u>	<u>\$ 308,073.40</u>	<u>\$ 612,776.63</u>	<u>\$ 673,791.93</u>	<u>\$ 504,034.11</u>	<u>\$ 394,263.67</u>	<u>\$ 273,290.78</u>	<u>\$ 268,234.99</u>

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Total Assessed Value						Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment				
2002								4,030,594,595	4,326,933,481	0.863
2003								4,047,413,095	4,285,138,545	0.934
2004	88,745,600	3,160,998,600	6,384,800	520,455,700	248,572,700	31,751,800	6,188,543	4,063,097,743	4,722,412,110	1.014
2005	84,574,300	3,201,297,499	6,252,600	513,734,000	245,746,200	31,751,800	5,070,406	4,088,426,805	5,181,456,194	1.069
2006	93,561,000	3,229,375,100	6,252,600	508,606,900	240,050,600	31,751,800	4,520,459	4,114,118,459	5,871,409,364	1.122
2007	93,175,400	3,264,954,200	6,252,600	475,892,000	228,921,000	31,751,800	4,505,839	4,105,452,839	6,794,306,951	1.182
2008	89,819,900	3,282,523,000	12,848,400	475,560,100	231,148,000	31,751,800	4,444,235	4,128,095,435	6,794,306,951	1.211
2009	85,259,100	3,306,757,000	12,833,400	474,772,000	230,606,800	31,751,800	4,557,002	4,146,537,102	7,114,552,732	1.252
2010	82,587,000	3,307,176,900	12,326,100	486,416,800	222,957,200	31,751,800	4,931,194	4,148,146,994	6,841,606,324	1.298
2011	101,431,400	4,340,294,700	14,508,400	859,860,855	361,833,700	51,338,000	6,107,242	5,735,375,297	5,735,375,297	N/A

Source: Municipal Tax Assessor

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	County		
2001	0.760	0.035	0.795	0.233	0.212	1.240	
2002	0.812	0.051	0.863	0.240	0.237	1.340	
2003	0.882	0.052	0.934	0.251	0.225	1.410	
2004	0.949	0.065	1.014	0.295	0.241	1.550	
2005	0.992	0.077	1.069	0.371	0.250	1.690	
2006	1.051	0.071	1.122	0.396	0.272	1.790	
2007	1.111	0.071	1.182	0.430	0.288	1.900	
2008	1.141	0.070	1.211	0.461	0.304	1.976	
2009	1.183	0.069	1.252	0.481	0.330	2.063	
2010	1.230	0.068	1.298	0.503	0.323	2.124	
2011	NOT AVAILABLE						

Source: Municipal Tax Collector

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

**Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited**

Fiscal Year Ended June 30,	2010		2000	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Macarthur Boulevard, LLC	\$ 100,000,000	2.41%	\$ -	
Vista Distribution Center, Inc.	90,490,100	2.18%		
Sharp Electronics	77,550,000	1.87%		
Howmedica Osteonics Corporation	69,276,800	1.67%		
Crossroads Developers Assoc.	55,350,200	1.33%		
Jaquar Land Rover North America, Inc.	31,599,600	0.76%		
Inwood Realty Group	24,555,400	0.59%		
Harte 1 HR Mahwah LP	21,937,500	0.53%		
Garden Crossroads, LLC	20,100,000	0.48%		
Coolidge Mahwah, LLC	20,000,000	0.48%		
Total	\$ 510,859,600	12.32%	\$ -	0.00%

Source: Municipal Tax Assessor

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the		Collections in Subsequent Years	Total Collections to Date	
		Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2001	50,183,801	49,370,102	98.37%	-	49,370,102	98.37%
2002	54,315,092	54,136,486	99.67%	-	54,136,486	99.67%
2003	57,399,089	57,013,059	99.32%	372,186	57,385,245	99.97%
2004	63,602,253	62,911,083	98.91%	320,121	63,231,204	99.41%
2005	69,433,078	68,812,390	99.10%	294,463	69,106,853	99.53%
2006	73,956,893	73,395,939	99.24%	296,095	73,692,034	99.64%
2007	78,380,298	77,860,917	99.33%	454,772	78,315,689	99.91%
2008	81,708,968	81,203,482	99.38%	456,429	81,659,911	99.93%
2009	85,757,635	84,997,722	99.11%	402,432	85,400,154	99.58%
2010	88,664,398	87,687,234	98.89%		87,687,234	98.89%

Source: Municipal Tax Collector

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

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	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2002	24,437,000			4,759,500			29,196,500	2.54%	1,202
2003	23,912,000			287,500			24,199,500	2.04%	994
2004	32,394,000			284,525			32,678,525	2.68%	1,341
2005	30,979,000						30,979,000	2.48%	1,277
2006	29,484,000						29,484,000	2.32%	1,225
2007	27,909,000						27,909,000	2.13%	1,160
2008	26,279,000						26,279,000	1.97%	1,091
2009	24,594,000						24,594,000	1.78%	1,017
2010	22,859,000						22,859,000	1.62%	948
2011	21,069,000						21,069,000	1.45%	874

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	24,437,000		24,437,000	0.61%	1,006
2003	23,912,000		23,912,000	0.59%	982
2004	32,394,000		32,394,000	0.80%	1,330
2005	30,979,000		30,979,000	0.76%	1,277
2006	29,484,000		29,484,000	0.72%	1,225
2007	27,909,000		27,909,000	0.68%	1,160
2008	26,279,000		26,279,000	0.64%	1,091
2009	24,594,000		24,594,000	0.59%	1,017
2010	22,859,000		22,859,000	0.55%	948
2011	21,069,000		21,069,000	0.37%	874

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Direct and Overlapping Governmental Activities Debt
As of December 31, 2010
Unaudited

Net Direct Debt of School District as of December 31, 2010		\$ 21,069,000.00
Net Overlapping Debt of School District:		
Township of Mahwah (100%)	\$ 31,328,570.77	
County of Bergen - Township's share (3.7300%)	27,261,125.64	
Northwest Bergen County Utilities Authority (28.52%)	<u>7,441,018.00</u>	
Total Direct and Overlapping Bonded Debt as of December 31, 2010		<u>\$ 87,099,714.41</u>

Source: Township of Mahwah Chief Financial Officer, Bergen County Treasurer's Office and
Northwest Bergen County Utilities Authority Treasurer's Office.

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

**Legal Debt Margin Information
Last Nine Fiscal Years
Unaudited**

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2008	7,044,159,891
2009	6,800,164,341
2010	6,755,610,305
	<u>\$ 20,599,934,537</u>
Average equalized valuation of taxable property	<u>\$ 6,866,644,846</u>
Debt limit (4 % of average equalization value)	274,665,794
Total Net Debt Applicable to Limit	21,069,000
Legal debt margin	<u>\$ 253,596,794</u>

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 230,997,852	\$ 252,416,860	\$ 269,024,421	\$ 274,170,435	\$ 274,665,794
Total net debt applicable to limit	<u>27,909,000</u>	<u>26,279,000</u>	<u>24,594,000</u>	<u>22,859,000</u>	<u>21,069,000</u>
Legal debt margin	<u>\$ 203,088,852</u>	<u>\$ 226,137,860</u>	<u>\$ 244,430,421</u>	<u>\$ 251,311,435</u>	<u>\$ 253,596,794</u>

Total net debt applicable to the limit as a percentage of debt limit 12.08% 10.41% 9.14% 8.34% 7.67%

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt limit	\$ 136,441,623	\$ 152,815,576	\$ 164,739,825	\$ 186,747,337	\$ 207,688,394
Total net debt applicable to limit	<u>29,484,000</u>	<u>34,006,606</u>	<u>32,679,106</u>	<u>30,979,581</u>	<u>29,484,581</u>
Legal debt margin	<u>\$ 106,957,623</u>	<u>\$ 118,808,970</u>	<u>\$ 132,060,719</u>	<u>\$ 155,767,756</u>	<u>\$ 178,203,813</u>

Total net debt applicable to the limit as a percentage of debt limit 21.61% 22.25% 19.84% 16.59% 14.20%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	24,283	1,149,549,390	47,340	4.5%
2003	24,345	1,184,754,015	48,665	4.4%
2004	24,360	1,218,677,544	50,028	3.6%
2005	24,250	1,247,143,370	51,429	3.7%
2006	24,074	1,272,758,512	52,869	3.9%
2007	24,065	1,307,906,611	54,349	3.5%
2008	24,079	1,335,686,209	55,471	4.5%
2009	24,185	1,379,129,987	57,024	8.1%
2010	24,108	1,413,231,820	58,621	8.3%
2011	24,108 (Est.)	1,452,802,311	60,262 (Est.)	

Sources:

Population information provided by the NJ Dept of Labor and Workforce Development
 Personal income has been estimated based upon the municipal population and per capita personal income presented
 Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
 Unemployment data provided by the NJ Dept of Labor and Workforce Development

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Principal Employers
Current Year and Nine Years Ago
Unaudited

Employer	2010			2001		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	Not Available		0.00%			
			0.00%			
			#VALUE!		Not Available	
			0.00%			
			0.00%			
			0.00%			
			-			
			-			
			-			
	0		#VALUE!	0		0.00%

Source: _____

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Full-time Equivalent District Employees by Function/Program
Last Six Fiscal Years
Unaudited

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular				220	221	222	221	217	215	205
Special education				75	78	67	66	65	64	62
Other instruction						15	15	15	15	12
Support Services:										
Student and instruction related services				76	78	79	78	78	78	86
School administrative services				28	28	28	28	28	28	28
General administrative services				3	3	3	3	3	3	3
Central Services				6	6	6	6	6	6	6
Administrative information technology				4	4	4	4	4	4	4
Plant operations and maintenance				33	33	33	31	14	13	10
Pupil transportation				6	6	7	7	7	7	8
Total	0	0	0	451	457	464	459	437	433	424

Source: District Personnel Records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	2,994.5	35,575,341	11,880	5.00%	295.0	13.3	11.7	8.5	3109.1	2,957.1	4.47%	95.11%
2003	3,175.0	40,906,575	12,884	8.45%	338.0	12.5	11.3	8.8	3230.7	3,108.3	3.91%	96.21%
2004	3,267.5	43,894,921	13,434	4.27%	327.0	14.0	11.3	8.9	3294.8	3,108.2	1.98%	94.34%
2005	3,370.0	46,294,884	13,737	2.26%	331.0	13.0	11.0	8.5	3328.2	3,204.2	1.01%	96.27%
2006	3,425.5	49,043,823	14,317	4.22%	335.6	11.6	10.6	8.4	3377.9	3,262.7	1.49%	96.59%
2007	3,442.0	53,139,376	15,439	7.83%	304.0	17.5	17.1	13.7	3420.5	3,307.3	1.26%	96.69%
2008	3,479.0	55,159,329	15,855	2.70%	303.0	17.0	18.1	14.0	3455.8	3,343.8	1.03%	96.76%
2009	3,529.0	54,626,513	15,479	-2.37%	303.0	17.0	18.1	14.0	3483.7	3,355.0	0.81%	96.31%
2010	3,453.0	56,741,478	16,433	6.16%	296.2	17.0	18.1	14.0	3438.0	3,313.1	-1.31%	96.37%
2011	3,371.0	53,553,346	15,886	-3.32%	293.5	19.6	20.9	21.2	3368.8	3,219.8	-2.01%	95.56%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

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).

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

School Building Information
Last Six Fiscal Years
Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Building										
Elementary										
Betsy Ross School (1936, 1954, 1996)										
Square Feet	33,526	33,526	33,526	33,526	33,526	33,526	33,526	33,526	33,526	33,526
Capacity (students)	275	275	275	275	275	275	275	275	275	275
Enrollment	323	321	331	331	334	305	305	305	305	261
George Washington School (1910, 1932, 1954, 1996)										
Square Feet	34,365	34,365	34,365	34,365	34,365	34,365	34,365	34,365	34,365	34,365
Capacity (students)	241	241	241	241	241	241	241	241	241	241
Enrollment ^a	314	277	264	277	277	259	259	259	259	236
Lenape Meadows School (2002)										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Capacity (students)	578	578	578	578	578	578	578	578	578	578
Enrollment	495	479	478	478	467	482	482	482	482	492
Joyce Kilmer School (1967, 1997)										
Square Feet	82,220	82,220	82,220	82,220	82,220	82,220	82,220	82,220	82,220	82,220
Capacity (students)	558	558	558	558	558	558	558	558	558	558
Enrollment	547	589	587	587	520	537	537	537	537	492
Middle School										
Ramapo Ridge Middle School (1974, 1998, 2005)										
Square Feet	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	829	838	826	826	878	887	887	887	887	839
High School										
Mahwah High School (1954, 1984, 2005)										
Square Feet	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844
Capacity (students)	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093
Enrollment	814	866	940	940	992	1,027	1,027	1,027	1,027	1,051
Other										
Athletic Building										
Square Feet	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Central Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Maintenance Garage										
Square Feet	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200

Number of Schools at June 30, 2010
 Elementary = 4
 Middle School = 1
 Senior High School = 1
 Other = 3

Source: District Facilities Office

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

Undistributed Expenditures--Required
Maintenance for School Facilities
11-000-261-xxx

*School Facility	Project #	Gross Building Area (SF)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Mahwah High School	SP2900-050-03-0056	191,808	\$ 510,661	\$ 571,033	\$ 313,398	\$ 378,737	\$ 395,226	\$ 294,059	\$ 209,156	\$ 217,714	\$ 339,709	\$ 270,125
Betsy Ross	N/A	33,526	74,650	52,578	40,343	98,217	88,921	51,398	39,660	41,282	64,415	51,221
Commodore Perry	N/A	82,220	142,433	201,326	127,484	168,052	140,387	126,051	97,262	101,242	157,973	125,615
Joyce Kilmer	N/A	118,037	232,352	215,969	261,848	232,127	187,304	180,962	118,339	123,181	192,206	152,835
Ramsapo Ridge	SP2900-076-03-0047	32,365	132,081	140,156	50,587	65,887	82,185	49,619	38,286	39,853	62,184	49,447
George Washington	N/A	88,000	125,488	104,457	94,587	141,909	105,154	134,912	104,100	108,359	169,078	-
Lenape Meadows	N/A	545,956	\$ 1,217,665	\$ 1,285,518	\$ 888,246	\$ 1,044,928	\$ 999,177	\$ 837,001	\$ 606,804	\$ 631,631	\$ 985,565	\$ 698,591
District Total												

*School facilities as defined under EFCFA
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

**Insurance Schedule
As of June 30, 2011
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School		
Board Insurance Group:		
Property - Blanket Building & Contents	\$ 149,595,829	\$ 5,000
Earthquake/ Flood	\$ 5,000,000	\$ 50,000
Comprehensive General Liability Coverage	2,000,000	
Additional Comprehensive General Liability Coverage	1,000,000	
Umbrella Liability	9,000,000	10,000
Excess Liability	50,000,000	
Comprehensive Automobile Liability & Physical Damage	1,000,000	1,000
Educator's Legal Liability	1,000,000	
Boiler & Machinery	Up to the Property Limit	
Workers Compensation - Coverage through Northeast Bergen County School Board Insurance Group		
Environmental - Coverage through ACE Insurance Company	1,000,000	15,000
Health Insurance through Horizon Blue Cross/Blue Shield		
Student & Athletic Insurance through Peoples Benefit Life Insurance Company.		
Public Employee Bonds -		
Edward J. Deptula Secretary	\$ 5,000	
Kenneth Sesholtz Treasurer	350,000	
Blanket Employee Dishonesty (Per Employee)	100,000	5,000
Per Loss (Excess)	400,000	

Source: District records

Single Audit Section



T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA



K-1
Sheet 1

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

The Honorable President
Members of the Board of Education
Township of Mahwah School District
County of Bergen, New Jersey

We have audited the basic financial statements of the Township of Mahwah School District as of and for the year ended June 30, 2011, and have issued our report thereon dated July 15, 2011. We conducted our audit 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 in compliance with audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Mahwah School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mahwah School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Mahwah School District's internal control over financial reporting.

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 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.

170 East Main Street
P.O. Box 541
Denville, NJ 07834
973-625-2920 Fax: 973-625-8733
Email: tmvrabeldvc@optonline.net

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Township of Mahwah School District and the New Jersey 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.



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

July 15, 2011

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

K-2
Sheet 1

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR LETTER 04-04

The Honorable President
Members of the Board of Education
Township of Mahwah School District
County of Bergen, New Jersey

Compliance

We have audited the compliance of the Township of Mahwah School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Township of Mahwah School District major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Township of Mahwah School District's management. Our responsibility is to express an opinion on Township of Mahwah School District's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey Office of Management and Budget Circular Letter 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB's Circular Letter 04-04 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 Township of Mahwah School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Township of Mahwah School District's compliance with those requirements.

170 East Main Street
P.O. Box 541
Denville, NJ 07834
973-625-2920 Fax: 973-625-8733
Email: tmvrabeldvc@optonline.net

In our opinion, the Board of Education of the Township of Mahwah School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Township of Mahwah School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Township of Mahwah School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mahwah School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Mahwah School District's internal control over compliance.

A *deficiency in internal control over compliance* 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, 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 will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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.

This report is intended solely for the information and use of the audit committee, management, the Township of Mahwah School District, 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 those specified parties.



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

July 15, 2011

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Schedule of Expenditures of Federal Awards, Schedule A
June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2010	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Total	Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2011	Due to Grantor
							Disbursements	Accounts Payable	Encumbrances					
U.S. Department of Agriculture Passed - Through State Department of Education:														
Food Distribution Program	10.550	7/1/10-6/30/11	\$ 29,874.24	\$ 5,214.88	\$ -	\$ 29,874.24	\$ 32,657.11	\$ -	\$ -	\$ 32,657.11	\$ -	\$ -	\$ 2,432.01	\$ -
National School Lunch Program	10.555	7/1/10-6/30/11	123,544.52			123,544.52	123,544.52			123,544.52				
National School Lunch Program	10.555	7/1/09-6/30/10	118,870.36	(9,641.92)		9,641.92								
Total U.S. Department of Agriculture				(4,427.04)		163,060.68	156,201.63			156,201.63			2,432.01	
U.S. Department of Education Passed - Through State Department of Education:														
E.S.E.A. Title I	84.010A	9/1/10-8/31/11	86,130.00				52,230.00			52,230.00	(52,230.00)			
E.S.E.A. Title I	84.010A	9/1/09-8/31/10	80,273.00	(19,259.00)		51,559.00	32,300.00			32,300.00				
E.S.E.A. Title II A	84.367A	9/1/10-8/31/11	86,945.00				86,703.00			86,703.00	(86,703.00)			
E.S.E.A. Title II A	84.367A	9/1/09-8/31/10	88,838.00	(42,482.00)		42,482.00								
E.S.E.A. Title II A - Carryover	84.367A	9/1/09-8/31/10	88,452.00	666.00							(153.00)			666.00
E.S.E.A. Title II D	84.318X	9/1/10-8/31/11	155.00				153.00			153.00				
E.S.E.A. Title II D	84.318X	9/1/09-8/31/10	877.00	(541.00)		541.00								
E.S.E.A. Title III	84.365A	9/1/10-8/31/11	13,181.00			4,679.00	13,181.00			13,181.00	(13,181.00)			
E.S.E.A. Title III	84.365A	9/1/09-8/31/10	10,602.00	(4,679.00)		5,881.00								
E.S.E.A. Title IV	84.186A	9/1/09-8/31/10	5,881.00	(5,881.00)										
I.D.E.A. Part B, Basic	84.027A	9/1/10-8/31/11	661,351.00			41,175.00	661,351.00			661,351.00	(661,351.00)			
I.D.E.A. Part B, Basic	84.027A	9/1/09-8/31/10	654,690.00	(41,175.00)			32,854.00			32,854.00				
ARRA I.D.E.A., Basic	84.173A	9/1/10-8/31/11	752,470.00	0.21		130,273.00	211,664.84		318,775.77	530,440.61	(400,167.40)			
ARRA I.D.E.A., Basic	84.391	7/1/09-8/31/11	27,212.00						20,234.01	20,234.01	(20,234.01)			
Indian Education Program	84.392	7/1/09-8/31/11	38,559.92			38,559.92	38,559.92			38,559.92				
Indian Education Program	84.060A	7/1/10-6/30/11	42,867.00	(123.59)		283.37	159.79			159.79				
Total U.S. Department of Education				(113,474.37)		315,432.29	1,129,155.55		339,009.78	1,468,165.33	(1,266,873.41)		2,432.01	666.00
Total Federal Financial Assistance				(117,901.41)		478,492.97	1,285,357.18		339,009.78	1,624,366.96	(1,266,873.41)		2,432.01	666.00

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Schedule of Expenditures of State Financial Assistance, Schedule B
June 30, 2011

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Adjustments	Cash Received	BUDGETARY EXPENDITURES		Total	Repayment of Prior Years' Balance	Balance June 30, 2011		
							Disbursements	Encumbrances			Accounts Receivable	Deferred Revenue	Due to Grantor
State Department of Education:													
General Funds:													
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	\$ 1,180,803.00	\$ (86,833.44)	\$ 86,833.44	\$ 735,363.00	\$ -	\$ -	\$ 735,363.00	\$ -	\$ -	\$ -	
Categorical Special Education Aid	11-100-034-5120-069	7/1/10-6/30/11	735,363.00										
Categorical Special Education Aid	11-100-034-5120-069	7/1/09-6/30/10	1,970,403.00	(167,782.99)	167,782.99	1,712,620.01			1,712,620.01				
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	274,588.00	(20,190.81)	20,190.81	254,397.19			254,397.19				
Adjustment Aid	10-495-034-5120-085	7/1/09-6/30/10	78,072.00	(5,740.76)	5,740.76	72,331.24			72,331.24				
Extraordinary Aid	10-495-034-5120-044	7/1/10-6/30/11	290,214.00			290,214.00			290,214.00		(290,214.00)		
Non-Public Transportation Aid	10-495-034-5120-044	7/1/09-6/30/10	399,530.00	(399,530.00)							(43,866.00)		
Non-Public Transportation Aid	11-100-034-5120-014	7/1/10-6/30/11	43,866.00						43,866.00				
Non-Public Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	40,162.00	(40,162.00)									
Reimbursed TPAF Social Security Contribution	11-100-034-5095-002	7/1/10-6/30/11	1,718,792.62			1,633,032.10			1,718,792.62				
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	7/1/09-6/30/10	1,787,254.68	(89,335.89)	89,335.89	1,697,918.79			1,697,918.79		(85,760.52)		
On-Benefit TPAF Pension Contributions	11-495-034-5095-001	7/1/10-6/30/11	1,640,559.00			1,640,559.00			1,640,559.00				
Total General Funds			<u>(829,575.89)</u>	<u>8,841.12</u>	<u>4,828,688.87</u>	<u>4,428,794.62</u>			<u>4,428,794.62</u>		<u>(419,840.52)</u>		
Special Revenue Funds:													
New Jersey Nonpublic Aid:													
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	6,139.00			6,139.00			6,139.00			1,600.11	
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	5,338.00	6.10	(6.10)				4,538.89			1,675.00	
Auxiliary Services													
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	1,675.00			1,675.00							
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	960.00	362.82	(362.82)								
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	979.00										
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	979.00										
Handicapped Services:													
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	7,652.00			7,652.00			7,652.00			2,074.15	
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	1,149.00	1,818.00	(1,818.00)								
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	7,823.00			7,823.00			7,823.00			3,598.48	
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	9,864.00	1,587.00	(1,587.00)				4,224.52			1,380.00	
Supplementary Instruction	11-100-034-5120-066	7/1/10-6/30/11	1,390.00			1,390.00							
Supplementary Instruction	10-100-034-5120-066	7/1/09-6/30/10	5,575.00	4,088.20	(4,088.20)				7,274.00			2,155.00	
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	9,428.00			9,428.00			9,428.00			12,482.74	
Total Special Revenue Funds			<u>8,841.12</u>	<u>(8,841.12)</u>	<u>34,108.00</u>	<u>21,615.26</u>			<u>21,615.26</u>				
Capital Project Funds:													
N.J. Schools Development Authority Grant	SP2900-050-09-02MT		274,910.00	(274,910.00)		219,928.00					(54,982.00)		
N.J. Schools Development Authority Grant	SP2900-050-09-02MU		315,880.00	(315,880.00)		178,496.00					(137,384.00)		
N.J. Schools Development Authority Grant	SP2900-050-09-02MV		237,992.00	(237,992.00)		190,393.60					(47,598.40)		
N.J. Schools Development Authority Grant	SP2900-050-10-1001		296,638.00			296,638.00			296,638.00				
N.J. Schools Development Authority Grant	SP2900-050-10-1002		172,451.00			172,451.00			172,451.00				
N.J. Schools Development Authority Grant	SP2900-060-10-1003		89,722.00			89,722.00			89,722.00				
Total Capital Project Funds			<u>(828,782.00)</u>			<u>588,817.60</u>			<u>588,817.60</u>		<u>(796,775.40)</u>		
Enterprise Funds:													
State School Lunch Program	11-100-010-3360-067	7/1/10-6/30/11	7,752.18			7,752.18			7,752.18				
State School Lunch Program	10-100-010-3360-067	7/1/09-6/30/10	9,568.30	(761.95)	761.95								
Total All Funds			<u>\$ (1,630,278.73)</u>	<u>\$ 0.00</u>	<u>\$ 5,441,128.81</u>	<u>\$ 5,016,973.06</u>			<u>\$ 5,016,973.06</u>		<u>\$ (1,218,615.92)</u>	<u>\$ -</u>	<u>\$ 12,482.74</u>

(1) Reallocated
(2) Transferred from Fund 10
(3) Cancelled

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Township of Mahwah School District Board of Education. The Board of Education is defined in Note I:B. to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule 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 using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 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 year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more deferred June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$280,548.00 for the general fund and \$(339,009.78) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,869.78	\$4,709,342.62	\$4,711,212.40
Special Revenue Fund	1,468,165.33	21,615.26	1,489,780.59
Debt Service Fund			
Food Service Fund	<u>153,418.76</u>	<u>7,752.18</u>	<u>161,170.94</u>
 Total Awards and Financial Assistance	 <u>\$1,623,453.87</u>	 <u>\$4,738,710.06</u>	 <u>\$6,362,163.93</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2011. 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, 2011.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Unqualified
- B) Internal Control over financial reporting:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- C) Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

- D) Dollar threshold used to determine Type A programs \$ 300,000.00
- E) Auditee qualified as low-risk auditee? X yes no
- F) Type of auditor’s report on compliance for major programs Unqualified
- G) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510 (a))? yes X no

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	I.D.E.A. Part B., Basic
84.391	ARRA I.D.E.A. Basic

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

Not Applicable

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

Not Applicable

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2011

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, U.S. OMB Circular A-133 (section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

Not Applicable