

**MAYWOOD BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**MAYWOOD, NEW JERSEY**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Maywood Board of Education**

**Maywood, New Jersey**

**For The Fiscal Year Ended June 30, 2011**

**Prepared by**

**Business Office**



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**INTRODUCTORY SECTION**



**MAYWOOD BOARD OF EDUCATION**  
**452 Maywood Avenue**  
**Maywood, NJ 07607**

**Margot Gitman**  
**School Business Administrator/  
Board Secretary**

**Phone (201)843-4598**  
**Fax (201)843-2744**

September 14, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Maywood 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 and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures 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 organization chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, 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 of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States and Local Governments, and Non-Profit Organizations", and the same New Jersey OMB 04-04 Circular, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are not a required part of the basic financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** Maywood School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Maywood Board of Education and both of its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped youngsters. The District completed the 2010/2011 fiscal year with an average daily enrollment of 927 students, which is a decrease of 4 students over the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	927	(.43%)
2009-2010	931	2.65%
2008-2009	907	7.34 %
2007- 2008	845	(1.5%)
2006- 2007	858	5.54%
2005- 2006	813	.25%
2004 - 2005	811	.99%
2003 - 2004	803	(4.7%)
2002 - 2003	843	(.7%)
2001 - 2002	849	3.0%

**ECONOMIC OUTLOOK AND MAJOR INITIATIVES:** The district seeks to achieve multiple initiatives in this school year and beyond. The major initiatives that will be of great focus are that of curriculum modification and professional development, and staffing. The curriculum modification component relates to the shift on the part of the state of New Jersey from the Core Curriculum Content Standards to the Common Core Standards. The shift will require curriculum revisions, program changes and textbook related expenditures. The professional development component deals with the continuation of Maywood’s involvement in the newly created Bergen County Curriculum Consortium as well as the Northern Valley Curriculum Consortium. Class size and staffing components will also be addressed based on demographic figures.

**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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. 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.

**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.

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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

**ACCOUNTING SYSTEM AND REPORTS:** The District’s accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in “Notes to the Financial Statements” Note 1.

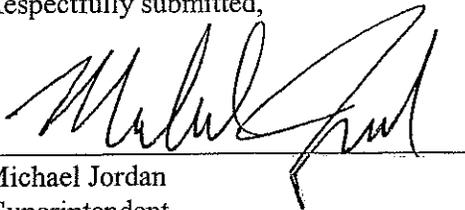
**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government 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.

**RISK MANAGEMENT:** The Board carried 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.

**OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountant or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP's was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



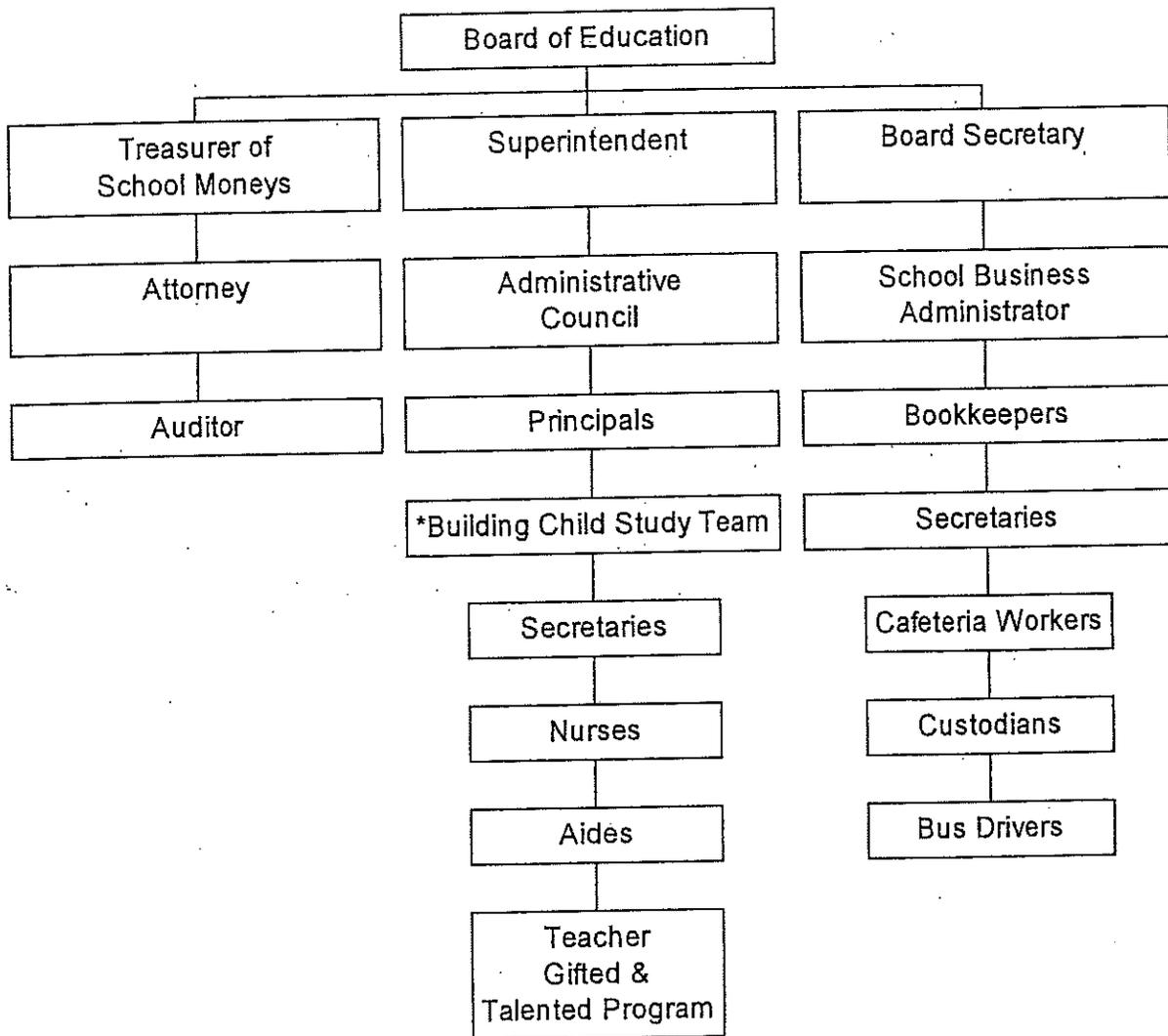
Michael Jordan  
Superintendent



Margot Gitman, CPA  
Board Secretary/Business Administrator

# ***MAYWOOD BOARD OF EDUCATION***

## ORGANIZATIONAL CHART



**MAYWOOD BOARD OF EDUCATION  
MAYWOOD, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2011**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
<b>Samuel Conoscenti, President</b>	<b>2014</b>
<b>Thomas DeSimone, Vice President</b>	<b>2014</b>
<b>Julio Bendezu</b>	<b>2012</b>
<b>Frank Cilento</b>	<b>2013</b>
<b>Albert Foster</b>	<b>2013</b>
<b>Gary Schultz</b>	<b>2012</b>
<b>Kevin Taylor</b>	<b>2012</b>

**OTHER OFFICIALS**

**Michael Jordan , Superintendent of Schools**

**Cecelia Perumal, CPA, Business Administrator/Board Secretary**

**Joseph Iannaconi , Treasurer of School Monies**

**MAYWOOD BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Lan Associates  
445 Godwin Avenue  
Midland Park, NJ 07432**

**AUDIT FIRM**

**Lerch, Vinci & Higgins, LLP  
17 - 17 Route 208  
Fair Lawn, NJ 07410**

**ATTORNEY**

**Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410**

**OFFICIAL DEPOSITORY**

**TD Bank  
560 Maywood Ave.  
Maywood, NJ 07607**

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## INDEPENDENT AUDITORS' REPORT

Honorable President and Members  
of the Board of Trustees  
Maywood Board of Education  
Maywood, New Jersey

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

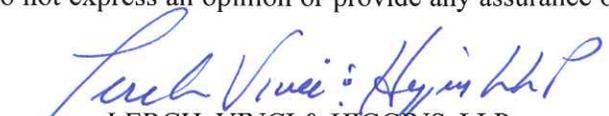
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Maywood Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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 Maywood Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

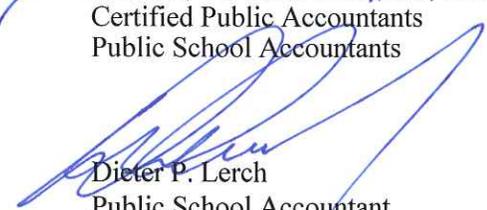
In accordance with Government Auditing Standards, we have also issued our report dated September 14, 2011 on our consideration of the Maywood Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maywood Board of Education's basic financial statements as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 also not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
September 14, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# MAYWOOD BOARD OF EDUCATION

## Management Discussion and Analysis Year Ended June 30, 2011

This section of Maywood School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-2011 fiscal year include the following:

The district wide assets of the Maywood School District exceeded its liabilities at the close of the fiscal year by \$8,040,928 (net assets).

Overall governmental activities revenues were \$18,217,337, which were \$951,764 less than expenses. General revenues of \$15,613,650 accounted for 86 percent of total revenues.

As of the close of the current fiscal year, the District's governmental funds reported combining ending fund balances of \$1,171,364. Of this amount, \$215,518 is available for spending at the District's discretion (unassigned fund balance) in the General Fund.

### OVERVIEW OF THE FINANCIAL STATEMENTS

- The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:
- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

MAYWOOD BOARD OF EDUCATION

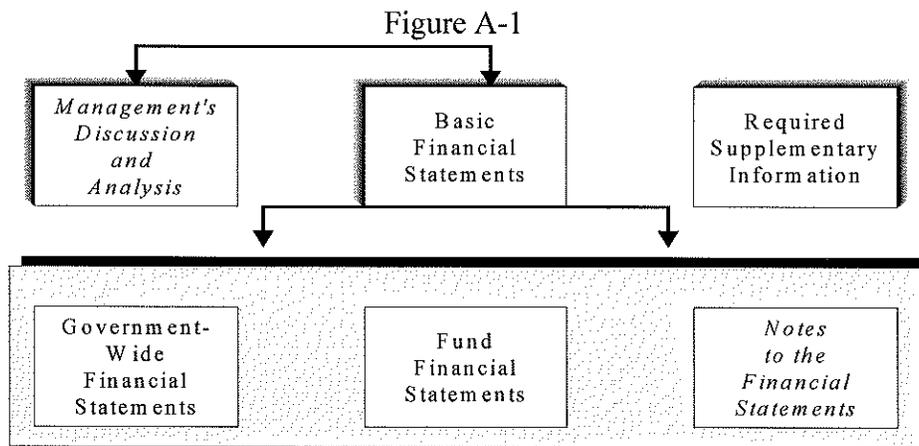
Management Discussion and Analysis (Continued)  
Year Ended June 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- Fiduciary funds statements provide information about the financial relationships in which the district acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.



Summary-----Details

# MAYWOOD BOARD OF EDUCATION

## Management Discussion and Analysis (continued) Year Ended June 30, 2011

### District-wide Statements

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

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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Governmental Fund	Financial Proprietary Funds	Statements Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as unemployment, student activities, and payroll deduction.
Required Financial Statements	Statements of net assets Statements of activities	Balance Sheet Statement of Revenues	Statement of Net Assets Statement of revenues, expenses, and changes in fund net assets, Statement of cash flows	Statements of Fiduciary net assets, Statement of changes in fiduciary net assets.
Accounting basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term. Funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

## MAYWOOD BOARD OF EDUCATION

### Management Discussion and Analysis (continued) Year Ended June 30, 2011

Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in one category:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, administration and support services, which are supported by Local property taxes and State and Federal aid.

#### **Fund Financial Statements**

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

- Some funds are required by State law.
- The District establishes other funds in accordance with the State of New Jersey Uniform Chart of Accounts to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

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

## MAYWOOD BOARD OF EDUCATION

### Management Discussion and Analysis (continued) Year Ended June 30, 2011

- Proprietary funds – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

Enterprise Funds – this fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has one enterprise fund for its food service (cafeteria) program.

- Fiduciary funds – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

#### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The Statement of Net Assets provides one perspective of the District as a whole.

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Year Ended June 30, 2011**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)**

Table 1 provides a summary of the District's net assets as of June 30, 2011 and 2010.

The District's combined net assets were \$8,040,928 and \$9,000,711 on June 30, 2011 and 2010, respectively.

**Table A-1  
Statement of Net Assets  
As of June 30, 2011 and 2010**

	Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 2,200,379	\$ 2,393,030	\$ 99,421	\$ 84,757	\$ 2,299,800	\$ 2,477,787
Capital Assets	<u>18,444,456</u>	<u>18,943,120</u>	<u>3,708</u>	<u>4,736</u>	<u>18,448,164</u>	<u>18,947,856</u>
<b>Total Assets</b>	<u>20,644,835</u>	<u>21,336,150</u>	<u>103,129</u>	<u>89,493</u>	<u>20,747,964</u>	<u>21,425,643</u>
Noncurrent Liabilities	11,563,970	11,882,477			11,563,970	11,882,477
Other Liabilities	<u>1,116,651</u>	<u>537,695</u>	<u>26,415</u>	<u>4,760</u>	<u>1,143,066</u>	<u>542,455</u>
<b>Total Liabilities</b>	<u>12,680,621</u>	<u>12,420,172</u>	<u>26,415</u>	<u>4,760</u>	<u>12,707,036</u>	<u>12,424,932</u>
Net Assets						
Invested in capital assets, net						
of related debt	7,352,355	7,532,501	3,708	4,736	7,356,063	7,537,237
Restricted	30,490	126,904			30,490	126,904
Unrestricted	<u>581,369</u>	<u>1,256,573</u>	<u>73,006</u>	<u>79,997</u>	<u>654,375</u>	<u>1,336,570</u>
<b>Total Net Assets</b>	<u>\$ 7,964,214</u>	<u>\$ 8,915,978</u>	<u>\$ 76,714</u>	<u>\$ 84,733</u>	<u>\$ 8,040,928</u>	<u>\$ 9,000,711</u>

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Year Ended June 30, 2011**

Table 2 shows changes in net assets for fiscal years 2011 and 2010.

**Table 2  
Maywood Public Schools  
Change in Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 258,023	\$ 235,356	\$ 165,729	\$ 159,125	\$ 423,752	\$ 394,481
Capital Grants and Contributions	95,285					-
Operating Grants and Contributions	2,250,379	2,786,369	86,941	85,411	2,337,320	2,871,780
General Revenues						
Local Taxes	15,557,324	14,847,208			15,557,324	14,847,208
State Aid - Unrestricted	6,322	77,891			6,322	77,891
Other	50,004	104,905	716	705	50,720	105,610
<b>Total Revenues</b>	<b>18,217,337</b>	<b>18,051,729</b>	<b>253,386</b>	<b>245,241</b>	<b>18,375,438</b>	<b>18,296,970</b>
<b>Expenses</b>						
Instruction						
Regular Education	9,321,274	9,055,024			9,321,274	9,055,024
Special Education	3,901,969	3,715,058			3,901,969	3,715,058
Other Instruction	353,942	389,244			353,942	389,244
School Sponsored Activities	76,050	83,706			76,050	83,706
Community Services	6,657	10,236			6,657	10,236
Support Services						
School Administrative Services	348,930	407,567			348,930	407,567
Student & Inst. Related Svcs.	1,652,381	1,672,209			1,652,381	1,672,209
Support Services - General Administration	436,662	435,796			436,662	435,796
Plant Operations and Maintenance	1,539,458	1,649,942			1,539,458	1,649,942
Pupil Transportation	651,401	539,216			651,401	539,216
Central Services	397,028	405,286			397,028	405,286
Charter Schools	-	13,948			-	13,948
Interest on Long Term Debt	483,349	493,578			483,349	493,578
Food Service	-	-	261,405	241,675	261,405	241,675
<b>Total Expenses</b>	<b>19,169,101</b>	<b>18,870,810</b>	<b>261,405</b>	<b>241,675</b>	<b>19,430,506</b>	<b>19,112,485</b>
<b>Change in net assets</b>	<b>(951,764)</b>	<b>(819,081)</b>	<b>(8,019)</b>	<b>3,566</b>	<b>(959,783)</b>	<b>(815,515)</b>
Beginning of Year, Net Assets	8,915,978	9,735,059	84,733	81,167	9,000,711	9,816,226
<b>Ending of Year, Net Assets</b>	<b>\$ 7,964,214</b>	<b>\$ 8,915,978</b>	<b>\$ 76,714</b>	<b>\$ 84,733</b>	<b>\$ 8,040,928</b>	<b>\$ 9,000,711</b>

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Year Ended June 30, 2011**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 85 percent of revenues for governmental activities for the Maywood School District in fiscal year 2011. The District's total governmental revenues were \$18,217,337 for the year ended June 30, 2011. Federal, state, and local grants accounted for another 13 percent of revenue. The total cost of all programs and services was \$19,169,101. Instruction comprises 72 percent of District expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal reimbursements.

Food Service Program

- Food service expenses exceeded revenues by \$8,019.
- Charges for services represent 66 percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<b>Table 3</b>			
	<u>Total Cost</u> <u>of Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Instruction	\$ 13,659,892	\$ 13,253,268	\$ 11,384,052	\$ 10,570,889
Support Services:				
Pupils and Instructional Staff	1,652,381	1,672,209	1,521,149	1,543,536
General Admin. & School Admin.				
Business Operation and Maintenance of Facilities	2,722,078	2,898,591	2,553,313	2,825,772
Pupil Transportation	651,401	539,216	623,551	401,362
Charter Schools	-	13,948	-	13,948
Interest and Fiscal Charges	483,349	493,578	483,349	493,578
<b>Total</b>	<u>\$ 19,169,101</u>	<u>\$ 18,870,810</u>	<u>\$ 16,565,414</u>	<u>\$ 15,849,085</u>

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Year Ended June 30, 2011**

**Governmental Activities (Continued)**

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

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

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

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

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

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

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$18,147,736 and expenditures were \$18,919,816.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2011 and 2010.

<u>Revenue</u>	<u>2011</u>	<u>2010</u>	Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
Local Sources	\$ 15,797,250	\$ 15,187,469	\$ 609,781	4.0%
State Sources	1,840,778	2,192,910	(352,132)	-16%
Federal Sources	509,708	671,350	(161,642)	-24%
<b>Total</b>	<b>\$ 18,147,736</b>	<b>\$ 18,051,729</b>	<b>\$ 96,007</b>	<b>1%</b>

# MAYWOOD BOARD OF EDUCATION

## Management Discussion and Analysis (continued) Year Ended June 30, 2011

### The District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal years ended June 30, 2011 and 2010.

<u>Expenditure</u>	<u>Amount</u>		<u>Amount of Increase/ (Decrease)</u>	<u>Percent Increase/ (Decrease)</u>
	<u>2011</u>	<u>2010</u>		
Current Expense:				
Instruction	\$ 13,449,570	\$ 13,115,685	\$ 333,885	3%
Undistributed Expenses	4,569,657	4,648,474	(78,817)	-2%
Capital Outlay	92,243	175,144	(82,901)	-47%
Debt Service:				
Principal	320,000	155,000	165,000	106%
Interest	<u>488,346</u>	<u>498,268</u>	<u>(9,922)</u>	-2%
Total	<u>\$ 18,919,816</u>	<u>\$ 18,592,571</u>	<u>\$ 327,245</u>	2%

### General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions were made to prevent over expenditures in specific line item accounts. Several of these revisions bear notation.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.
- Special education costs increased significantly for occupational and physical therapy and Applied Behavioral Analysis.
- Property, liability, and medical insurances were renewed at higher rates than budgeted. This represents a national trend in all major areas of the insurance industry.

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Year Ended June 30, 2011**

**General Fund Budgeting Highlights (Continued)**

- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

**Capital Assets**

At the end of fiscal year 2011, the District's Governmental Funds had \$18,444,456 (net) invested in land, construction in progress, buildings, furniture, equipment and vehicles. Table 4 shows fiscal year 2011 balances compared to 2010.

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

	<u>2011</u>	<u>2010</u>
Land	\$ 15,522	\$ 15,522
Building and Building Improvements	18,366,232	18,807,539
Machinery and Equipment	<u>62,702</u>	<u>120,059</u>
 Total	 <u>\$ 18,444,456</u>	 <u>\$ 18,943,120</u>

Overall capital assets decreased by \$498,664 from fiscal year 2010 to fiscal year 2011. The decrease is attributable to the depreciation of building and building improvements.

Additional information about the district's capital assets can be found in the notes of this report.

**Debt Administration**

At June 30, 2011, the District had long-term debt and outstanding long-term liabilities in the amount of \$11,563,970. These liabilities include bonds payable and compensated absences payable.

**Table 5  
Outstanding Debt at June 30**

	<u>2011</u>	<u>2010</u>
Bonds Payable	\$ 11,282,000	\$ 11,602,000
Compensated Absences Payable	<u>281,970</u>	<u>280,477</u>
	<u>\$ 11,563,970</u>	<u>\$ 11,882,477</u>

Additional information about the district's long-term debt can be found in the notes of the report.

## **MAYWOOD BOARD OF EDUCATION**

### **Management Discussion and Analysis (continued) Year Ended June 30, 2011**

#### **For the Future**

Currently, the District is in good financial condition. The district received another perfect audit and the community supported the direction the district is heading by passing the school budget for the second consecutive year. Based on the aforementioned related savings, the district reduced staff minimally and maintained existing services, programs and class size. The Board is continuing an investigation in regard to the send/receive relationship for high school and its fiscal impact on the district. The Board will also review the status of the Kindergarten program and whether it is feasible to return it to the full day status.

The Maywood Board of Education takes great pride in its sound fiscal management of financial planning, budgeting and internal monitoring of District expenditures. The District plans to continue to successfully manage its finances in order to meet the state and federally imposed fiscal challenges ahead. We will transition into the new school year with a new SBA. We wish Ms. Perumal much health and happiness in her retirement. She will be greatly missed.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Maywood Board of Education, 452 Maywood Avenue, Maywood, New Jersey 07607.

**FINANCIAL SECTION**



**MAYWOOD BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 1,996,533	\$ 80,575	\$ 2,077,108
Receivables, net			
Receivables from Other Governments	110,729	12,767	123,496
Inventory		6,079	6,079
Due from Other Funds	122		122
Deferred Charge	92,995		92,995
Capital Assets, Not Being Depreciated	15,522		15,522
Capital Assets, Net of Depreciation	18,428,934	3,708	18,432,642
Total Assets	<u>20,644,835</u>	<u>103,129</u>	<u>20,747,964</u>
 <b>LIABILITIES</b>			
Accounts Payable	914,871	26,415	941,286
Unearned Revenue	21,089		21,089
Due to Grantor	60		
Accrued Interest Payable	180,631		180,631
Noncurrent Liabilities			
Due Within One Year	348,200		348,200
Due Beyond One Year	11,215,770		11,215,770
Total Liabilities	<u>12,680,621</u>	<u>26,415</u>	<u>12,706,976</u>
 <b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	7,352,355	3,708	7,356,063
Restricted for:			
Capital Projects	30,488		30,488
Debt Service	2		2
Unrestricted	581,369	73,006	654,375
Total Net Assets	<u>\$ 7,964,214</u>	<u>\$ 76,714</u>	<u>\$ 8,040,928</u>

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

MAYWOOD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	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	\$ 9,321,274	\$ 188,422	\$ 491,902		\$ (8,640,950)	\$	\$ (8,640,950)
Special Education	3,901,969	69,601	1,174,902		(2,657,466)		(2,657,466)
Other Instruction	353,942		344,083		(9,859)		(9,859)
School Sponsored Activities and Athletics	76,050		6,334		(69,716)		(69,716)
Community Services	6,657		596		(6,061)		(6,061)
Support Services							
Student and Instruction Related Svcs:							
General Administrative Services	1,652,381		131,232		(1,521,149)		(1,521,149)
School Administrative Services	436,662		23,395		(413,267)		(413,267)
Plant Operations and Maintenance	348,930		18,619	\$ 95,285	(330,311)		(330,311)
Pupil Transportation	1,539,458		27,850		(1,444,173)		(1,444,173)
Central Services	651,401		31,466		(623,551)		(623,551)
Interest on Long-Term Debt	397,928				(365,562)		(365,562)
	483,349				(483,349)		(483,349)
Total Governmental Activities	19,169,101	258,023	2,250,379	95,285	(16,565,414)	-	(16,565,414)
Business-Type Activities							
Food Service	261,405	165,729	86,941	-		\$ (8,735)	(8,735)
Total Business-Type Activities	261,405	165,729	86,941	-	-	(8,735)	(8,735)
Total Primary Government	\$19,430,506	\$ 423,752	\$ 2,337,320	\$ 95,285	(16,565,414)	(8,735)	(16,574,149)
General Revenues:							
Property Taxes, Levied for General Purposes, Net			14,845,635				14,845,635
Taxes Levied for Debt Service			711,689				711,689
State Aid, Unrestricted			6,322				6,322
Investment Earnings			22,545			716	23,261
Miscellaneous Income			27,459				27,459
Total General Revenues			15,613,650			716	15,614,366
Change in Net Assets			(951,764)			(8,019)	(959,783)
Net Assets, Beginning of Year			8,915,978			84,733	9,000,711
Net Assets, End of Year			7,964,214			76,714	8,040,928

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

**FUND FINANCIAL STATEMENTS**



MAYWOOD BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,890,477		\$ 106,054	\$ 2	\$ 1,996,533
Due from Other Funds	32,170				32,170
Receivables, Net					
Intergovernmental	21,924	\$ 43,826	19,089		84,839
Tuition	21,830	-	-		21,830
<b>Total Assets</b>	<u>\$ 1,966,401</u>	<u>\$ 43,826</u>	<u>\$ 125,143</u>	<u>\$ 2</u>	<u>\$ 2,135,372</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 889,943	\$ 14,518	\$ 9,150		\$ 913,611
Due to Grantor		60			60
Due to Other Funds		29,248			29,248
Unearned Revenue	2,000		19,089		21,089
<b>Total Liabilities</b>	<u>891,943</u>	<u>43,826</u>	<u>28,239</u>	<u>-</u>	<u>964,008</u>
<b>Fund Balances</b>					
<b>Restricted for</b>					
Capital Reserve Account	30,488				30,488
Excess Surplus	217,906				217,906
Excess Surplus -Designated for Subsequent Year's Expenditures	369,633				369,633
Debt Service Fund				1	1
Capital Projects Fund			96,904		96,904
<b>Assigned</b>					
Designated for Subsequent Year's Expenditures	215,324			1	215,325
Year-End Encumbrances	25,568				25,568
Unassigned, Reported in General Fund	215,539				215,539
<b>Total Fund Balances</b>	<u>1,074,458</u>	<u>-</u>	<u>96,904</u>	<u>2</u>	<u>1,171,364</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,966,401</u>	<u>\$ 43,826</u>	<u>\$ 125,143</u>	<u>\$ 2</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,116,756 and the accumulated depreciation is \$3,672,300. 18,444,456

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (180,631)

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

Bonds Payable	\$ 11,282,000
Less: Deferred charge for Issuance Costs (to be amortized over the life of the debt)	(92,995)
Compensated Absences Payable	281,970
	<u>(11,470,975)</u>

Net assets of governmental activities (Exhibit A-1) \$ 7,964,214

**MAYWOOD BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL 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>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 14,845,635			\$ 711,689	\$ 15,557,324
Tuition	188,422				188,422
Interest	22,545				22,545
Miscellaneous	27,459	\$ 1,500		-	28,959
Total - Local Sources	15,084,061	1,500		711,689	15,797,250
State Sources	1,745,493		\$ 95,285		1,840,778
Federal Sources	2,767	506,941			509,708
Total Revenues	16,832,321	508,441	95,285	711,689	18,147,736
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	9,149,703	42,894			9,192,597
Special Education Instruction	3,440,892	379,568			3,820,460
Other Instruction	267,963	85,979			353,942
School Sponsored Activities and Athletics	75,914				75,914
Community Services	6,657				6,657
Support Services and Undistributed Costs					
Student and Instruction Related Services	1,634,654				1,634,654
General Administrative Services	436,220				436,220
School Administrative Services	348,066				348,066
Plant Operations and Maintenance	1,098,934				1,098,934
Pupil Transportation	651,401				651,401
Central Services	400,382				400,382
Charter Schools					-
Debt Service					
Principal				320,000	320,000
Interest and Other Charges				488,346	488,346
Capital Outlay			92,243		92,243
Total Expenditures	17,510,786	508,441	92,243	808,346	18,919,816
Excess (Deficiency) of Revenues Over Expenditures	(678,465)	-	3,042	(96,657)	(772,080)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In					
Transfers Out					-
Total Other Financing Sources and Uses	-	-	-	-	-
Net Change in Fund Balances	(678,465)	-	3,042	(96,657)	(772,080)
Fund Balance, Beginning of Year	1,752,923	-	93,862	96,659	1,943,444
Fund Balance, End of Year	\$ 1,074,458	\$ -	\$ 96,904	\$ 2	\$ 1,171,364

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

**MAYWOOD BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ (772,080)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlays	\$ 92,243	
Depreciation Expense	<u>(590,907)</u>	(498,664)

The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long term debt.

Principal Repayments:		
General Obligation School Loans and Bonds	<u>320,000</u>	320,000

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Compensated Absences		(1,493)
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In the statement of activities, interest on long term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Accrued Interest		4,997
Amortization of Deferred Charge on Issuance Cost	<u>(4,524)</u>	

**Change in net assets of governmental activities (Exhibit A-2)** \$ (951,764)

**MAYWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011**

	<b>Business- Type Activities Enterprise Funds</b>	<b>Governmental Activities Internal Service Fund</b>
	<b>Food Service</b>	
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 80,575	
Intergovernmental Accounts Receivable	6,707	
Other Accounts Receivable	6,060	\$ 4,060
Inventories	6,079	-
Total Current Assets	<u>99,421</u>	<u>4,060</u>
Capital Assets		
Furniture, Machinery and Equipment	15,383	
Less Accumulated Depreciation	<u>(11,675)</u>	-
Total Capital Assets, Net of Accumulated Depreciation	<u>3,708</u>	-
Total Assets	<u>103,129</u>	<u>4,060</u>
<b>LIABILITIES</b>		
Liabilities		
Accounts Payable	26,415	1,260
Due To Other Funds		<u>2,800</u>
Total Liabilities	<u>26,415</u>	<u>4,060</u>
<b>NET ASSETS</b>		
Invested in Capital Assets Net	3,708	
Reserve for Encumbrances	9,008	
Unrestricted	<u>63,998</u>	-
Total Net Assets	<u>\$ 76,714</u>	<u>\$ -</u>

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

**MAYWOOD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities Enterprise Fund</b>	<b>Governmental Activities</b>
	<b>Food Service</b>	<b>Internal Service Fund</b>
Operating Revenues		
Charges for Services		
Daily Sales	\$ 162,568	
Special Functions	3,161	
Tuition Fees		\$ 69,601
Total Operating Revenues	<u>165,729</u>	<u>69,601</u>
Operating Expenses		
Cost of Sales	109,265	
Salaries and Wages	76,921	33,515
Employee Benefits		16,586
Insurance	9,688	
Management Fee	13,673	
Purchased Professional - Educational Srvc.		19,500
Supplies and Materials	50,829	
Depreciation	1,029	
Total Operating Expenses	<u>261,405</u>	<u>69,601</u>
Operating Loss	<u>(95,676)</u>	<u>-</u>
Nonoperating Revenues		
State Sources		
State School Lunch Program	3,145	
Federal Sources		
National School Lunch Program	83,796	
Interest	716	
Total Nonoperating Revenues	<u>87,657</u>	<u>-</u>
Change in Net Assets	(8,019)	-
Net Assets, Beginning of Year	<u>84,733</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 76,714</u>	<u>\$ -</u>

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

**MAYWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities Enterprise Funds</b>	<b>Governmental Activities Internal Service Fund</b>
	<b>Food Service</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 159,669	\$ 65,541
Payments for Employees	(76,921)	(33,515)
Payments to Suppliers	(164,043)	(32,026)
Net Cash Used For Operating Activities	<u>(81,295)</u>	<u>-</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State and Federal Sources	87,948	
Interest	716	
Net Cash Provided For Non-Capital Financing Activities	<u>88,664</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	7,369	-
Cash and Cash Equivalents—Beginning of Year	73,206	-
Cash and Cash Equivalents—End of Year	<u>\$ 80,575</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>		
Operating Income (Loss)	\$ (95,676)	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities		
Depreciation	1,029	
(Increase) Decrease in Inventory	(2,243)	
(Increase) Decrease in Other Accounts Receivable	(6,060)	(4,060)
Increase (Decrease) in Due to/from Other Funds		1,260
Increase (Decrease) in Accounts Payable	21,655	2,800
Net Cash Used For Operating Activities	<u>\$ (81,295)</u>	<u>\$ -</u>

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

**MAYWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2011**

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 80,892	\$ 20,699
Due from State of New Jersey	12,319	-
Total Assets	\$ 93,211	\$ 20,699
 <b>LIABILITIES</b>		
Payable To Student Groups		\$ 10,519
Interfund - Due to General Fund		122
Payroll Deductions and Withholdings	-	10,058
Total Liabilities	-	\$ 20,699
 <b>NET ASSETS</b>		
Held In Trust For Unemployment Claims	\$ 93,211	

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

**MAYWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
District Contributions	\$ 55,000
Employee Contributions	2,020
Interest	511
	<hr/>
Total Additions	57,531
	<hr/>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	42,946
	<hr/>
Total Deductions	42,946
	<hr/>
Change in Net Assets	14,585
	<hr/>
Net Assets, Beginning of Year	78,626
	<hr/>
Net Assets, End of Year	\$ 93,211
	<hr/> <hr/>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**



**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Maywood Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Maywood Board of Education this includes general operations, food service, before and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. Basic Financial Statements**

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basic Financial Statements (Continued)**

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund types:

The *internal service fund* accounts for Occupational and Physical Therapy services provided to other departments or agencies of the District, or to other Boards of Education, on a cost reimbursement basis.

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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

**D. Assets, Liabilities and Net Assets or Equity**

**1. *Deposits and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Tuition Revenues* - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

*Tuition Expenditures* - Tuition charges for the fiscal years 2009-2010 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

***2. Receivables and Payables (Continued)***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

***4. Restricted Assets***

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects and/or Lease-Purchase Agreements for capital projects and/or certificates of participation, principal and interest.

***5. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**5. Capital Assets (Continued)**

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

**6. Compensated Absences**

It is the District’s policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board’s commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**7. Long-term obligations**

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**8. Fund Equity**

Beginning with fiscal year 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**8. *Fund Equity (Continued)***

*Reserved Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

*Reserved Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

*Year-End Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Unassigned Fund Balance** – Amounts that are available for any purpose; positive amounts are reported only in the General Fund.

**9. *Reclassifications***

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original budget by \$276,729. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**B. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve 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. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve Account (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2011 is as follows:

Balance, July 1, 2010	\$ 30,245
Add:	
Interest Earnings	<u>243</u>
Balance, June 30, 2011	<u>\$ 30,488</u>

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is \$587,539. Of this amount, \$369,633 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$217,906 will be appropriated in the 2012/2013 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was \$2,178,699 and bank balances of the Board's cash and deposits amounted to \$2,637,935. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 2,637,935</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2011 the Board has no deposits exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2011, the Board had no outstanding investments.

**B. Receivables**

Receivables as of June 30, 2011 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Internal Service</u>	<u>Total</u>
Receivables:						
Intergovernmental-						
Restricted	\$ 21,924	\$ 43,826	\$ 19,089	\$ 6,707		\$ 91,546
Other				6,060	\$ 4,060	10,120
Tuition	<u>21,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,830</u>
Gross Receivables	43,754	43,826	19,089	12,767	4,060	123,496
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 43,754</u>	<u>\$ 43,826</u>	<u>\$ 19,089</u>	<u>\$ 12,767</u>	<u>\$ 4,060</u>	<u>\$ 123,496</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
General Fund	
Unearned Revenue	\$ 2,000
Capital Projects Fund	
Unrealized School Facility Grants	<u>19,089</u>
 Total deferred revenue for governmental funds	 <u>\$21,089</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

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

	Balance, July 1, 2010	Increases	Decreases	Adjustments	Balance, June 30, 2011
<b>Governmental activities:</b>					
Capital Assets, not being depreciated:					
Land	\$ 15,522	-	-	-	\$ 15,522
Total Capital Assets, not being depreciated	<u>15,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,522</u>
Capital Assets, being depreciated:					
Buildings	21,249,748	\$ 92,243			21,341,991
Machinery and equipment	761,742	-	\$ (2,499)	-	761,742
Total Capital Assets being depreciated	<u>22,011,490</u>	<u>92,243</u>	<u>(2,499)</u>	<u>-</u>	<u>22,103,733</u>
Accumulated Depreciation for:					
Buildings	(2,442,209)	(533,550)			(2,975,759)
Machinery and Equipment	(641,683)	(57,357)	2,499	-	(699,040)
Total Accumulated Depreciation	<u>(3,083,892)</u>	<u>(590,907)</u>	<u>2,499</u>	<u>-</u>	<u>(3,674,799)</u>
Total Capital Assets, being depreciated, net	<u>18,927,598</u>	<u>(498,664)</u>	<u>-</u>	<u>-</u>	<u>18,428,934</u>
Government Activities Capital Assets, net	<u>\$ 18,943,120</u>	<u>\$ (498,664)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,444,456</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

	Balance, July 1, 2010	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2011
<b>Business-Type Activities:</b>				
Capital Assets, being depreciated:				
Machinery and equipment	\$ 15,383	-	-	\$ 15,383
Total Capital Assets being depreciated	15,383	-	-	15,383
Less Accumulated Depreciation for:				
Machinery and equipment	(10,646)	\$ (1,029)	-	(11,675)
Total Accumulated Depreciation	(10,646)	(1,029)	-	(11,675)
Total Capital Assets, being depreciated, net	4,737	(1,029)	-	3,708
Business-Type Activities Capital Assets, net	\$ 4,737	\$ (1,029)	\$ -	\$ 3,708

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

Instruction

Regular	\$ 118,182
Special	11,818

Total Instruction	<u>130,000</u>
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Support Services

Support Services-Students & Instructional Staff	17,727
Operations And Maintenance Of Plant	443,180

Total Support Services	<u>460,907</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 590,907</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 1,029</u>
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**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

**Construction commitments**

The District has the following active construction projects as of June 30, 2011:

<u>Project</u>	<u>Remaining Commitment</u>
Maywood Ave. School – Upgrade to Front Stairs And Replacement of Stairs and Retaining Wall	<u>\$9,150</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2011, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 29,248
General Fund	Internal Service Fund	2,800
General Fund	Agency Fund	<u>122</u>
		<u>\$ 32,170</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2011 are comprised of the following issues:

\$10,000,000, 2005 Bonds, due in annual installments of \$280,000 to \$680,000 through August 15, 2031, interest at 4.125% to 4.25%	\$ 9,435,000
\$2,042,000, 2006 Bonds, due in annual installments of \$55,000 to \$127,000 through August 15, 2031, interest at 4.375% to 4.500%	<u>1,847,000</u>
	<u>\$ 11,282,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 335,000	\$ 474,706	\$ 809,706
2013	350,000	460,439	810,439
2014	365,000	445,359	810,359
2015	385,000	429,343	814,343
2016	400,000	412,581	812,581
2017-2021	2,280,000	1,784,900	4,064,900
2022-2026	2,830,000	1,241,478	4,071,478
2027-2031	3,530,000	564,760	4,094,760
2032	<u>807,000</u>	<u>17,308</u>	<u>824,308</u>
	<u>\$ 11,282,000</u>	<u>\$ 5,830,874</u>	<u>\$ 17,112,874</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 41,730,671
Less: Net Debt	<u>(11,282,000)</u>
Remaining Borrowing Power	<u>\$ 30,448,671</u>

**Changes in long-term liabilities**

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

	Balance, <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2011</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 11,602,000		\$ 320,000	\$ 11,282,000	\$ 335,000
Compensated Absences	<u>280,477</u>	<u>\$ 10,896</u>	<u>9,403</u>	<u>281,970</u>	<u>13,200</u>
Governmental Activity Long-Term Liabilities	<u>\$ 11,882,477</u>	<u>\$ 10,896</u>	<u>\$ 329,403</u>	<u>\$ 11,563,970</u>	<u>\$ 348,200</u>

Compensated absences are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

The District is a member of the Pooled Insurance Program of New Jersey (PIP). The PIP is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

PIP provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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 is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 55,000	\$ 2,020	\$ 42,946	\$ 93,211
2010	50,000	15,583	46,366	78,626
2009	20,000	11,684	34,446	58,988

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2011, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – 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.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems 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.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include 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](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and 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, and employer contributions to the retirement system.

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. 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 1/7<sup>th</sup> 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 all the State administered retirement systems including TPAF and PERS, 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 Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

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 to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

**Employer and Employee Pension Contributions**

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. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>
2011	\$ 143,986	\$ 17,281
2010	106,744	17,937
2009	83,749	17,663

During the last three fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$17,281, \$17,937 and \$17,663 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$408,709 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, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. 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 and 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 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.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions (Continued)**

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$367,048, \$336,881 and \$336,694, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

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**BUDGETARY COMPARISON SCHEDULES**



**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 14,845,635		\$ 14,845,635	\$ 14,845,635	
Tuition	167,500		167,500	188,422	\$ 20,922
Interest	3,000		3,000	22,545	19,545
Miscellaneous	42,500	-	42,500	27,459	(15,041)
<b>Total Local Sources</b>	<b>15,058,635</b>	<b>-</b>	<b>15,058,635</b>	<b>15,084,061</b>	<b>25,426</b>
State Sources					
Categorical Special Education Aid	143,564		143,564	637,145	493,581
Equalization Aid	493,581		493,581	-	(493,581)
Extraordinary Aid	140,740		140,740	226,485	85,745
Reimbursed Non Public Transportation Aid				21,924	21,924
TPAF Pension Contribution (Non-Budget) NCGI Premium				17,281	17,281
TPAF Pension Contribution (Non-Budget) Post - Retirement Medical Contribution				367,048	367,048
TPAF Social Security Contributions (Non-Budget)	-	-	-	408,709	408,709
<b>Total State Sources</b>	<b>777,885</b>	<b>-</b>	<b>777,885</b>	<b>1,678,592</b>	<b>900,707</b>
Federal Sources					
Education Jobs Fund		\$ 49,563	49,563		(49,563)
Medicaid Reimbursement	-	-	-	2,767	2,767
<b>Total Federal Sources</b>	<b>-</b>	<b>49,563</b>	<b>49,563</b>	<b>2,767</b>	<b>(46,796)</b>
<b>Total Revenues</b>	<b>15,836,520</b>	<b>49,563</b>	<b>15,886,083</b>	<b>16,765,420</b>	<b>879,337</b>
<b>EXPENDITURES</b>					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	198,283	(59,488)	138,795	138,795	-
Grades 1-5	1,741,872	126,965	1,868,837	1,819,274	49,563
Grades 6-8	1,527,338	(38,118)	1,489,220	1,489,220	-
Regular Programs - Home Instruction					
Purchased Professional/Educational Services	5,000	-	5,000	2,575	2,425
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	95,489	(39,791)	55,698	55,698	-
Purchased Professional/Educational Services	4,000	(4,000)	-	-	-
Other Purchased Services	67,800	12,165	79,965	79,418	547
General Supplies	180,866	2,881	183,747	175,204	8,543
Textbooks	52,914	3,990	56,904	55,073	1,831
Other Objects	-	-	-	-	-
<b>Total Regular Programs</b>	<b>3,873,562</b>	<b>4,604</b>	<b>3,878,166</b>	<b>3,815,257</b>	<b>62,909</b>
Learning and/or Language Disabilities					
Salaries of Teachers	130,338	(15,907)	114,431	114,028	403
Other Salaries for Instruction	62,642	(8,697)	53,945	53,945	-
General Supplies	1,000	-	1,000	976	24
<b>Total Learning and/or Language Disabilities</b>	<b>193,980</b>	<b>(24,604)</b>	<b>169,376</b>	<b>168,949</b>	<b>427</b>
Resource Room/Resource Center					
Salaries of Teachers	478,049	8,235	486,284	486,284	-
Other Salaries for Instruction	99,106	44,448	143,554	143,554	-
General Supplies	4,000	-	4,000	3,993	7
<b>Total Resource Room/Resource Center</b>	<b>581,155</b>	<b>52,683</b>	<b>633,838</b>	<b>633,831</b>	<b>7</b>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Special Education Instruction - Autism					
Salaries of Teachers	\$ 106,820	\$ (3,136)	\$ 103,684	\$ 103,684	
Other Salaries for Instruction	146,715	14,268	160,983	160,983	
Purchased Professional - Educational Services	100,000	-	100,000	78,148	\$ 21,852
General Supplies	1,000	-	1,000	774	226
<b>Total Autism</b>	<u>354,535</u>	<u>11,132</u>	<u>365,667</u>	<u>343,589</u>	<u>22,078</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	61,760	2,056	63,816	63,816	-
Other Salaries for Instruction	38,650	(3,488)	35,162	35,162	-
General Supplies	1,000	-	1,000	1,000	-
<b>Total Preschool Disabilities Part Time</b>	<u>101,410</u>	<u>(1,432)</u>	<u>99,978</u>	<u>99,978</u>	<u>-</u>
<b>Total Special Education</b>	<u>1,231,080</u>	<u>37,779</u>	<u>1,268,859</u>	<u>1,246,347</u>	<u>22,512</u>
Basic Skills/Remedial					
Salaries of Teachers	91,270	17,774	109,044	109,044	-
<b>Total Basic Skills/Remedial</b>	<u>91,270</u>	<u>17,774</u>	<u>109,044</u>	<u>109,044</u>	<u>-</u>
Bilingual Education					
Salaries of Teachers	84,810	941	85,751	85,751	-
General Supplies	-	81	81	81	-
<b>Total Bilingual Education</b>	<u>84,810</u>	<u>1,022</u>	<u>85,832</u>	<u>85,832</u>	<u>-</u>
School Sponsored Co-Curricular Activities					
Salaries	45,400	(4,781)	40,619	38,619	2,000
Other Purchased Services	2,388	-	2,388	2,388	-
Other Objects	2,750	23	2,773	2,768	5
<b>Total School Sponsored Co-Curricular Activities</b>	<u>50,538</u>	<u>(4,758)</u>	<u>45,780</u>	<u>43,775</u>	<u>2,005</u>
School Sponsored Athletics					
Salaries	14,447	(1,613)	12,834	12,834	-
<b>Total School Sponsored Athletics</b>	<u>14,447</u>	<u>(1,613)</u>	<u>12,834</u>	<u>12,834</u>	<u>-</u>
Community Services Programs/Operations					
Salaries	4,500	341	4,841	4,841	-
<b>Total Community Services Programs/Operations</b>	<u>4,500</u>	<u>341</u>	<u>4,841</u>	<u>4,841</u>	<u>-</u>
<b>Total Instruction</b>	<u>5,350,207</u>	<u>55,149</u>	<u>5,405,356</u>	<u>5,317,930</u>	<u>87,426</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Regular	3,543,750	13,561	3,557,311	3,557,311	-
Tuition to Other LEAs w/i State - Special	140,340	-	140,340	140,340	-
Tuition to County Voc. School Dist-Reg	294,960	8,694	303,654	303,653	1
Tuition to County Voc. School Dist-Special	262,600	1,575	264,175	248,767	15,408
Tuition to CSSD & Reg. Day Schools	991,045	(51,133)	939,912	939,846	66
Tuition to Private State	364,085	51,038	415,123	407,605	7,518
Tuition - State Facilities	40,560	(1,560)	39,000	39,000	-
<b>Total Undistributed Expenditures - Instruction</b>	<u>5,637,340</u>	<u>22,175</u>	<u>5,659,515</u>	<u>5,636,522</u>	<u>22,993</u>

MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Health Services					
Salaries	\$ 108,760	\$ 7,802	\$ 116,562	\$ 116,562	
Supplies and Materials	2,199	890	3,089	2,999	\$ 90
Total Health Services	<u>110,959</u>	<u>8,692</u>	<u>119,651</u>	<u>119,561</u>	<u>90</u>
Other Support Serv. Students - Related Serv.					
Salaries	220,116	17,257	237,373	237,373	-
Purchased Prof. Ed. Services	154,738	(21,769)	132,969	121,525	11,444
Total Other Supp.Serv. Student - Related Serv.	<u>374,854</u>	<u>(4,512)</u>	<u>370,342</u>	<u>358,898</u>	<u>11,444</u>
Guidance					
Salaries of Other Professional Staff	161,188	(4,343)	156,845	156,845	-
Salaries of Secretarial & Clerical Assistants	32,170	-	32,170	32,170	-
Total Guidance	<u>193,358</u>	<u>(4,343)</u>	<u>189,015</u>	<u>189,015</u>	<u>-</u>
Child Study Team					
Salaries of Other Professional Staff	291,788	(2,263)	289,525	289,525	-
Salaries of Secretarial & Clerical Assistants	42,028	1,228	43,256	43,256	-
Other Purchased Services	6,500	200	6,700	6,697	3
Supplies and Materials	1,000	-	1,000	910	90
Total Child Study Team	<u>341,316</u>	<u>(835)</u>	<u>340,481</u>	<u>340,388</u>	<u>93</u>
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	7,800	-	7,800	7,800	-
Total Improvement of Instructional Services	<u>7,800</u>	<u>-</u>	<u>7,800</u>	<u>7,800</u>	<u>-</u>
Educational Media/School Library					
Salaries	103,600	17,930	121,530	121,530	-
Supplies and Materials	90,595	-	90,595	86,711	3,884
Total Educational Media/School Library	<u>194,195</u>	<u>17,930</u>	<u>212,125</u>	<u>208,241</u>	<u>3,884</u>
Instructional Staff Training Services					
Purchased Professional/Educational Services	7,500	-	7,500	5,378	2,122
Other Purchased Services	6,500	-	6,500	3,162	3,338
Total Instructional Staff Training Services	<u>14,000</u>	<u>-</u>	<u>14,000</u>	<u>8,540</u>	<u>5,460</u>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Support Services General Administration					
Salaries	\$ 186,527	\$ 3,514	\$ 190,041	\$ 190,041	
Legal Services	51,000	4,000	55,000	26,941	\$ 28,059
Audit Fees	25,000	(4,000)	21,000	19,300	1,700
Architectural/Engineering Services	10,000	21,000	31,000	28,661	2,339
Communications/Telephone	84,347	(10,000)	74,347	57,246	17,101
BOE Other Purchased Services	31,600	(200)	31,400	23,233	8,167
Misc. Purchased Services	4,000	456	4,456	4,456	-
Supplies and Materials	4,091	(675)	3,416	3,362	54
BOE In-House Training/Meeting Supplies	1,000	-	1,000	459	541
Miscellaneous Expenditures	1,000	558	1,558	1,558	-
BOE Membership Dues and Fees	10,000	(339)	9,661	9,660	1
<b>Total Support Services General Administration</b>	<b>408,565</b>	<b>14,314</b>	<b>422,879</b>	<b>364,917</b>	<b>57,962</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	146,851	4,397	151,248	151,248	-
Salaries of Secretarial and Clerical Assistants	93,441	(5,162)	88,279	88,279	-
Other Purchased Services	15,948	(1,000)	14,948	8,931	6,017
Supplies and Materials	800	-	800	-	800
<b>Total Support Services School Administration</b>	<b>257,040</b>	<b>(1,765)</b>	<b>255,275</b>	<b>248,458</b>	<b>6,817</b>
Required Maintenance for School Facilities					
Salaries	105,448	816	106,264	106,264	-
Cleaning, Repair and Maintenance Services	114,050	14,177	128,227	81,467	46,760
General Supplies	25,723	1,977	27,700	22,521	5,179
<b>Total Allowable Maintenance for School Facilities</b>	<b>245,221</b>	<b>16,970</b>	<b>262,191</b>	<b>210,252</b>	<b>51,939</b>
Custodial Services					
Salaries	293,291	(9,116)	284,175	284,175	-
Insurance	55,255	(1,001)	54,254	54,254	-
General Supplies	29,579	3,143	32,722	26,875	5,847
Energy (Heat and Electricity)	172,825	(20,000)	152,825	147,110	5,715
Other Objects	6,000	-	6,000	2,659	3,341
Salaries of Non-Instructional Aides	51,601	(19,932)	31,669	31,669	-
Energy (Natural Gas)	194,187	(55,000)	139,187	91,205	47,982
<b>Total Custodial Services</b>	<b>802,738</b>	<b>(101,906)</b>	<b>700,832</b>	<b>637,947</b>	<b>62,885</b>
Student Transportation Services					
Contracted Services (Regular Education Students) - ESC's & CTAS	225,141	(9,479)	215,662	207,489	8,173
Contracted Services (Special Students) - ESC's & CTAS	283,712	72,571	356,283	356,283	-
Contracted Services - Aid In Lieu of Payments	35,379	53,021	88,400	87,629	771
<b>Total Student Transportation Services</b>	<b>544,232</b>	<b>116,113</b>	<b>660,345</b>	<b>651,401</b>	<b>8,944</b>
Central Services					
Salaries	253,440	2,165	255,605	255,605	-
Purchased Prof. Services	9,000	2,210	11,210	11,210	-
Miscellaneous Purchased Services	3,450	-	3,450	2,767	683
Supplies and Material	14,000	(2,210)	11,790	8,586	3,204
Miscellaneous Expenditures	1,000	(125)	875	186	689
<b>Total Central Services</b>	<b>280,890</b>	<b>2,040</b>	<b>282,930</b>	<b>278,354</b>	<b>4,576</b>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE 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>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Administration Information Technology					
Purchased Technical Services	\$ 26,000	\$ 125	\$ 26,125	\$ 26,125	-
Total Administration Information Technology	<u>26,000</u>	<u>125</u>	<u>26,125</u>	<u>26,125</u>	<u>-</u>
Unallocated Benefits- Employee Benefits					
Social Security Contributions	139,065	(9,723)	129,342	129,342	
Other Retirement Contributions - Regular	111,258	32,728	143,986	143,986	
Unemployment Compensation	500	54,477	54,977	54,963	\$ 14
Worker's Compensation	52,002	1,783	53,785	53,784	1
Health Benefits	1,793,264	(137,460)	1,655,804	1,654,978	826
Tuition Reimbursement	23,740	(7,771)	15,969	15,171	798
Other Employee Benefits	-	-	-	-	-
Total Unallocated Benefits	<u>2,119,829</u>	<u>(65,966)</u>	<u>2,053,863</u>	<u>2,052,224</u>	<u>1,639</u>
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				17,281	(17,281)
TPAF Pension Contribution (Non-Budget)					
Post - Retirement Medical Contribution				367,048	(367,048)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	408,709	(408,709)
Total Undistributed Expenditures	<u>11,558,337</u>	<u>19,032</u>	<u>11,577,369</u>	<u>12,131,681</u>	<u>(554,312)</u>
Total Current Expenditures	<u>16,908,544</u>	<u>74,181</u>	<u>16,982,725</u>	<u>17,449,611</u>	<u>(466,886)</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	3,000	(3,000)			
Facilities Acq. And Construction Services					
Architectural/Engineering Services					
Other Objects	61,175	-	61,175	61,175	-
Total Facilities Acq. And Construction Services.	<u>61,175</u>	<u>-</u>	<u>61,175</u>	<u>61,175</u>	<u>-</u>
Total Capital Outlay	<u>64,175</u>	<u>(3,000)</u>	<u>61,175</u>	<u>61,175</u>	<u>-</u>
Transfer of Funds to Charter Schools	13,948	(1,394)	12,554	-	12,554
Total General Fund	<u>16,986,667</u>	<u>69,787</u>	<u>17,056,454</u>	<u>17,510,786</u>	<u>(454,332)</u>

MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE 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	\$ (1,150,147)	\$ (20,224)	\$ (1,170,371)	\$ (745,366)	\$ 425,005
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(1,150,147)	(20,224)	(1,170,371)	(745,366)	425,005
Fund Balance, Beginning of Year	<u>2,046,309</u>	<u>-</u>	<u>2,046,309</u>	<u>2,046,309</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 896,162</u>	<u>\$ (20,224)</u>	<u>\$ 875,938</u>	<u>\$ 1,300,943</u>	<u>\$ 425,005</u>
<b>Restricted Fund Balance</b>					
Capital Reserve				\$ 30,488	
Excess Surplus				217,906	
Excess Surplus- Designated for Subsequent Years' Expenditures				369,633	
Assigned Fund Balance					
Designated for Subsequent Years' Expenditures				215,324	
Year-End Encumbrances				25,568	
Unassigned Fund Balance				<u>442,024</u>	
				1,300,943	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2010/2011 Extraordinary Aid Not Recognized on a GAAP Basis				<u>(226,485)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,074,458</u>	

EXHIBIT C-1A

MAYWOOD BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND - EDUCATION JOBS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES					
Federal Sources					
Education Jobs Fund	-	\$ 49,563	\$ 49,563	-	\$ (49,563)
Total Revenues	\$ -	\$ 49,563	\$ 49,563	\$ -	\$ (49,563)
EXPENDITURES					
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Grades 1-5	-	\$ 49,563	\$ 49,563	-	\$ 49,563
Total Expenditures	\$ -	\$ 49,563	\$ 49,563	\$ -	\$ 49,563

**MAYWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE BUDGET (NON-GAAP) AND ACTUAL  
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>
<b>REVENUES</b>					
Other		\$ 1,500	\$ 1,500	\$ 1,500	
Federal Sources	\$ 301,499	205,442	506,941	506,941	\$ -
Total Revenues	301,499	206,942	508,441	508,441	-
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	301,499	(199,765)	101,734	101,734	-
General Supplies	-	58,284	58,284	58,284	-
Total Instruction	301,499	(141,481)	160,018	160,018	-
<b>Support Services</b>					
Salaries of Teachers		600	600	600	
Salaries of Secretarial and Clerical Asst.		10,000	10,000	10,000	
Personal Services - Employee Benefits		18,724	18,724	18,724	-
Purchased Professional and Technical		295,434	295,434	295,434	-
Other Purchased Services		165	165	165	
Supplies and Materials	-	23,500	23,500	23,500	-
Total Support Services	-	348,423	348,423	348,423	-
Non-Instructional Equipment	-	-	-	-	-
Total Expenditures	301,499	206,942	508,441	508,441	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**MAYWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds 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.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 16,765,420	\$ 508,441
Difference - Budget to GAAP		
State Aid payment recognized for GAAP purposes, not recognized for GAAP statements. (2009/2010 State Aid)	59,262	
Extraordinary aid payment recognized for GAAP purposes not recognized for GAAP statements. (2009/2010 Aid)	234,124	
Extraordinary aid payment recognized for budgetary purposes not recognized for GAAP statements. (2010/2011 Aid)	<u>(226,485)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 16,832,321</u>	<u>\$ 508,441</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 17,510,786</u>	<u>\$ 508,441</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 17,510,786</u>	<u>\$ 508,441</u>

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**SCHOOL LEVEL SCHEDULES**

**EXHIBITS D-1, D-2 AND D-3**

**NOT APPLICABLE**

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**SPECIAL REVENUE FUND**



MAYWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	NCLB Title I	NCLB Title I.A	NCLB Title I.D	NCLB Title III	NCLB Title I	Carryover		IDEA Basic	IDEA Preschool	Bank Foundation	Donovan Environmental	Grand Total
						ARRA - NCLB Title I	ARRA - ARRA - Preschool					
REVENUES												
Intergovernmental	\$ 85,979	\$ 29,667	\$ 165	\$ 11,562	\$ 16,701	\$ 84,144	\$ 9,079	\$ 259,309	\$ 10,335	\$ 500	\$ 1,000	\$ 1,500
Other												506,941
Federal												
Total Revenues	\$ 85,979	\$ 29,667	\$ 165	\$ 11,562	\$ 16,701	\$ 84,144	\$ 9,079	\$ 259,309	\$ 10,335	\$ 500	\$ 1,000	\$ 508,441
EXPENDITURES												
Instruction												
Salaries of Teachers	\$ 64,000	\$ 22,000		\$ 5,734	\$ 8,085		\$ 9,079	\$ 10,000		\$ 500	\$ 1,000	\$ 101,734
General Supplies	7,437	767		10,416	8,085		9,079	21,000		500	1,000	58,284
Total Instruction	71,437	22,767		10,416	13,819		9,079	31,000		500	1,000	160,018
Support Services												
Salaries of Teachers				600								600
Salaries of Sec. and Clerical Asst.								10,000				10,000
Personal Services-Employee Benefits	12,306	4,400		46	442			1,530				18,724
Purchased Prof. and Tech. Services	2,236	2,500		500	2,440	\$ 64,144		213,279	\$ 10,335			295,434
Other Purchased Services			\$ 165					3,500				165
Supplies and Materials						20,000						23,500
Total Support Services	14,542	6,900	165	1,146	2,882	84,144		228,309	10,335			348,423
Non-Instructional Equipment												
Total Expenditures	\$ 85,979	\$ 29,667	\$ 165	\$ 11,562	\$ 16,701	\$ 84,144	\$ 9,079	\$ 259,309	\$ 10,335	\$ 500	\$ 1,000	\$ 508,441

**MAYWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**



**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2011</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Maywood Ave. School - Upgrade to front stairs and replacement of stairs and retaining wall at northeast end of school adjacent to the baseball diamond	\$ 170,058	\$ 140,213	\$ 900	\$ 92,243	\$ 47,070
Maywood Ave. School - Water infiltration at the transformer vault/electrical room; Install security cameras; Repair concrete beam in basement; Replace gym windows	206,135	190,745	150,447		40,298
Memorial School - Install Security Cameras	24,294	23,708	19,478	-	4,230
	<u>\$ 400,487</u>	<u>\$ 354,666</u>	<u>\$ 170,825</u>	<u>\$ 92,243</u>	91,598
					Add: Excess Funds - Local Share 24,395
					Less: Deferred Revenue at June 30, 2011 (19,089)
					<u>Fund Balance \$ 96,904</u>

Analysis of Appropriations

Maywood Ave. School - Upgrade to front stairs and replacement of stairs and retaining wall at northeast end of school adjacent to the baseball diamond	SDA Grant	\$ 38,178
	Capital Reserve	<u>102,035</u>
		<u>\$ 140,213</u>
Maywood Ave. School - Water infiltration at the transformer vault/electrical room; Install security cameras; Repair concrete beam in basement; Replace gym windows	SDA Grant	\$ 67,064
	Capital Reserve	<u>123,681</u>
		<u>\$ 190,745</u>
Memorial School - Install Security Cameras	SDA Grant	\$ 9,132
	Capital Reserve	<u>14,576</u>
		<u>\$ 23,708</u>

**MAYWOOD PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Revenues and Other Financing Sources**

SDA Grant Proceeds	-
	-
Total Revenues and Other Financing Sources	-

**Expenditures and Other Financing Uses**

Construction Services	\$ 92,243
SDA Grant Balance Cancelled	45,821
Total Expenditures and Other Financing Uses	138,064

Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(138,064)
--	-----------

Fund Balance - Beginning of Year	254,057
----------------------------------	---------

Fund Balance- End of Year	\$ 115,993
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**Reconciliation to GAAP**

Fund Balance - Budgetary	\$ 115,993
Less:	
Deferred Revenue at June 30, 2011	(19,089)
Fund Balance - GAAP	\$ 96,904

**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
MAYWOOD AVE. SCHOOL - UPGRADE TO FRONT STAIRS AND REPLACEMENT  
WALL AT NORTHEAST END OF SCHOOL ADJACENT TO THE BASEBALL DIAMOND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
SDA Grant	\$ 38,178		\$ 38,178	\$ 38,178
Capital Reserve	102,035	-	102,035	102,035
<b>Total Revenues</b>	<b>140,213</b>	<b>-</b>	<b>140,213</b>	<b>140,213</b>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Construction Services	900	\$ 92,243	93,143	140,213
<b>Total Expenditures and Other Financing Uses</b>	<b>900</b>	<b>92,243</b>	<b>93,143</b>	<b>140,213</b>
<b>Excess (deficiency) of Revenues over (under) Expenditures</b>	<b>\$ 139,313</b>	<b>\$ (92,243)</b>	<b>\$ 47,070</b>	<b>\$ -</b>

## Additional Project Information:

Project Number	#3060-060-09-1001
Grant Date	5/27/10
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Grant Authorized	\$ 38,178
Capital Reserve	102,035
Original Authorized Cost	\$ 140,213
Local Share - Capital Reserve	-
Revised Authorized Cost	\$ 140,213

## Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	09/10
Completion Date	10/11

**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
MAYWOOD AVE. SCHOOL WATER INFILTRATION AT THE TRANSFORMER VAULT/ELECTRICAL ROOM;  
INSTALL SECURITY CAMERAS; REPAIR CONCRETE BEAM IN BASEMENT; REPLACE GYM WINDOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
SCC Grant Proceeds	\$ 67,064		\$ 67,064	\$ 67,064
Capital Reserve	123,681	-	123,681	123,681
<b>Total Revenues</b>	<b>190,745</b>	<b>-</b>	<b>190,745</b>	<b>190,745</b>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Construction Services	150,447	-	150,447	190,745
<b>Total Expenditures and Other Financing Uses</b>	<b>150,447</b>	<b>-</b>	<b>150,447</b>	<b>190,745</b>
Excess (deficiency) of Revenues over (under) Expenditures	\$ 40,298	\$ -	\$ 40,298	\$ -

## Additional Project Information:

Project Number	#3060-060-09-1002
Grant Date	8/20/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Grant Authorized	\$ 67,064
Capital Reserve	123,681
Original Authorized Cost	\$ 190,745
Local Share - Capital Reserve	-
Revised Authorized Cost	\$ 190,745
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	09/10
Completion Date	10/11

**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
MEMORIAL SCHOOL - INSTALL SECURITY CAMERAS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
SCC Grant Proceeds	\$ 9,132		\$ 9,132	\$ 9,132
Capital Reserve	14,576	-	14,576	14,576
<b>Total Revenues</b>	<b>23,708</b>	<b>-</b>	<b>23,708</b>	<b>23,708</b>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Construction Services	19,478	-	19,478	23,708
<b>Total Expenditures and Other Financing Uses</b>	<b>19,478</b>	<b>-</b>	<b>19,478</b>	<b>23,708</b>
Excess (deficiency) of Revenues over (under) Expenditures	\$ 4,230	\$ -	\$ 4,230	\$ -

## Additional Project Information:

Project Number	#3060-070-09-1003
Grant Date	7/7/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Grant Authorized	9,132
Local Share - Capital Reserve	14,576
Original Authorized Cost	23,708
Additional Authorized Cost	-
Revised Authorized Cost	23,708

## Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	09/10
Completion Date	10/11

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**PROPRIETARY FUNDS**



**EXHIBIT G-1**

**MAYWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
COMBINING SCHEDULE OF NET ASSETS  
AS OF JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

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**INTERNAL SERVICE FUND**



**EXHIBIT G-4**

**MAYWOOD BOARD OF EDUCATION  
INTERNAL SERVICE FUND  
COMBINING SCHEDULE OF NET ASSETS  
AS OF JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-5**

**COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-6**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

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**FIDUCIARY FUNDS**



**MAYWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY NET ASSETS  
AS OF JUNE 30, 2011**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 10,519	\$ 10,180	\$ 20,699
Total Assets	<u>\$ 10,519</u>	<u>\$ 10,180</u>	<u>\$ 20,699</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 10,058	\$ 10,058
Interfund - Due to General Fund		122	122
Due to Student Groups	<u>\$ 10,519</u>	<u>-</u>	<u>10,519</u>
Total Liabilities	<u>\$ 10,519</u>	<u>\$ 10,180</u>	<u>\$ 20,699</u>

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**MAYWOOD BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>School</u>	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2011</u>
ELEMENTARY SCHOOLS	\$ 9,917	\$ 52,838	\$ 52,236	\$ 10,519

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2011</u>
Payroll Deductions and Withholdings	\$ 966	\$ 3,192,427	\$ 3,183,335	\$ 10,058
Interfund - Due to General Fund		122		122
Accrued Salaries and Wages	156	4,687,848	4,688,004	-
Total	\$ 1,122	\$ 7,880,397	\$ 7,871,339	\$ 10,180

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**LONG-TERM DEBT**



MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance, July 1, 2010	Issued	Retired	Balance, June 30, 2011
School District Bonds	8/15/2006	\$2,042,000	8/15/11	\$ 55,000	4.375%				
			8/15/12	55,000	4.375%				
			8/15/13	60,000	4.375%				
			8/15/14	65,000	4.375%				
			8/15/15	65,000	4.375%				
			8/15/16	70,000	4.375%				
			8/15/17-8/15/22	475,000	4.375%				
			8/15/23-8/15/27	515,000	4.375%				
			8/15/28-8/15/31	487,000	4.50%	\$ 1,897,000		\$ 50,000	\$ 1,847,000
School District Bonds	8/15/2005	\$ 10,000,000	8/15/11	280,000	4.125%				
			8/15/12	295,000	4.13%				
			8/15/13	305,000	4.25%				
			8/15/14	320,000	4.25%				
			8/15/15	335,000	4.25%				
			8/15/16	350,000	4.25%				
			8/15/17-8/15/22	1,995,000	4.25%				
			8/15/23-8/15/27	2,460,000	4.25%				
			8/15/28-8/15/31	3,095,000	4.25%				
						\$ 9,705,000		270,000	9,435,000
					\$ 11,602,000	\$ -	\$ 320,000	\$ 11,282,000	

**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOT APPLICABLE**

**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
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 with Final Budget - Positive</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 711,689		\$ 711,689	\$ 711,689	
Total Revenues	711,689		711,689	711,689	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	488,347		488,347	488,346	\$ 1
Redemption of Principal	320,000		320,000	320,000	
Total Regular Debt Service	808,347		808,347	808,346	1
Total Expenditures	808,347		808,347	808,346	1
Excess (Deficiency) of Revenues Over (Under) Expend	(96,658)		(96,658)	(96,657)	1
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfer In					
Fund Balance, Beginning of Year	96,659	-	96,659	96,659	-
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>

**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SCHOOL LOANS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOT APPLICABLE**

## STATISTICAL SECTION

This part of the Maywood Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



MAYWOOD BOARD OF EDUCATION  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 1,319,592	\$ 1,459,601	\$ 1,719,202	\$ 2,337,541	\$ 4,933,886	\$ 7,307,083	\$ 7,801,275	\$ 7,532,501	\$ 7,352,355
Restricted	522,773	353,893	645,323	365,092	238,692	382,891	392,085	126,904	30,490
Unrestricted	621,854	1,028,913	559,586	1,535,302	2,755,821	2,025,908	1,541,699	1,256,573	581,369
<b>Total Governmental Activities Net Assets</b>	<b>\$ 2,464,219</b>	<b>\$ 2,842,407</b>	<b>\$ 2,924,111</b>	<b>\$ 4,237,935</b>	<b>\$ 7,928,399</b>	<b>\$ 9,715,882</b>	<b>\$ 9,735,059</b>	<b>\$ 8,915,978</b>	<b>\$ 7,984,214</b>
<b>Business-Type Activities</b>									
Invested in Capital Assets	\$ 5,168	\$ 8,570	\$ 10,449	\$ 9,235	\$ 8,015	\$ 6,794	\$ 5,765	\$ 4,736	\$ 3,708
Restricted									
Unrestricted	31,527	33,141	34,916	32,091	42,882	54,738	75,402	79,997	73,006
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 36,695</b>	<b>\$ 41,711</b>	<b>\$ 45,365</b>	<b>\$ 41,326</b>	<b>\$ 50,897</b>	<b>\$ 61,532</b>	<b>\$ 81,167</b>	<b>\$ 84,733</b>	<b>\$ 76,714</b>
<b>District-Wide</b>									
Invested in Capital Assets, Net of Related Debt	\$ 1,324,760	\$ 1,468,171	\$ 1,729,651	\$ 2,346,776	\$ 4,941,901	\$ 7,313,877	\$ 7,807,040	\$ 7,537,237	\$ 7,356,063
Restricted	522,773	353,893	645,323	365,092	238,692	382,891	392,085	126,904	30,490
Unrestricted	653,381	1,062,054	594,502	1,567,393	2,798,703	2,080,646	1,617,101	1,336,570	654,375
<b>Total District Net Assets</b>	<b>\$ 2,500,914</b>	<b>\$ 2,884,118</b>	<b>\$ 2,969,476</b>	<b>\$ 4,279,261</b>	<b>\$ 7,979,296</b>	<b>\$ 9,777,414</b>	<b>\$ 9,816,226</b>	<b>\$ 9,000,711</b>	<b>\$ 8,040,928</b>

Note:  
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**MAYWOOD BOARD OF EDUCATION**  
**CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
 (Unaudited)  
 (accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental Activities									
Instruction									
Regular	\$ 6,529,948	\$ 6,844,646	\$ 7,404,810	\$ 7,472,441	\$ 8,210,689	\$ 8,872,609	\$ 8,937,225	\$ 9,035,024	\$ 9,321,274
Special Education	1,983,951	2,098,728	2,362,319	2,438,761	2,012,977	2,282,687	3,067,165	3,715,058	3,901,969
Other Instruction	141,302	245,397	231,059	260,912	318,400	291,980	312,599	389,244	353,942
School Sponsored Activities And Athletics	43,627	55,188	60,632	56,639	62,746	65,134	93,284	83,706	76,050
Community Services		3,785	5,676	5,437	5,191	5,643	2,279	10,236	6,657
Support Services:									
Student & Instruction Related Services	1,279,966	1,221,324	1,362,849	1,485,824	1,649,710	1,925,644	1,591,250	1,672,209	1,652,381
School Administrative Services	358,596	427,875	369,833	479,604	445,056	457,822	466,595	407,567	348,930
General Administration	287,265	498,221	394,989	372,351	410,771	472,376	533,177	435,796	436,662
Central Services			327,839	323,773	398,713	403,949	389,981	405,286	397,028
Plant Operations And Maintenance	1,054,969	1,117,977	1,308,812	1,266,665	1,244,296	1,518,233	1,693,396	1,649,942	1,539,458
Pupil Transportation	472,523	465,956	502,413	491,281	565,684	495,837	469,080	539,216	651,401
Other Support Services	309,195	296,581							
Charter Schools								13,948	
Interest On Long-Term Debt	34,273	28,905	25,006	337,066	557,119	526,198	504,798	493,578	483,349
Total Governmental Activities Expenses	12,495,615	13,304,583	14,356,237	14,990,754	15,881,352	17,318,112	18,060,829	18,870,810	19,169,101
Business-Type Activities:									
Food Service	184,014	192,093	191,446	202,709	202,441	234,499	229,567	241,675	261,405
Total Business-Type Activities Expense	184,014	192,093	191,446	202,709	202,441	234,499	229,567	241,675	261,405
Total District Expenses	\$ 12,679,629	\$ 13,496,676	\$ 14,547,683	\$ 15,193,463	\$ 16,083,793	\$ 17,552,611	\$ 18,290,396	\$ 19,112,485	\$ 19,430,506
<b>Program Revenues</b>									
Governmental Activities:									
Central And Other Support Services									
Operating Grants And Contributions	\$ 1,724,879	\$ 2,084,743	\$ 2,123,426	\$ 2,341,181	\$ 2,534,789	\$ 2,879,075	\$ 2,095,604	\$ 2,786,369	\$ 2,250,379
Charges for Services					2,527,886	1,697,138	793,115	-	258,023
Capital Grants And Contributions			107,705	516,921	5,062,675	4,576,213	3,008,994	3,021,725	93,285
Total Governmental Activities Program Revenues	1,724,879	2,084,743	2,233,131	2,858,102	5,062,675	4,576,213	3,008,994	3,021,725	2,603,687
Business-Type Activities:									
Charges For Services									
Food Service	144,378	156,101	152,167	151,996	152,605	177,953	175,161	159,125	165,729
Operating Grants And Contributions	39,324	40,640	42,019	46,674	59,407	65,192	73,132	85,411	86,941
Total Business Type Activities Program Revenues	183,702	196,741	194,186	198,670	212,012	243,145	248,293	244,536	252,670
Total District Program Revenues	\$ 1,908,581	\$ 2,281,484	\$ 2,427,317	\$ 3,056,772	\$ 5,274,687	\$ 4,819,358	\$ 3,257,287	\$ 3,266,261	\$ 2,856,357
<b>Net (Expense)/Revenue</b>									
Governmental Activities	\$ (10,770,736)	\$ (11,219,840)	\$ (12,123,106)	\$ (12,132,652)	\$ (10,818,677)	\$ (12,741,899)	\$ (15,052,106)	\$ (15,849,085)	\$ (16,565,414)
Business-Type Activities	(312)	4,648	2,740	(4,039)	9,571	8,646	18,726	2,861	(8,735)
Total District-Wide Net Expense	\$ (10,771,048)	\$ (11,215,192)	\$ (12,120,366)	\$ (12,136,691)	\$ (10,809,106)	\$ (12,733,253)	\$ (15,033,380)	\$ (15,846,224)	\$ (16,574,149)

MAYWOOD BOARD OF EDUCATION  
 CHANGES IN NET ASSETS  
 LAST NINE FISCAL YEARS  
 (Unaudited)  
 (accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental Activities:									
Property Taxes Levied For General Purposes, Net	\$ 10,605,600	\$ 11,294,078	\$ 11,828,530	\$ 12,682,563	\$ 13,037,857	\$ 13,475,915	\$ 13,769,952	\$ 14,193,939	\$ 14,845,635
Taxes Levied For Debt Service	158,714	158,456	120,802	157,334	642,041	690,485	705,605	653,269	711,689
State Aid, Unrestricted		119,289	153,123	151,947	156,263	187,900	503,987	77,891	6,322
Investment Earnings	22,166	21,884	53,459	436,940	576,739	164,512	42,402	18,982	22,545
Miscellaneous Income	87,028	42,321	48,896	17,692	93,992	10,570	49,337	85,923	27,459
Premium on Bond Sale	-	-	-	-	2,249	-	-	-	-
Total Governmental Activities	10,873,508	11,636,028	12,204,810	13,446,476	14,509,141	14,529,382	15,071,283	15,030,004	15,613,650
Business-Type Activities:									
Investment Earnings	320	368	914	-	-	1,989	909	705	716
Total Business-Type Activities	320	368	914	-	-	1,989	909	705	716
Total District-Wide	\$ 10,873,828	\$ 11,636,396	\$ 12,205,724	\$ 13,446,476	\$ 14,509,141	\$ 14,531,371	\$ 15,072,192	\$ 15,030,709	\$ 15,614,366
<b>Change in Net Assets</b>									
Governmental Activities	\$ 102,772	\$ 416,188	\$ 81,704	\$ 1,313,824	\$ 3,690,464	\$ 1,787,483	\$ 19,177	\$ (819,081)	\$ (951,764)
Business-Type Activities	8	5,016	3,654	(4,039)	9,571	10,635	19,635	3,566	(8,019)
Total District	\$ 102,780	\$ 421,204	\$ 85,358	\$ 1,309,785	\$ 3,700,035	\$ 1,798,118	\$ 38,812	\$ (815,515)	\$ (959,783)

Note:  
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**MAYWOOD BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
 (Unaudited)  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 437,856	\$ 734,745	\$ 1,158,601	\$ 1,879,633	\$ 2,944,604	\$ 2,397,281	\$ 2,188,380	\$ 1,413,252	
Unreserved	974,439	874,682	297,992	353,246	344,347	430,161	199,248	339,671	
Restricted	-	-	-	-	-	-	-	-	\$ 618,048
Assigned	-	-	-	-	-	-	-	-	240,892
Unassigned	-	-	-	-	-	-	-	-	215,518
<b>Total General Fund</b>	<b>\$ 1,412,295</b>	<b>\$ 1,609,427</b>	<b>\$ 1,456,593</b>	<b>\$ 2,232,879</b>	<b>\$ 3,288,951</b>	<b>\$ 2,827,442</b>	<b>\$ 2,387,628</b>	<b>\$ 1,752,923</b>	<b>\$ 1,074,458</b>
All Other Governmental Funds									
Reserved		\$ 88,420	\$ 1,261,056	\$ 15,057,400	\$ 3,202,297	\$ 244	\$ 96,658	\$ 87,000	
Unreserved	\$ (2,225)	(22,812)	(1,417,484)	(5,320,582)	(1,603,628)	(609,303)		103,521	
Committed									\$ 2
Assigned									
Unassigned									96,904
<b>Total All Other Governmental Funds</b>	<b>\$ (2,225)</b>	<b>\$ 65,608</b>	<b>\$ (156,428)</b>	<b>\$ 9,736,818</b>	<b>\$ 1,598,669</b>	<b>\$ (609,059)</b>	<b>\$ 96,658</b>	<b>\$ 190,521</b>	<b>\$ 96,906</b>

Note:  
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**MAYWOOD BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
(Unaudited)  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Tax Levy	\$ 10,764,314	\$ 11,452,534	\$ 11,949,332	\$ 12,839,897	\$ 13,679,898	\$ 14,166,400	\$ 14,475,557	\$ 14,847,208	\$ 15,557,324
Tuition							120,275	235,356	188,422
Interest Earnings	22,166	21,884	53,459	436,940	576,739	164,512	42,402	18,982	22,545
Miscellaneous	87,028	42,321	48,896	17,692	93,992	10,570	60,337	85,923	28,959
State Sources	1,469,559	1,826,535	2,044,572	2,508,121	4,873,862	4,431,791	3,018,264	2,192,910	1,840,778
Federal Sources	255,320	377,497	341,682	501,928	345,075	332,322	363,172	671,350	509,708
<b>Total Revenue</b>	<b>12,598,387</b>	<b>13,720,771</b>	<b>14,437,941</b>	<b>16,304,578</b>	<b>19,569,566</b>	<b>19,105,595</b>	<b>18,080,007</b>	<b>18,051,729</b>	<b>18,147,736</b>
<b>Expenditures</b>									
Instruction									
Regular Instruction	6,573,504	6,849,155	7,429,286	7,373,142	8,262,468	8,878,090	8,788,737	8,929,499	9,192,597
Special Education Instruction	1,982,325	2,097,127	2,360,679	2,455,022	2,011,325	2,281,013	3,055,664	3,703,136	3,820,460
Other Instruction	141,302	245,397	231,059	260,912	318,400	291,980	312,599	389,244	353,942
School Sponsored Activities and Athletics	43,627	55,188	60,632	56,639	62,746	65,134	77,506	83,570	75,914
Community Services		3,785	5,676	5,437	5,191	5,643	2,279	10,236	6,657
Support Services:									
Student and Inst. Related Services	1,284,741	1,219,994	1,360,574	1,440,248	1,667,600	1,921,782	1,604,482	1,653,205	1,634,654
General Administration	281,615	400,218	388,405	475,273	455,958	472,373	532,833	435,508	436,220
School Administrative Services	340,287	488,726	377,985	393,619	419,082	435,494	463,413	402,089	348,066
Central Services			323,779	347,103	397,599	404,519	389,981	406,273	400,382
Plant Operations And Maintenance	983,612	1,054,320	1,247,418	1,220,005	1,169,763	1,454,669	1,294,812	1,198,235	1,098,934
Pupil Transportation	472,523	465,956	502,413	491,281	565,684	495,837	469,080	539,216	651,401
Other Support Services	301,617	289,513							
Charter Schools								13,948	
Capital Outlay	264,789	127,971	367,023	896,097	12,514,355	4,205,340	17,113	175,144	92,243
Debt Service:									
Principal	212,216	125,542	130,353	135,439	151,041	286,786	297,766	155,000	320,000
Interest and Other Charges	38,054	32,914	27,529	21,895	650,998	565,175	507,839	498,268	488,346
<b>Total Expenditures</b>	<b>12,920,212</b>	<b>13,455,806</b>	<b>14,812,811</b>	<b>15,572,112</b>	<b>28,652,210</b>	<b>21,763,835</b>	<b>17,814,104</b>	<b>18,592,571</b>	<b>18,919,816</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(321,825)</b>	<b>264,965</b>	<b>(374,870)</b>	<b>732,466</b>	<b>(9,082,644)</b>	<b>(2,658,240)</b>	<b>265,903</b>	<b>(540,842)</b>	<b>(772,080)</b>

MAYWOOD BOARD OF EDUCATION  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST NINE FISCAL YEARS

(Unaudited)  
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Other Financing Sources (Uses)</b>										
Proceeds From Borrowing	\$ 97,337			\$ 10,000,000	\$ 2,042,000					
Capital Leases (Non-Budgeted)				(62,934)	(43,682)	\$ (10,997)				
Proceeds From Bond Sale					2,249					
Cost of Issuance										
Premium on Sale of Bonds					304,593	460,762	\$ 104,245	\$ 361,345		
Transfers In	5,852	\$ 65,536	\$ 13,022	311,476	(304,593)	(460,762)	(104,245)	(361,345)		
Transfers Out	(5,852)	(65,536)	(13,022)	(311,476)	(304,593)	(460,762)	(104,245)	(361,345)		
<b>Total Other Financing Sources (Uses)</b>	<b>97,337</b>	<b>-</b>	<b>-</b>	<b>9,937,066</b>	<b>2,000,567</b>	<b>(10,997)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Change in Fund Balances</b>	<b>\$ (224,488)</b>	<b>\$ 264,965</b>	<b>\$ (374,870)</b>	<b>\$ 10,669,532</b>	<b>\$ (7,082,077)</b>	<b>\$ (2,669,237)</b>	<b>\$ 265,903</b>	<b>\$ (540,842)</b>	<b>\$ (772,080)</b>	
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.98%</b>	<b>1.19%</b>	<b>1.09%</b>	<b>1.07%</b>	<b>4.97%</b>	<b>4.85%</b>	<b>4.53%</b>	<b>3.55%</b>	<b>4.29%</b>	

\* Noncapital expenditures are total expenditures less capital outlay.

Note:  
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**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30</u>	<u>Interest on Deposits</u>	<u>Prior Year Tuition Refunds</u>	<u>Tuition</u>	<u>Misc.</u>	<u>Total</u>
2011	\$ 22,545		\$ 188,422	\$ 27,459	\$ 238,426
2010	18,982		235,356	79,923	334,261
2009	38,154		120,275	31,337	189,766
2008	5,675			7,245	12,920
2007	274,395			92,992	367,387
2006	125,464			17,201	142,665
2005	53,459			11,507	64,966
2004	21,884			42,321	64,205
2003	22,166			87,028	109,194
2002	31,365			17,501	48,866

Source: District's financial records

**MAYWOOD BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2002	\$ 3,838,700	\$ 484,278,600	\$ 51,017,100	\$ 53,075,300	\$ 23,459,900	\$ 615,669,600	\$ 736,333	\$ 616,405,933	\$ 765,379,675	\$ 1.711
2003	3,084,800	485,618,400	52,368,600	53,075,300	23,459,900	617,607,000	677,029	618,284,029	845,530,960	1.797
2004	2,904,200	487,324,600	52,388,600	51,920,900	23,459,900	617,998,200	590,764	618,588,964	943,419,315	1.889
2005	3,159,200	488,007,600	51,209,400	51,320,400	23,459,900	617,156,500	508,699	617,665,199	1,049,271,952	2.010
2006	3,569,800	489,581,100	50,903,300	50,194,400	23,459,900	617,708,500	508,699	618,217,199	1,352,991,631	2.150
2007	3,796,700	490,580,700	48,204,400	50,194,400	23,159,900	615,936,100	418,145	616,354,245	1,401,442,121	2.256
2008	10,218,100	1,131,820,000	119,258,700	110,343,600	59,479,500	1,431,119,900	418,145	1,431,538,045	1,414,510,831	1.017
2009	8,993,200	1,127,099,000	120,968,100	110,343,600	59,479,500	1,426,883,400	1,326,499	1,428,209,899	1,414,905,763	1.025
2010	8,245,300	1,123,410,200	123,677,300	109,286,400	55,811,700	1,420,430,900	1,875,053	1,422,305,953	1,368,928,001	1.072
2011	9,543,300	1,123,414,000	119,176,800	104,769,000	53,635,600	1,410,538,700	1,406,988	1,409,945,788	1,395,595,810	1.122

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

**MAYWOOD BOARD OF EDUCATION  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<b>Calendar Year</b>	<b><u>Total</u></b>	<b><u>Local School District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
2011	2.157	1.112	.831	.204
2010	2.047	1.072	.787	.188
2009	1.943	1.025	.728	.190
2008	1.871	1.001	.688	.182
2007	4.12	2.256	1.487	.377
2006	3.88	2.15	1.381	.349
2005	3.64	2.010	1.298	.332
2004	3.45	1.889	1.247	.314
2003	3.26	1.797	1.173	.290
2002	3.08	1.711	1.072	.297

Source: Tax Duplicate, Borough of Maywood

**MAYWOOD BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2010		2001	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Kin Properties Inc.	\$ 23,449,800	1.64%	\$ 11,387,200	1.85%
Stephan Company	16,140,200	1.13%	12,047,000	1.96%
Vornado Bergen Mall, LLC	15,387,000	1.07%		
Maybrook Gardens	13,349,300	0.93%	5,525,100	0.90%
Adler (etal), Myron	12,708,300	0.89%	9,635,600	1.57%
Essex Gardens, LLC	12,173,300	0.85%		
S.W.S. Realty	8,747,900	0.61%	4,715,700	0.77%
Simon Property Tax Dept.			7,749,000	1.26%
Tru Med Property LLC	7,485,100	0.52%		
Stephan Company	7,310,000	0.51%		
Maywood Developers, LLC	5,979,700	0.42%	3,643,100	0.59%
Bank of New York			3,859,900	0.63%
Roy and Joan Sommerhalter 1st Real Estate			3,718,400	0.60%
			3,232,700	0.53%
	\$ 122,730,600	8.57%	\$ 65,513,700	10.66%

Source: Municipal Tax Assessor

**MAYWOOD BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 10,328,170	\$ 10,328,170	100.00%	-
2003	10,764,314	10,764,314	100.00%	-
2004	11,452,534	11,452,534	100.00%	-
2005	11,949,332	11,949,332	100.00%	-
2006	12,839,897	12,839,897	100.00%	-
2007	13,679,898	13,679,898	100.00%	-
2008	14,166,400	14,166,400	100.00%	-
2009	14,475,557	14,475,557	100.00%	-
2010	14,847,208	14,847,208	100.00%	-
2011	15,557,324	15,557,324	100.00%	-

Source: District's financial records

MAYWOOD BOARD OF EDUCATION  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST SEVEN FISCAL YEARS  
 (Unaudited)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Per Capita
	General Obligation Bonds	Loans	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Population	
2005	N/A	\$ 576,029	\$ 45,462	N/A	N/A	\$ 621,491	9,289	\$ 66.91
2006	\$ 10,000,000	440,590	10,000	N/A	N/A	10,450,590	9,181	1,138.28
2007	12,042,000	299,549	-	N/A	N/A	12,341,549	9,139	1,307.09
2008	11,902,000	152,765	-	N/A	N/A	12,054,765	9,112	1,322.95
2009	11,757,000	-	-	N/A	N/A	11,757,000	9,144	1,285.76
2010	11,602,000	-	-	N/A	N/A	11,602,000	9,144 *	1,268.81
2011	11,282,000	-	-	N/A	N/A	11,282,000	9,144 *	1,233.81

Source: District records

\*Estimate

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**MAYWOOD BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST SIX FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 10,000,000	-	\$ 10,000,000	1.62%	1,089.21
2007	12,042,000	-	12,042,000	1.96%	1,317.65
2008	11,902,000	-	11,902,000	0.83%	1,306.19
2009	11,757,000	-	11,757,000	0.82%	1,285.76
2010	11,602,000	-	11,602,000	0.82%	1,268.81
2011	11,282,000	-	11,282,000	N/A	N/A

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information are available as District did not have any outstanding bonded debt for the year ended June 30, 2005. Each year thereafter, an additional year's data will be included until ten years of data is present

**MAYWOOD BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of Maywood School District	\$ 11,282,000	\$ 11,282,000	
Borough of Maywood	<u>13,710,130</u>	<u>1,149,497</u>	<u>\$ 12,560,633</u>
Total Direct Debt	<u>\$ 24,992,130</u>	<u>\$ 12,431,497</u>	12,560,633
Overlapping Debt Apportioned to the Municipality:			
Bergen County: (3);(A):			
County of Bergen (A)			5,032,625
Bergen County Utilities Authority - Water Pollution (B)			<u>6,044,070</u>
			 <u>11,076,695</u>
Total Direct and Overlapping Debt			<u>\$ 23,637,328</u>

(A) The debt for this entity was apportioned to the Borough of Maywood by dividing the Municipality's 2010 equalized value by the total 2010 equalized value for Bergen County.

(B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Maywood Annual Debt Statement
- (2) BCUA 2010 Audit
- (3) Bergen County 2010 Annual Debt Statement

MAYWOOD BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2010

		Equalized valuation basis													
		2010	2009	2008							2007	2008	2009	2010	
Average equalized valuation of taxable property		\$ 1,398,474,845	\$ 1,365,177,382	\$ 1,409,414,910							\$ 1,391,022,379				
Debt limit (3 % of average equalization value)		41,730,671	a												
Total Net Debt Applicable to Limit		11,282,000													
Legal debt margin		\$ 30,448,671													
		Fiscal Year													
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010				
Debt Limit		\$ 20,053,257	\$ 21,035,770	\$ 22,907,739	\$ 28,142,100	\$ 24,545,757	\$ 35,704,788	\$ 39,277,593	\$ 41,618,618	\$ 41,750,837	\$ 41,730,671				
Total Net Debt Applicable to Limit		1,068,914	952,584	831,924	12,618,324	13,503,375	12,341,549	11,902,295	11,757,295	11,602,000	11,282,000				
Legal Debt Margin		\$ 18,984,343	\$ 20,083,186	\$ 22,075,815	\$ 15,523,776	\$ 11,040,382	\$ 23,363,239	\$ 27,375,298	\$ 29,861,323	\$ 30,148,837	\$ 30,448,671				
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		5.33%	4.53%	3.63%	44.84%	55.02%	34.57%	30.30%	28.25%	27.79%	27.04%				

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

a Limit set by NISA 18A.24-19 for a K through 12 district, other % limits would be applicable for other district types.

**MAYWOOD BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2010	7.7%	N/A	N/A
2009	7.5%	\$ 64,388	9,144
2008	4.2%	68,541	9,112
2007	3.2%	67,113	9,139
2006	3.6%	63,021	9,181
2005	3.4%	56,963	9,289
2004	3.7%	54,669	9,376
2003	4.5%	51,291	9,409
2002	4.5%	51,931	9,449
2001	3.3%	52,102	9,481

Source: United States Bureau of Census  
School District Records

(1) Bergen County Per Capita Income

MAYWOOD BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

	2011		2002	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

**MAYWOOD BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**FOR THE LAST SIX FISCAL YEARS**  
**(Unaudited)**

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction						
Regular	52	52	52	52	52	52
Special Education	5	5	5	5	2	2
Other Special Education	26	25	29	33	27	25
Vocational						
Other Instruction						
Nonpublic School Programs						
Adult/Continuing Education Programs						
Support Services:						
Student and Instruction Related Services	1	1	1	1	1	2
General Administration	2	1	2	2	2	2
School Administrative Services	1	1	2	2	2	2
Other Administrative Services	9	9	9	9	9	9
Central Services	4	4	4	4	4	4
Administrative Information Technology	-	-	-	-	-	-
Plant Operations And Maintenance	10	11	13	13	13	11
Pupil Transportation	-	-	-	-	-	-
Other Support Services	1	1	1	1	1	1
Special Schools						
Food Service						
Child Care	-	-	-	-	-	-
<b>Total</b>	<u>111</u>	<u>110</u>	<u>118</u>	<u>122</u>	<u>113</u>	<u>110</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

MAYWOOD BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2002	849	\$ 11,483,697	\$ 13,526	9.31%	79.00	1:11	N/A	N/A	849	816	3.03%	96.11%
2003	805	12,432,256	15,444	14.18%	72.00	1:13	N/A	N/A	843	809	-0.71%	95.97%
2004	802	13,169,379	16,421	6.33%	76.00	1:13	N/A	N/A	803	774	-4.74%	96.39%
2005	813	14,272,788	17,556	6.91%	77.00	1:14	N/A	N/A	811	777	1.00%	95.81%
2006	813	14,385,228	17,694	0.79%	79.00	1:14	N/A	N/A	813	813	0.25%	100.00%
2007	858	15,345,816	17,885	1.07%	81.00	1:11	N/A	N/A	858	822	5.54%	95.80%
2008	845	16,706,534	19,771	10.55%	90.00	1:11	N/A	N/A	845	813	-1.52%	96.21%
2009	907	17,002,633	18,746	-5.18%	86.00	1:11	N/A	N/A	907	870	6.84%	95.92%
2010	931	17,764,159	19,081	1.79%	82.00	1:11	N/A	N/A	931	892	2.65%	95.81%
2011	927	18,019,227	19,438	1.87%	83.00	1:11	N/A	N/A	927	887	-0.43%	95.69%

Sources: District records

Note: a Enrollment based on annual October district count.  
 b Operating expenditures equal total expenditures less debt service and capital outlay.  
 c Cost per pupil represents operating expenditures divided by enrollment.

MAYWOOD BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>District Building</b>										
<u>Elementary</u>										
Square Feet	29,919	29,919	29,919	29,919	29,919	29,919	46,191	46,191	46,191	46,191
Capacity (students)	212	212	212	212	212	212	395	395	395	395
Enrollment		285	297	292	356	394	403	403	435	442
<u>Middle School</u>										
Square Feet	91,495	91,495	91,495	91,495	91,495	91,495	91,495	91,495	91,495	91,495
Capacity (students)	548	548	548	548	548	548	548	548	548	548
Enrollment		564	546	518	453	464	474	504	496	485

Number of Schools at June 30, 2011

- Elementary = 1
- Middle School = 1
- Senior High School = -
- Other = -

Source: District Records

MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
School Facilities										
Maywood Ave. School	\$ 123,056	\$ 155,659	\$ 174,399	\$ 310,821	\$ 221,535	\$ 188,118	\$ 312,542	\$ 194,198	\$ 171,541	\$ 345,798
Memorial School	87,196	125,097	101,998	128,206	72,668	61,515	116,780	97,979	55,148	111,169
Grand Total	\$ 210,252	\$ 280,756	\$ 276,397	\$ 439,027	\$ 294,203	\$ 249,633	\$ 429,322	\$ 292,177	\$ 226,689	\$ 456,967

Source: District records

Note:

Beginning in fiscal year 2001, the New Jersey Department of Education required Districts to report maintenance expenditures by location, therefore, ten years of data is not required or available.

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
AS OF JUNE 30, 2011  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Zurich Insurance Fund		
Property	\$ 42,713,653	\$ 2,500
EDP	Included	1,000
Boiler & Machinery	Included	5,000
Crime Coverage	50,000	1,000
Comprehensive General Liability	2,000,000	
Bodily Injury & Property Damage	2,000,000	
Personal Injury & Advertising Injury	1,000,000	
Employee Benefit Liability	1,000,000	
Automobile		
Combined Single Limit for Bodily Injury	1,000,000	
Uninsured/Underinsured Motorists	1,000,000	
Medical Payments	5,000	
Public Employees' Faithful Performance Blanket	500,000	

Source: School District's records

**SINGLE AUDIT SECTION**



**LERCH, VINCI & HIGGINS, LLP**

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EDWARD N. KERE, CPA

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

Honorable President and Members  
of the Board of Trustees  
Maywood Board of Education  
Maywood, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maywood Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Maywood Board of Education's basic financial statements and have issued our report thereon dated September 14, 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 audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

Management of the Maywood Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Maywood Board of Education'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 Maywood Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maywood Board of Education'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Maywood Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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.

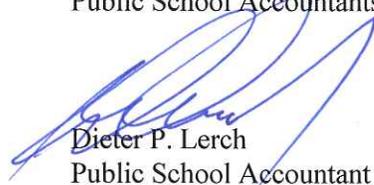
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Maywood Board of Education'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 Government Auditing Standards and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
September 14, 2011

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

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EDWARD N. KERE, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

### Independent Auditor's Report

Honorable President and Members  
of the Board of Trustees  
Maywood Board of Education  
Maywood, New Jersey

### Compliance

We have audited the Maywood Board of Education's compliance 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 OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Maywood Board of Education's major federal and state programs for the fiscal year ended June 30, 2011. Maywood Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Maywood Board of Education's management. Our responsibility is to express an opinion on Maywood Board of Education'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; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars 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 or state program occurred. An audit includes examining, on a test basis, evidence about Maywood Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Maywood Board of Education's compliance with those requirements.

In our opinion, Maywood Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

### Internal Control Over Compliance

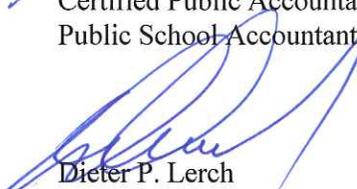
Management of Maywood Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Maywood Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the 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 Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board'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 program 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 was not designed to 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 management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
 LERCH, VINCI & HIGGINS, LLP  
 Certified Public Accountants  
 Public School Accountants

  
 Dieter P. Lerch  
 Public School Accountant  
 PSA Number CS00756

Fair Lawn, New Jersey  
 September 14, 2011

MAYWOOD BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Accounts Receivable	June 30, 2011 Deferred Revenue	Due to Grantor
<b>U.S. Dept. of Agriculture Passed-through State Department of Education</b>												
<b>Food Service Fund</b>												
Non-Cash Assistance (Food Distribution Program)	10.550	N/A	7/1/10-6/30/11	\$ 9,912			\$ 9,912	\$ 9,912				
National School Lunch Program Cash Assistance	10.555	N/A	7/1/09-6/30/10	72,655	\$ (7,282)		7,282					
National School Lunch Program Cash Assistance	10.555	N/A	7/1/10-6/30/11	73,884			67,476	73,884		\$ (6,408)		
Total U.S. Department of Agriculture					(7,282)		84,670	83,796		(6,408)		
<b>U.S. Department of Education</b>												
<b>General Fund</b>												
Impact Aid:												
Education Job Funds	84.410A	N/A	07/1/10-6/30/11	49,563			2,767	2,767				
Medicaid Assistance	93.778	N/A	7/1/10-6/30/11	2,767								
Total General Fund							2,767	2,767				
<b>U.S. Department of Education Passed- through State Dept. of Education</b>												
<b>Special Revenue Fund</b>												
Title I, C/O												
Title I	84.010a	NCLB306010	9/1/09-8/31/10	93,053	(16,962)		16,962			(19,186)		
Title II - A, C/O	84.010a	NCLB306011	9/1/10-8/31/11	85,979			66,793	85,979				
Title II - A	84.281a	NCLB306010	9/1/09-8/31/10	29,136	(6,562)		6,562			(7,220)		
Title II - A	84.281a	NCLB306011	9/1/10-8/31/11	29,667			22,447	29,667		(165)		
Title II - D	84.281b	NCLB306011	9/1/10-8/31/11	165				165		(551)		
Title III		NCLB306011	9/1/10-8/31/11	11,562			11,011	11,562				
Title IV, C/O	84.340a	NCLB306010	9/1/09-8/31/10	3,802	(2,772)		2,772			(3,057)		
ARRA - Title I	84.389	ARRA306010	9/1/09-8/31/11	30,657	(8,896)		22,540	16,701		(5,989)		
ARRA - IDEA Part B	84.391	ARRA306010	9/1/09-8/31/11	251,280	(32,634)		110,789	84,144		(40)		
ARRA - Preschool Grants	84.392	ARRA306010	9/1/09-8/31/11	9,079			9,039	9,079				
Early Childhood Special Education Study	N/A	N/A	7/1/2009-6/30/10	2,000			60				\$ 60	
IDEA Part B, Basic	84.027a	IDEA093004	9/1/09-8/31/10	251,767	(21,556)		21,556					
IDEA Part B, Basic	84.027a	IDEA093004	9/1/10-8/31/11	259,309			252,190	259,309		(7,119)		
IDEA Preschool	84.173	IDEA093004	9/1/10-8/31/11	10,335			10,335	10,335				
Total Special Revenue Fund					(89,582)		553,056	506,941		(43,327)		60
Total Federal Financial Assistance					(96,664)		\$ 640,493	\$ 593,504		\$ (49,735)		\$ 60



**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Maywood Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal 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 are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$66,901 for the general fund and \$-0- for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 2,767	\$ 1,745,493	\$ 1,748,260
Special Revenue Fund	506,941		506,941
Capital Projects		95,285	95,285
Food Service Fund	<u>83,796</u>	<u>3,145</u>	<u>86,941</u>
Total Financial Assistance	<u>\$ 593,504</u>	<u>\$ 1,843,923</u>	<u>\$ 2,437,427</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$408,709 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. The amount reported as TPAF Pension System NCGI Premiums in the amount of \$17,281 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$362,048 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

MAYWOOD BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor’s Results

**Financial Statement Section**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?                      yes       X       none reported

Noncompliance material to the basic financial statements noted?                      yes       X       no

**Federal Awards Section**

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?                      yes       X       none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))?                      yes       X       none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.391</u>	<u>ARRA - IDEA Part B, Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>84.027a</u>	<u>IDEA Part B, Basic</u>
<u>                    </u>	<u>                    </u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300.000

Auditee qualified as low-risk auditee?       X       yes                      no

MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes  no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? \_\_\_\_\_ yes  none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>11-495-034-5120-011</u>	<u>Special Education Aid</u>
<u>11-495-034-5120-002</u>	<u>TPAF Social Security</u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

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

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

***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*.

There are none.

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part 3 – Schedule of Federal and State Award 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 state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**MAYWOOD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL 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.

**STATUS OF PRIOR YEAR FINDINGS**

There are none.