

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

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

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

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## **Introductory Section**

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

November 1, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Mahwah Township School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mahwah Township School District as of June 30, 2015, and the respective changes in financial positions and cash flows, where applicable, thereof for the year ended in conformity with the accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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The District provides a full range of educational services appropriate to grade levels K through 12. These services include regular and vocational as well as special education for handicapped youngsters. The District provides a pre-school program and also provides a pre-school program for special education students for a total of 73 students. The District completed the 2014-2015 fiscal year with an enrollment of 3,079 students, which is 98 fewer students than the previous year's enrollment. In addition, 70 students are sent to out-of-district special education programs. The following table details the changes in the student enrollment of the District.

Average Daily Enrollment as of June 30

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	3,079	(3.08)%
2013-2014	3,177	(1.39)%
2012-2013	3,222	(2.33)%
2011-2012	3,299	(2.07)%
2010-2011	3,369	(2.20)%
2009-2010	3,445	(1.10)%
2008-2009	3,484	0.81%
2007-2008	3,456	1.24%
2006-2007	3,420	1.24%
2005-2006	3,378	1.50%
2004-2005	3,328	1.00%
2003-2004	3,295	2.00%
2002-2003	3,230	3.89%
2001-2002	3,109	4.47%
2000-2001	2,976	3.05%
1999-2000	2,888	5.64%
1998-1999	2,734	5.15%
1997-1998	2,600	7.52%
1996-1997	2,418	4.40%
1995-1996	2,316	5.65%
1994-1995	2,192	2.00%
1993-1994	2,149	0.90%
1992-1993	2,130	4.70%
1991-1992	2,035	6.30%
1990-1991	1,915	4.90%

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

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

**4) DISTRICT INFORMATION:**

Ninety-five percent of the Class of 2015 is pursuing higher education.

**Post Graduation Plans**

	2015	2014	2013
<b>Total Graduates</b>	<b>253</b>	<b>286</b>	<b>242</b>
Post Secondary Ed.	(241) 95.3%	(274) 95.8%	(238) 98.3%
<b>4- Yr. Colleges</b>	<b>(211) 83.3%</b>	<b>(245) 85.7%</b>	<b>(184) 76.0%</b>
2- Yr. Colleges	(30) 11.9%	(27) 9.5%	(35) 14.4%
<b>Other</b>	<b>(12) 4.8%</b>	<b>(14) 4.8%</b>	<b>(3) 1.2%</b>



## College Data

Mahwah High School students will be attending college in the following states in the fall.

State	# of Students Attending	State	# of Students Attending
NJ	81	FL	3
NY	34	WV	2
PA	30	IN	1
MA	13	HI	1
CT	12	ME	1
RI	12	OK	1
MD	8	CO	1
SC	6	MI	1
DE	4	AZ	1
VA	4	TN	1
VT	4		
DC	3		
CA	3		

**Advanced Placement Testing**  
**199 Students took 445 exams in**  
**23 academic subjects in May 2015**  
**83.9% of the students scored 3 or better**

AP COURSE	Average Score
<b>Biology</b>	<b>3.0</b>
<b>Calculus AB</b>	<b>3.0</b>
<b>Calculus BC</b>	<b>4.5</b>
<b>Chemistry</b>	<b>3.6</b>
<b>Computer Science</b>	<b>4.1</b>
<b>English Language &amp; Composition</b>	<b>4.1</b>
<b>English Literature &amp; Composition</b>	<b>3.4</b>
<b>European History</b>	<b>2.6</b>
<b>Environmental Science</b>	<b>2.7</b>
<b>French Language &amp; Culture</b>	<b>3.1</b>
<b>Macroeconomics</b>	<b>3.5</b>
<b>Microeconomics</b>	<b>3.8</b>
<b>Music Theory</b>	<b>3.4</b>
<b>Physics C- E&amp;M</b>	<b>3.7</b>
<b>Physics C- Mechanics</b>	<b>3.4</b>
<b>Psychology</b>	<b>3.4</b>
<b>Spanish Language &amp; Culture</b>	<b>4.8</b>
<b>Statistics</b>	<b>3.4</b>
<b>Studio Art: 2-D Design</b>	<b>3.2</b>

<b>Studio Art: 3-D Design</b>	<b>3.8</b>
<b>United States Government &amp; Politics</b>	<b>2.5</b>
<b>US History</b>	<b>3.5</b>
	<b>3.3</b>

### Class of 2015 - College Matriculation

College/University	#	College/University	#
American University	1	Pennsylvania State University, University Park	4
Arcadia University	1	Philadelphia University	1
Arizona State University	1	Princeton University	1
Bentley University	1	Providence College	1
Bergen Community College	19	Queens College of the CUNY	1
Binghamton University	1	Quinnipiac University	4
Boston College	1	Ramapo College of New Jersey	9
Boston University	2	Rensselaer Polytechnic Institute	1
Bowdoin College	1	Richmond, The American University in London	1
Brown University	1	Rider University	1
Bryant University	2	Rochester Institute of Technology - Croatia	1
Carnegie Mellon University	1	Roger Williams University	2
Centenary College	1	Rowan University	1
Coastal Carolina University	3	Rutgers University-New Brunswick	9
College of Charleston	1	Rutgers at Newark	1
College of the Holy Cross	1	Sacred Heart University	1
Cornell University	1	Saint Joseph's University	2
Delaware Valley College	1	Salisbury University	3
Dominican College	2	Salve Regina University	2
Drexel University	1	Seton Hall University	2
Emerson College	1	St. Thomas Aquinas College	1
Fairfield University	2	State University of New York at New Paltz	1
Florida State University	1	Stetson University	1
Fordham University	2	Stevens Institute of Technology	2
Gettysburg College	1	Stockton University	2
Hawaii Pacific University	1	Stony Brook University	1
Hofstra University	1	SUNY College at Cortland	2
Hope College	1	Susquehanna University	1
Iona College	2	Syracuse University	2
Ithaca College	1	Temple University	1
James Madison University	2	The Art Institute of California -- San Francisco	1
Kean University	3	The College of New Jersey	8
Kutztown University of Pennsylvania	1	The George Washington University	2
Lehigh University	2	The University of Scranton	1
Liberty University	1	The University of Tampa	1
LIM College	1	The University of the Arts	2
Lincoln Technical Institute	1	Towson University	2
Long Island University, Brooklyn	2	Trinity College	1

Loyola University Maryland	2	Iufts University	1
Manhattan College	1	United States Naval Academy	1
Mansfield University of Pennsylvania	1	University of California, Berkeley	2
Marist College	6	University of Colorado at Boulder	1
Mercy College	1	University of Connecticut	1
Monmouth University	5	University of Delaware	4
Montclair State University	4	University of Hartford	1
Montserrat College of Art	1	University of New Haven	2
Moravian College	1	University of Notre Dame	1
Mount Ida College	1	University of Pittsburgh	1
Muhlenberg College	2	University of Rhode Island	4
New Jersey Institute of Technology	5	University of South Carolina	2
New York University	3	University of Vermont	3
North Bennet Street School	1	Vanderbilt University	1
Northeastern University	2	Villanova University	2
Norwich University	1	Virginia Tech	1
Oklahoma State University	1	West Virginia University	2
Pace University, New York City	1	Western New England University	1
Pennsylvania State University, Harrisburg	2	William Paterson University	7
Penn State Univ, Schreyer Honors College	1		

**5) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as adjusted appropriations and are reported as reservations of fund balance at June 30, 2015.

**7) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The

System of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note I.

**8) DEBT ADMINISTRATION:** At June 30, 2015, the District's outstanding debt issues included \$13,202,000 of general obligation bonds.

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

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

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

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

Respectfully submitted,

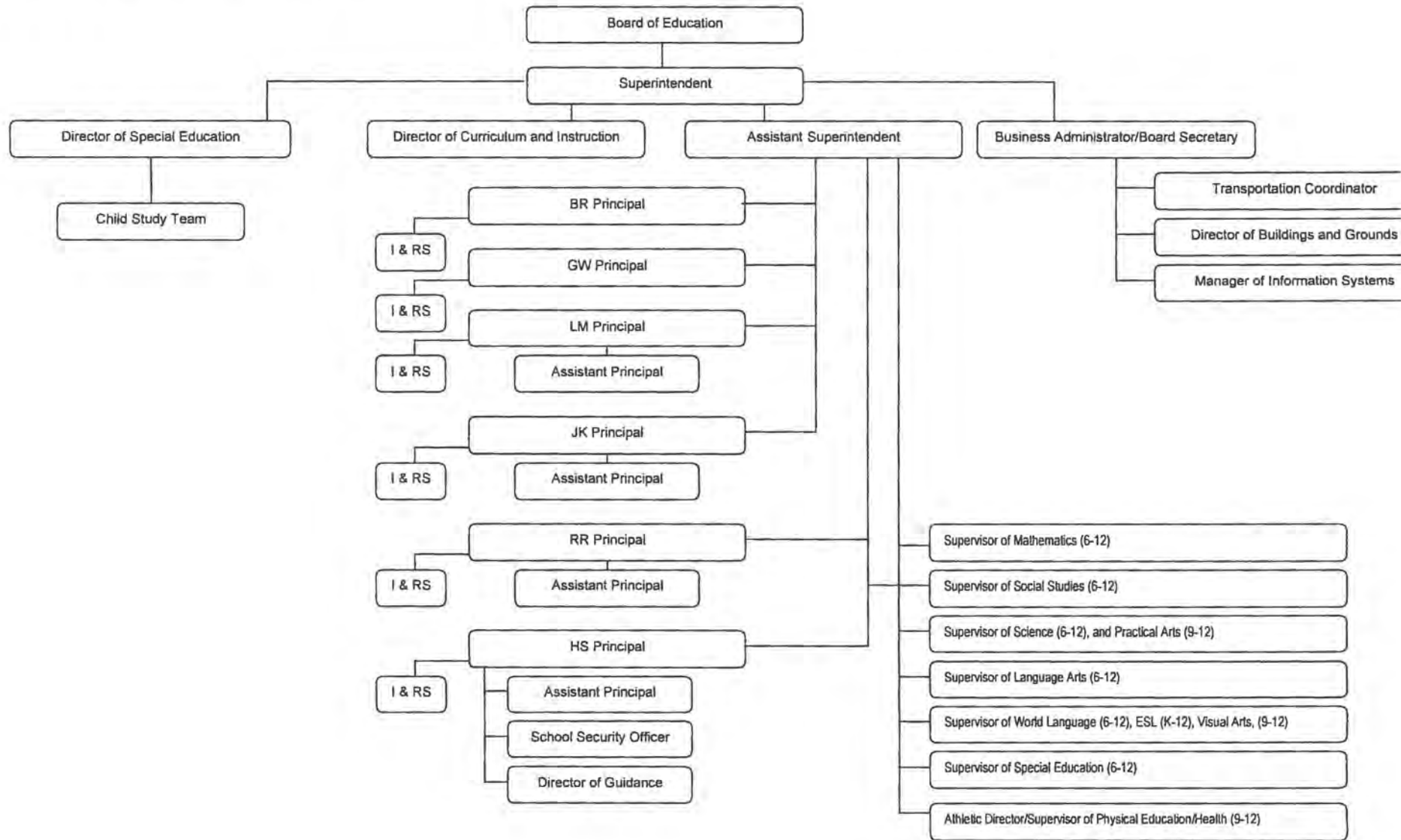


Dr. C. Lauren Schoen  
Superintendent



Kyle J. Bleeker  
Board Secretary/Business Administrator

# ORGANIZATIONAL CHART – 2014-2015



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

**ROSTER OF OFFICIALS  
JUNE 30, 2015**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Christine Davis, President	2015
Charles Saldarini, 1st Vice President	2016
John Dolan, 2 <sup>nd</sup> Vice President	2015
Kim Barron	2017
Suzanne Curry	2016
Douglas D'Angelo	2016
Richard De Silva, Jr.	2017
John Dinice	2017
John Ebanietti	2015

**Other Officials**

C. Lauren Schoen, Ed.D., Superintendent of Schools

Edward J. Deptula, Business Administrator/Board Secretary

Kenneth Sesholtz, Treasurer

**Consultants and Advisors**

**Architect Firm**

Tokarski & Millemann Architects, LLC  
228 Brick Boulevard, 2<sup>nd</sup> Floor  
Brick, NJ 08724

**Audit Firm**

T. M. Vrabel & Associates, LLC  
350 Main Road, Suite 104  
Montville, NJ 07045

**Attorneys**

Schwartz Simon Edelstein Celso, LLC  
100 S. Jefferson Road, Suite 200  
Whippany, NJ 07981

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

**Risk Management Consultants**

Brown & Brown Benefit Advisors  
80 Lambert Lane, Suite 140  
Lambertville, NJ 08530

PIA McCarthy Forde, LLC  
429 Hackensack Street  
Carlstadt, NJ 07072

**Athletic Training Services**

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

**Official Depository**

TD Bank  
One Interstate Shopping Center  
Ramsey, NJ 07446

## **Financial Section**



## **Independent Auditor's Report**

# *T. M. Vrabel & Associates, LLC*

## *Accountants and Auditors*

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

### INDEPENDENT AUDITOR'S REPORT

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

#### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mahwah School District as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for

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*Email: tmvrabel@vc@optonline.net*

the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information the Township of Mahwah School District as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Page 14 through 20 and budgetary comparison information of schedules C-1 and C-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

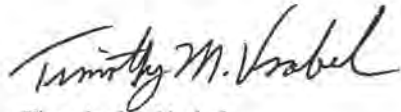
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mahwah School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, statistical tables and the Schedules of Expenditures of Federal Awards and State Financial Assistance 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated July 17, 2015 on our consideration of the Township of Mahwah School District's internal control over financial reporting and on out 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 compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Township of Mahwah School District's internal control over financial reporting and compliance.



Timothy M. Vrabel  
Public School Accountant  
License No. CS000689



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

Montville, New Jersey  
July 17, 2015

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART I**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Township of Mahwah School District financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 23.

### FINANCIAL HIGHLIGHTS

- The District's net position increased \$2,196,000 as a result of this year's operations. Net position of our business-type activities decreased by \$7,000, or 3.1 percent, and net position of our governmental activities increased by \$2,203,000 or 6.9 percent.
- Total cost of all of the District's programs was \$65,724,000 in 2014-2015 compared to \$65,501,000 in 2013-2014.
- During the year, the District had expenses for governmental activities that were \$415,000 less than the \$66,756,000 generated in tax and other program revenues.

### USING THIS ANNUAL REPORT

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

#### Reporting the District as a Whole

##### The Statement of Net Position and the Statement of Activities

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

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

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

- Governmental activities: most of the District's basic services are reported here, including general administration, local taxes, tuition and state and federal aid finance most of these activities.
- Business-type-activities: the District has one proprietary fund as shown on pages 31, 32 and 33.

## Reporting the District's Most Significant Funds

### Fund Financial Statements

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

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

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

### The District as Trustee

#### Reporting the District's Fiduciary Responsibilities

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

## THE DISTRICT AS A WHOLE

The District's *combined* net position changed from a year ago, *increasing* from 31.893 to 34.089 million. Looking at the net position and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental and business-type activities as of June 30, 2015.

**Table 1**  
**Net Position (in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	14,458	14,895	227	224	14,685	15,119
Long term receivables					-	-
Capital assets	<u>36,193</u>	<u>35,636</u>	<u>23</u>	<u>26</u>	<u>36,216</u>	<u>35,662</u>
Total assets	<u>50,651</u>	<u>50,531</u>	<u>250</u>	<u>250</u>	<u>50,901</u>	<u>50,781</u>
Long-term debt outstanding	16,570	18,601			16,570	18,601
Other liabilities	<u>208</u>	<u>260</u>	<u>33</u>	<u>28</u>	<u>241</u>	<u>288</u>
Total liabilities	<u>16,778</u>	<u>18,861</u>	<u>33</u>	<u>28</u>	<u>16,811</u>	<u>18,889</u>
Net position:						
Net investment in capital assets	22,991	20,439	23	26	23,014	20,465
Restricted	12,851	13,225			12,851	13,225
Unrestricted (deficit)	<u>(1,969)</u>	<u>(1,994)</u>	<u>193</u>	<u>197</u>	<u>(1,776)</u>	<u>(1,797)</u>
Total net position	<u>33,873</u>	<u>31,670</u>	<u>216</u>	<u>223</u>	<u>34,089</u>	<u>31,893</u>

Net position of the District's governmental activities increased by 7.0 percent. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by \$25,000. Restricted net position, those restricted mainly for capital projects decreased by \$374,000. Both net position categories benefited from increased economic activity, which resulted in actual revenues exceeding budgeted revenues. The investment in capital assets, net of debt category increased by \$2,552,000.



**Table 2**  
**Changes in Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<u>Revenues</u>						
Program revenues:						
Charges for Services	583	659	818	823	1,401	1,482
Operating Grants and Contributions	7,529	7,912	191	195	7,720	8,107
General revenues:						
Property Taxes	58,121	56,942			58,121	56,942
Federal and State Aid	171	1,214			171	1,214
Interest and Investment Earnings	27	25			27	25
Other General Revenues	481	(605)	-	-	481	(605)
<b>Total Revenues</b>	<b>66,912</b>	<b>66,147</b>	<b>1,009</b>	<b>1,018</b>	<b>67,921</b>	<b>67,165</b>
<u>Program expenses including indirect expenses</u>						
Instruction:						
Regular	23,679	23,573			23,679	23,573
Special	7,279	7,337			7,279	7,337
Other instructiton	3,210	3,150			3,210	3,150
Support services:						
Tuition	4,337	3,804			4,337	3,804
Student and instruction related services	9,564	9,022			9,564	9,022
School administrative services	3,395	3,422			3,395	3,422
General and business administrative services	3,017	3,308			3,017	3,308
Plant operations and maintenance	5,849	6,598			5,849	6,598
Pupil transportation	3,716	3,555			3,716	3,555
Charter Schools					-	-
SDA Debt Service Assessment	80	80			80	80
Interest on long-term debt	583	659			583	659
Business-type activities:						
Food Services	-	-	1,015	993	1,015	993
<b>Total Expenses</b>	<b>64,709</b>	<b>64,508</b>	<b>1,015</b>	<b>993</b>	<b>65,724</b>	<b>65,501</b>
<b>Increase (Decrease) in Net Position</b>	<b>2,203</b>	<b>1,639</b>	<b>(6)</b>	<b>25</b>	<b>2,197</b>	<b>1,664</b>

**THE DISTRICT'S FUNDS****Governmental Activities****Table 3**

Information below compares revenues and expenditures for all governmental fund types for 2014-2015 and 2013-2014.

(\$000 omitted)			
<u>Revenues by Source:</u>	<u>2014-2015</u>	<u>2013-2014</u>	<u>% Change</u>
Local Tax Levy	58,705	57,601	1.92%
Interest Earned to Investments	27	24	12.50%
Miscellaneous	392	378	100.00%
Total - Local Sources	59,124	58,003	1.93%
State Sources	6,588	8,151	-19.18%
Federal Sources	1,044	897	16.39%
Total Revenues	<u>66,756</u>	<u>67,051</u>	-0.44%

(\$000 omitted)			
<u>Expenditures by Function:</u>	<u>2014-2015</u>	<u>2013-2014</u>	<u>% Change</u>
Current:			
Regular Instruction	16,975	16,642	2.00%
Special education	5,451	5,389	1.15%
Other instruction	2,422	2,379	1.81%
Support Services and undistributed costs:			
Tuition	4,337	3,804	14.01%
Student and instruction related services	7,585	6,994	8.45%
School administrative services	2,479	2,492	-0.52%
General and Business administrative services	2,498	2,732	-8.57%
Plant operations and maintenance	5,583	6,312	-11.55%
Pupil transportation	3,546	3,370	5.22%
Employee Benefits	11,604	11,924	-2.68%
Capital Outlay	2,083	1,901	9.57%
Debt Service:			
Principal	1,995	1,950	2.31%
Interest on long-term debt	613	690	-11.16%
Total Expenditures	<u>67,171</u>	<u>66,579</u>	0.89%

## Business-type Activities

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

**Table 4**

(\$000 omitted)

	<u>Food Service</u>
Total Assets	250
Net Position	216
Change in Net Position	-7
Return on Ending Total Assets	-2.80%
Return on Ending Net Position	-3.24%

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

**Table 5**

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	535	535			535	535
Land Improvements	2,149	2,149			2,149	2,149
Buildings	58,113	57,561			58,113	57,561
Machinery and Equipment	4,448	4,134	151	143	4,599	4,277
Construction-in-progress	789	-	-	-	789	-
Subtotal	66,034	64,379	151	143	66,185	64,522
Accumulated Depreciation	<u>(29,841)</u>	<u>(28,743)</u>	<u>(128)</u>	<u>(117)</u>	<u>(29,969)</u>	<u>(28,860)</u>
Totals	<u>36,193</u>	<u>35,636</u>	<u>23</u>	<u>26</u>	<u>36,216</u>	<u>35,662</u>

This year's major additions in the Governmental Activities included acquisition of various equipment.

The District's 2015-2016 capital budget anticipates a spending level of \$0.00. More detailed information about the District capital assets is presented in Note III:C. to the basic financial statements

## DEBT

At year – end the District had total debt of \$20,025,000 outstanding versus \$15,197,000 last year – a decrease of 31.7 percent – as shown in Table 6.

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

	Governmental Activities	
	2015	2014
Serial Bonds	2,025	15,197
Loans		
Lease Purchase Agreement		
Temporary Notes		
Authorized but not Issued	-	-
	<u>2,025</u>	<u>15,197</u>

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

## BUDGETS

The significant variances between the originally adopted budget for the year 2014-2015 and the final budget were caused by the treatment of encumbrances that are added to the original budget and the appropriation of Capital Reserve funds in the amount of \$341,630.00. In addition, transfers are made during the year to cover necessary expenditures without causing any budgetary line to have a negative balance.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

## **BASIC FINANCIAL STATEMENTS**

**Section A**

**DISTRICT – WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Statement of Net Position  
June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,469,110.87	\$ 193,409.67	\$ 6,662,520.54
Receivables, net	1,652,256.54	11,988.68	1,664,245.22
Interfund receivable	10,000.00	64.95	10,064.95
Inventory		21,009.06	21,009.06
Restricted assets:			
Cash and cash equivalents	259,989.13		259,989.13
Capital reserve account - cash	6,067,270.74		6,067,270.74
Capital assets, net (Note III.C.):	<u>36,192,660.28</u>	<u>23,417.03</u>	<u>36,216,077.31</u>
Total Assets	<u>50,651,287.56</u>	<u>249,889.39</u>	<u>50,901,176.95</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>899,007.00</u>		<u>899,007.00</u>
Total Deferred Outflows of Resources	<u>899,007.00</u>		<u>899,007.00</u>
<b>LIABILITIES</b>			
Accounts payable		13,590.21	13,590.21
Interfunds payable	64.95		64.95
Payable to state government	3,621.39		3,621.39
Bond interest payable	204,805.49		204,805.49
Unearned revenue	3.80	19,886.02	19,889.82
Noncurrent liabilities (Note IV.B.):			
Due within one year	2,163,882.00		2,163,882.00
Due beyond one year	<u>26,316,952.00</u>	<u>-</u>	<u>26,316,952.00</u>
Total liabilities	<u>28,689,329.63</u>	<u>33,476.23</u>	<u>28,722,805.86</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>1,185,865.00</u>		<u>1,185,865.00</u>
Total Deferred Inflows of Resources	<u>1,185,865.00</u>		<u>1,185,865.00</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,990,660.28	23,417.03	23,014,077.31
Restricted for:			
Capital projects	7,096,559.70		7,096,559.70
Debt service	(203,300.18)		(203,300.18)
Other purposes	5,957,684.06		5,957,684.06
Unrestricted	<u>(14,166,503.93)</u>	<u>192,996.13</u>	<u>(13,973,507.80)</u>
Total Net Position	<u>\$ 21,675,099.93</u>	<u>\$ 216,413.16</u>	<u>\$ 21,891,513.09</u>

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

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Statement of Activities  
For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
Instruction:							
Regular	\$ 23,688,006.66	\$ -	\$ 2,146,885.27	\$ -	\$ (21,521,321.39)	\$ -	\$ (21,521,321.39)
Special education	7,275,370.07		2,260,679.57		(5,014,690.50)		(5,014,690.50)
Other instruction	3,208,765.28		244,742.71		(2,964,022.57)		(2,964,022.57)
Support services:							
Tuition	4,337,066.56		1,302,506.38		(3,034,560.18)		(3,034,560.18)
Student and instruction related services	9,580,505.22		737,804.92		(8,822,700.30)		(8,822,700.30)
School administrative services	3,393,487.84		278,165.88		(3,115,321.96)		(3,115,321.96)
General and business administrative services	3,016,201.06		147,093.71		(2,869,107.35)		(2,869,107.35)
Plant operations and maintenance	5,848,975.31		71,315.67		(5,777,659.64)		(5,777,659.64)
Pupil transportation	3,715,414.23		340,299.76		(3,375,114.47)		(3,375,114.47)
SDA Debt Service Assessment	79,684.00				(79,684.00)		(79,684.00)
Interest on long-term debt	583,488.56	583,488.56	-		-		-
Total governmental activities	<u>64,686,964.79</u>	<u>583,488.56</u>	<u>7,529,293.87</u>	<u>-</u>	<u>(56,574,182.36)</u>	<u>-</u>	<u>(56,574,182.36)</u>
<b>Business-type activities:</b>							
Food Service	1,014,778.17	818,288.48	190,304.44	-	-	(6,185.25)	(6,185.25)
Total business-type activities	<u>1,014,778.17</u>	<u>818,288.48</u>	<u>190,304.44</u>	<u>-</u>	<u>-</u>	<u>(6,185.25)</u>	<u>(6,185.25)</u>
Total primary government	<u>\$ 65,701,742.96</u>	<u>\$ 1,401,777.04</u>	<u>\$ 7,719,598.31</u>	<u>\$ -</u>	<u>\$ (56,574,182.36)</u>	<u>\$ (6,185.25)</u>	<u>\$ (56,580,367.61)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					\$ 56,096,899.00	\$ -	\$ 56,096,899.00
Property taxes, levied for debt service principal					2,024,327.44		2,024,327.44
Federal and State aid not restricted					171,132.31		171,132.31
Investment Earnings					27,024.98	40.80	27,065.78
Miscellaneous Income					323,407.05		323,407.05
Adjustment to Capital Assets					157,511.63		157,511.63
Total general revenues, special items, extraordinary items and transfers					<u>58,800,302.41</u>	<u>40.80</u>	<u>58,800,343.21</u>
Change in Net Position					2,226,120.05	(6,144.45)	2,219,975.60
Net Position—beginning, as restated					<u>19,448,979.88</u>	<u>222,557.61</u>	<u>19,671,537.48</u>
Net Position—ending					<u>\$ 21,675,099.93</u>	<u>\$ 216,413.16</u>	<u>\$ 21,891,513.09</u>

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



**Section B**

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

Balance Sheet  
Governmental Funds  
June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,595,059.97	\$ (114,770.81)	\$ 259,989.13	\$ (11,178.29)	\$ 6,729,100.00
Interfunds receivable	10,000.00			12,683.60	22,683.60
Receivables from other governments	497,334.54	108,796.00	1,036,526.00		1,642,656.54
Other		9,600.00			9,600.00
Restricted cash and cash equivalents	<u>6,067,270.74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,067,270.74</u>
<b>Total Assets</b>	<b><u>\$ 13,169,665.25</u></b>	<b><u>\$ 3,625.19</u></b>	<b><u>\$ 1,296,515.13</u></b>	<b><u>\$ 1,505.31</u></b>	<b><u>\$ 14,471,310.88</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Interfunds payable	\$ 64.95	\$ -	\$ 12,683.60	\$ -	\$ 12,748.55
Payable to state government		3,621.39			3,621.39
Deferred revenue	<u>-</u>	<u>3.80</u>	<u>-</u>		<u>3.80</u>
<b>Total Liabilities</b>	<b><u>64.95</u></b>	<b><u>3,625.19</u></b>	<b><u>12,683.60</u></b>		<b><u>16,373.74</u></b>
Fund Balances:					
Restricted for:					
Reserved Excess Surplus - Designated for					
Subsequent Year's Expenditures	1,680,659.00				1,680,659.00
Reserve for Excess Surplus	1,783,052.26				1,783,052.26
Capital Reserve Account	6,067,270.74				6,067,270.74
Emergency Reserve	500,000.00				500,000.00
Capital Projects			1,029,288.96		1,029,288.96
Debt Service				1,505.31	1,505.31
Assigned to:					
Other Purposes	1,739,430.23		254,542.57		1,993,972.80
Unassigned	<u>1,399,188.07</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,399,188.07</u>
<b>Total Fund Balances</b>	<b><u>13,169,600.30</u></b>	<b><u>-</u></b>	<b><u>1,283,831.53</u></b>	<b><u>1,505.31</u></b>	<b><u>14,454,937.14</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 13,169,665.25</u></b>	<b><u>\$ 3,625.19</u></b>	<b><u>\$ 1,296,515.13</u></b>	<b><u>\$ 1,505.31</u></b>	

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

Adjustment to Debt Service Fund net position for the accrual of interest expense. (204,805.49)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,033,826.29 and the accumulated depreciation is \$29,841,166.01. 36,192,660.26

Pension liabilities net of deferred outflows and inflows of resources (12,197,919.00)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note IV.B.) (16,569,773.00)

Net position of governmental activities \$ 21,675,099.93

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

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Statement of Revenues, Expenditures, And Changes In Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2016

	<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	\$ 56,096,899.00	\$ -	\$ -	\$ 2,607,816.00	\$ 58,704,715.00
Interest earned on investments	15,299.23		1,242.66		16,541.89
Interest earned on Capital Reserve Funds	10,483.09				10,483.09
Miscellaneous	<u>323,407.05</u>	<u>68,524.54</u>	<u>-</u>	<u>-</u>	<u>391,931.59</u>
Total - Local Sources	56,446,088.37	68,524.54	1,242.66	2,607,816.00	59,123,671.57
State sources	6,560,584.71	27,376.61			6,587,961.32
Federal sources	<u>60,730.32</u>	<u>983,210.00</u>	<u>-</u>	<u>-</u>	<u>1,043,940.32</u>
Total Revenues	<u>63,067,403.40</u>	<u>1,079,111.15</u>	<u>1,242.66</u>	<u>2,607,816.00</u>	<u>66,755,573.21</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	16,720,431.04	254,581.00			16,975,012.04
Special education instruction	4,776,260.98	674,356.00			5,450,616.98
Other instruction	2,421,857.07				2,421,857.07
Support services and undistributed costs:					
Tuition	4,337,066.58				4,337,066.58
Student and instruction related services	7,470,201.12	114,366.15			7,584,567.27
School administrative services	2,478,935.39				2,478,935.39
General and business administrative services	2,498,430.05				2,498,430.05
Plant operations and maintenance	5,582,776.10				5,582,776.10
Pupil transportation	3,546,408.41				3,546,408.41
Unallocated benefits	11,568,122.85	35,808.00			11,603,930.85
Capital outlay	775,133.58		1,307,479.47		2,082,613.05
Debt service:					
Principal				1,995,000.00	1,995,000.00
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>613,355.75</u>	<u>613,355.75</u>
Total Expenditures	<u>62,175,623.13</u>	<u>1,079,111.15</u>	<u>1,307,479.47</u>	<u>2,608,355.75</u>	<u>67,170,569.50</u>
Excess (Deficiency) of revenues over expenditures	<u>891,780.27</u>	<u>-</u>	<u>(1,306,236.81)</u>	<u>(539.75)</u>	<u>(414,996.29)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Transfers in			1,554,785.00	1,242.66	1,556,027.66
Transfers (out)	<u>(1,554,785.00)</u>		<u>(1,242.66)</u>	<u>-</u>	<u>(1,556,027.66)</u>
Total Other Financing Sources and (Uses)	<u>(1,554,785.00)</u>	<u>-</u>	<u>1,553,542.34</u>	<u>1,242.66</u>	<u>-</u>
Net change in fund balances	(863,004.73)	-	247,305.53	702.91	(414,996.29)
Fund Balance—July 1	<u>13,832,805.03</u>	<u>-</u>	<u>1,036,526.00</u>	<u>802.40</u>	<u>14,869,933.43</u>
Fund Balance—June 30	<u>\$ 13,169,600.30</u>	<u>\$ -</u>	<u>\$ 1,283,831.53</u>	<u>\$ 1,505.31</u>	<u>\$ 14,454,937.14</u>

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

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes In Fund Balances of Governmental Funds  
to the Statement of Activities**  
**June 30, 2015**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$ (414,996.29)</b>
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)	
Interest paid	\$ 613,355.75
Interest accrued	<u>(583,488.56)</u>
	29,867.19
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	(1,603,467.53)
Capital outlays (exclusive of capital lease principal payments and SDA Debt Service Assessment)	<u>2,002,929.05</u>
	399,441.52
Adjustment to Capital Assets in accordance with physical appraisal and dispositions	
	157,511.63
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)	
	-
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).	
District pension contributions - PERS	524,459.00
Cost of benefits earned net of employees contributions	<u>(501,713.00)</u>
	22,746.00
Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	
Debt principal	1,995,000.00
Capital lease principal	
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; Issuing debt increases long-term liabilities in the statement of net assets.	
Proceeds of long-term debt	
Capital lease proceeds	
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)	
	-
<b>Change in net position of governmental activities</b>	<b>\$ <u>2,228,120.05</u></b>

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

**PROPRIETARY FUNDS**

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Statement of Net Position  
Proprietary Funds  
June 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 193,409.67	\$ 193,409.67
Accounts receivable	11,988.68	11,988.68
Interfund receivable	64.95	64.95
Inventories	<u>21,009.06</u>	<u>21,009.06</u>
Total Current Assets	<u>226,472.36</u>	<u>226,472.36</u>
Noncurrent assets:		
Furniture, machinery and equipment	151,372.49	151,372.49
Less accumulated depreciation	<u>(127,955.46)</u>	<u>(127,955.46)</u>
Total Noncurrent Assets	<u>23,417.03</u>	<u>23,417.03</u>
Total Assets	<u>249,889.39</u>	<u>249,889.39</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	13,590.21	13,590.21
Unearned revenue	<u>19,886.02</u>	<u>19,886.02</u>
Total Current Liabilities	<u>33,476.23</u>	<u>33,476.23</u>
<b>NET ASSETS</b>		
Net investment in capital assets	23,417.03	23,417.03
Unrestricted	<u>192,996.13</u>	<u>192,996.13</u>
Total Net Position	<u>\$ 216,413.16</u>	<u>\$ 216,413.16</u>

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

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2015

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>Operating Revenues:</b>		
Charges for services:		
Daily sales - reimbursable programs	\$ 479,287.21	\$ 479,287.21
Daily sales - non-reimbursable programs	331,713.41	331,713.41
Special functions	<u>7,287.86</u>	<u>7,287.86</u>
Total Operating Revenues	<u>818,288.48</u>	<u>818,288.48</u>
 <b>Operating Expenses:</b>		
Cost of sales	447,884.39	447,884.39
Salaries	352,451.49	352,451.49
Employee benefits	97,879.23	97,879.23
Other purchased professional services	49,340.42	49,340.42
General supplies	56,586.28	56,586.28
Depreciation	<u>10,636.36</u>	<u>10,636.36</u>
Total Operating Expenses	<u>1,014,778.17</u>	<u>1,014,778.17</u>
Operating Income (Loss)	<u>(196,489.69)</u>	<u>(196,489.69)</u>
 <b>Nonoperating Revenues (Expenses):</b>		
State sources:		
State school lunch program	7,757.81	7,757.81
Federal sources:		
National school lunch program	157,414.20	157,414.20
Food distribution program	25,132.43	25,132.43
Interest and investment revenue	<u>40.80</u>	<u>40.80</u>
Total Nonoperating Revenues (Expenses)	<u>190,345.24</u>	<u>190,345.24</u>
Income (loss) before contributions and transfers	<u>(6,144.45)</u>	<u>(6,144.45)</u>
<b>Transfers in (out)</b>	<u>-</u>	<u>-</u>
Change in net position	<u>(6,144.45)</u>	<u>(6,144.45)</u>
<b>Total Net Position—Beginning</b>	<u>222,557.61</u>	<u>222,557.61</u>
 <b>Total Net Position—Ending</b>	<u>\$ 216,413.16</u>	<u>\$ 216,413.16</u>

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



**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b><u>Food Service</u></b>	<b><u>Totals</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 841,379.99	\$ 841,379.99
Payments to employees	(352,451.49)	(352,451.49)
Payments for employee benefits	(97,879.23)	(97,879.23)
Payments to suppliers	<u>(561,964.95)</u>	<u>(561,964.95)</u>
Net cash provided by (used for) operating activities	<u>(170,915.68)</u>	<u>(170,915.68)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	7,757.81	7,757.81
Federal Sources	<u>182,546.63</u>	<u>182,546.63</u>
Net cash provided by (used for) non-capital financing activities	<u>190,304.44</u>	<u>190,304.44</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	<u>(8,475.00)</u>	<u>(8,475.00)</u>
Net cash provided by (used for) capital and related financing activities	<u>(8,475.00)</u>	<u>(8,475.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	<u>40.80</u>	<u>40.80</u>
Net cash provided by (used for) investing activities	<u>40.80</u>	<u>40.80</u>
Net increase (decrease) in cash and cash equivalents	10,954.56	10,954.56
Balances—beginning of year	<u>182,455.11</u>	<u>182,455.11</u>
Balances—end of year	<u>\$ 193,409.67</u>	<u>\$ 193,409.67</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ (196,489.69)	\$ (196,489.69)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	10,636.36	10,636.36
(Increase) decrease in accounts receivable, net	15,437.42	15,437.42
(Increase) decrease in inventories	(6,039.22)	(6,039.22)
Increase (decrease) in accounts payable	(2,114.64)	(2,114.64)
Increase (decrease) in unearned revenue	<u>7,654.09</u>	<u>7,654.09</u>
Total adjustments	<u>25,574.01</u>	<u>25,574.01</u>
Net cash provided by (used for) operating activities	<u>\$ (170,915.68)</u>	<u>\$ (170,915.68)</u>

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

**FIDUCIARY FUNDS**

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2015**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 591,902.09	\$ 1,083,210.69
Total Assets	<u>\$ 591,902.09</u>	<u>\$ 1,083,210.69</u>
<b>LIABILITIES</b>		
Payable to student groups		\$ 1,034,466.72
Payroll deductions and withholdings		9,463.22
Flexible Spending Account		29,280.75
Payable to district		10,000.00
Total Liabilities		<u>\$ 1,083,210.69</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>\$ 591,902.09</u>	

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

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2015**

	Unemployment Compensation <u>Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ 80,124.72
Other (Board)	-
Total Contributions	<u>80,124.72</u>
Investment earnings:	
Interest	<u>900.44</u>
Net investment earnings	<u>900.44</u>
Total Additions	<u>81,025.16</u>
<b>DEDUCTIONS</b>	
Unemployment claims	<u>89,747.83</u>
Total Deductions	<u>89,747.83</u>
Change in Net Position	(8,722.67)
Net Position—beginning	<u>600,624.76</u>
Net Position—ending	<u>\$ 591,902.09</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Township of Mahwah School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

B. Reporting Entity

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary, one middle and one senior high schools located in Mahwah. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basic Financial Statements- Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements

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

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

- a. The District allocates indirect costs such as on-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

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

D. Basic Financial Statements- Fund Financial Statements

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the GASB criteria are applied to proprietary funds.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

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

The following fund types are used by the District:

Governmental Fund Types

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

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

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

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

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

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

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

Permanent Fund – A permanent fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.



BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

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

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws or other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

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

Proprietary Fund Type

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

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

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

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

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

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

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

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

E. Basis of Accounting

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

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when incurred.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

E. Basis of Accounting (Continued)

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

3. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue, are reported as reductions to expenses in the Statement of Activities.

4. Expenditures:

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control

The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November.

Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f). All budget amendments must be approved by School Board resolution. Appropriation of additional fund balance in the amount of \$341,630.00 and prior year encumbrances in the amount of \$1,693,206.30 were made during the year ended June 30, 2015. The Board of Education approved the following material budgetary appropriation transfers during the school year:

<u>Account Name</u>	<u>Amount</u>
Regular Programs - Instruction	
Grades 9-12 – Salaries of Teachers	\$(100,000.00)
Regular Programs – Undistributed Instruction	
Other Salaries for Instruction	92,000.00
Undistributed Expenditures - Instruction:	
Tuition to CSSD & Regional Day Schools	145,000.00
Tuition to Private Schools for the Disabled – Within State	136,900.00
Tuition to Priv. Sch. Disabled & Other LEAs – Spl. O/S	(124,000.00)
Undist. Expend. – Speech, OT,PT & Related Services	
Purchased Professional – Educational Services	160,000.00
Undist. Expend. – Other Supp. Serv. Students – Extra Serv.	
Salaries of Other Professional Staff	(106,500.00)
Undist. Expend.-Edu. Media Serv/Sch. Library	
Supplies and Materials	143,100.00
Undist. Expend.- Central Services	
Salaries	(86,500.00)
Undist. Expend. – Admin. Info. Technology	
Supplies and Materials	129,000.00
Undist. Expen.-Allowable Maint. For School Facilities	
Cleaning, Repair and Maintenance Services	187,300.00
Undist. Expend. _ Oth. Oper. & Maint. of Plant	
Purchased Professional and Technical Services	(87,800.00)
Natural Gas	(142,000.00)
Energy (Electricity)	(243,000.00)
Undist. Expend. – Student Transportation Serv.	
Contracted Services – Aid in Lieu of Payments-Non Public School	(65,000.00)
Contracted Services (Between Home and School) Vendors	(77,000.00)
Contracted Services (Other than Between Home and School) Vendors	135,000.00
Unallocated Benefits	
Health Benefits	(485,500.00)
Special Education – Instruction:	
Undistributed Expenditures – Admin. Info. Technology	120,500.00
Undistributed Expenditures – Operations of Plant Services	68,000.00
Facilities Acquisition and Construction Services	
Construction Services	341,630.00

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is as follows:

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 63,058,163.40	\$ 1,078,661.15
Difference - budget to GAAP:		
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.	9,240.00	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	450.00
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 63,067,403.40</u>	<u>\$ 1,079,111.15</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 62,175,623.13	\$ 1,078,661.15
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	450.00
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 62,175,623.13</u>	<u>\$ 1,079,111.15</u>

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

2. Short – term Interfund Receivables/Payables

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

3. Inventories

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

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

4. Capital Assets

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

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

Land and Construction in Progress are not depreciated.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets (Continued)

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

5. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. (See Note X)

6. Unearned Revenue

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

7. Long – term Obligations

Long – term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long – term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

8. Fund Equity

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

9. Net Position

Net Position represents the difference between assets and liabilities in the District-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the District-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

10. Use of Estimates

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

11. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.



BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

H. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will have an effect on the entity's financial reporting. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

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

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

At June 30, 2015 the Township of Mahwah School District's cash and cash equivalent's amounted to \$17,707,395.06. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$17,457,395.06 was covered by a collateral pool maintained by the banks as required by GUDPA

At June 30, 2015 the Township of Mahwah School District had no participation in the State of New Jersey Cash Management Fund.

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

As of June 30, 2015 the Township of Mahwah School District's cash and cash equivalents of \$17,707,395.06 was not exposed to custodial credit risk as follows:

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note II: Reconciliation of Government Wide and Fund Financial Statements

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

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

Assets	Balance Sheet/Statement of Net Position			Statement of Net Position Totals
	Total Governmental Funds	Long-term Assets (Liabilities) (1)	Reclassifications and Eliminations	
Cash and cash equivalents	\$ 6,729,100.00	\$ -	\$ (259,989.13)	\$ 6,469,110.87
Receivables, net			1,652,256.54	1,652,256.54
Interfund Receivables	22,683.60		(12,683.60)	10,000.00
Receivables from Other Governments	1,642,656.54		(1,642,656.54)	-
Other Receivables	9,600.00		(9,600.00)	-
Restricted assets:				
Cash and cash equivalents			259,989.13	259,989.13
Capital Reserve Account - cash	6,067,270.74			6,067,270.74
Capital Assets, net	-	36,192,660.28	-	36,192,660.28
Total Assets	14,471,310.88	36,192,660.28	(12,683.60)	50,651,287.56
<u>Deferred Outflows of Resources</u>				
Deferred outflows related to pensions		899,007.00		899,007.00
Total Deferred Outflows of Resources	-	899,007.00	-	899,007.00
Total Assets and Deferred Outflows of Resources	\$ 14,471,310.88	\$ 37,091,667.28	\$ (12,683.60)	\$ 51,550,294.56
<u>Liabilities</u>				
Interfunds Payable	\$ 12,748.55	\$ -	\$ (12,683.60)	\$ 64.95
Payable to State Government	3,621.39			3,621.39
Bond Interest Payable			204,805.49	204,805.49
Unearned Revenue	3.80			3.80
Noncurrent Liabilities	-	25,113,061.00	3,367,773.00	28,480,834.00
Total Liabilities	16,373.74	25,113,061.00	3,559,894.89	28,689,329.63
<u>Deferred Inflows of Resources</u>				
Deferred inflows related to pensions		1,185,865.00		1,185,865.00
Total Deferred Inflows of Resources	-	1,185,865.00	-	1,185,865.00
Total Liabilities and Deferred Inflows of Resources	16,373.74	26,298,926.00	3,559,894.89	29,875,194.63
<u>Fund Balances/Net Position</u>				
<u>Net Position</u>				
Net investment in capital assets		22,990,660.28		22,990,660.28
Restricted for:				
Capital projects	7,096,559.70			7,096,559.70
Debt Service	1,505.31		(204,805.49)	(203,300.18)
Other purposes	5,957,684.06			5,957,684.06
Unrestricted	1,399,188.07	(12,197,919.00)	(3,367,773.00)	(14,166,503.93)
Total Fund Balances/Net Position	14,454,937.14	10,792,741.28	(3,572,578.49)	21,675,099.93
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	\$ 14,471,310.88	\$ 37,091,667.28	\$ (12,683.60)	\$ 51,550,294.56

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note II: Reconciliation of Government Wide and Fund Financial Statements

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

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

Cost of capital assets	\$	66,033,826.29
Accumulated depreciation		<u>(29,841,166.01)</u>
	\$	<u>36,192,660.28</u>

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

Net PERS Pension Liability	\$	11,911,061.00
Deferred outflows related to pensions		(899,007.00)
Deferred inflows related to pensions		<u>1,185,865.00</u>
	\$	<u>12,197,919.00</u>
Serial Bonds	\$	13,202,000.00
Compensated Absences		<u>3,367,773.00</u>
	\$	<u>16,569,773.00</u>

Adjustment to Debt Service Fund net position for the accrual of interest expense.

\$ (204,805.49)

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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

Explanation of Differences between Governmental Funds Operating Statement of Activities

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

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

	Total Governmental Funds	Long - term Revenue, Expenses (2)	Capital Related Items (3)	Long - term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
<b>Revenues and Other Sources</b>						
Local Tax Levy	\$ 38,704,715.00	\$ -	\$ -	\$ -	\$ -	\$ 38,704,715.00
Interest Earned on Investments	27,024.98	-	-	-	-	27,024.98
Miscellaneous	391,931.59	-	-	-	-	391,931.59
State Sources	6,587,961.32	-	-	-	-	6,587,961.32
Federal Sources	1,043,940.32	-	-	-	-	1,043,940.32
Adjustment to Capital Assets	-	-	157,511.63	-	-	157,511.63
<b>Total</b>	<b>66,755,573.21</b>	<b>-</b>	<b>157,511.63</b>	<b>-</b>	<b>-</b>	<b>66,913,084.84</b>
<b>Expenditures</b>						
<b>Current:</b>						
Regular instruction	16,975,012.04	-	1,139,981.42	163,951.03	5,389,052.17	23,668,006.66
Special education	5,450,616.96	-	140,349.17	57,555.62	1,626,848.32	7,275,370.07
Other instruction	2,421,857.07	-	21,887.00	59,223.36	705,797.85	3,208,765.28
<b>Support Services and undistributed costs</b>						
Tuition	4,337,066.56	-	-	-	-	4,337,066.56
Student and instruction related services	7,584,567.27	-	78,779.45	99,263.27	1,797,895.23	9,560,505.22
School administrative services	2,478,935.39	-	59,234.45	53,133.21	802,184.79	3,393,487.84
General and business administrative services	2,498,430.05	-	75,633.76	17,943.11	424,194.14	3,016,201.06
Plant operations and maintenance	5,582,776.10	-	51,826.28	8,710.24	205,662.69	5,848,975.31
Pupil transportation	3,546,408.41	-	35,796.00	5,383.16	127,826.66	3,715,414.23
Unallocated Benefits	11,603,930.85	-	-	-	(11,603,930.85)	-
Capital Outlay	2,082,613.05	-	(2,002,929.05)	-	-	79,684.00
<b>Debt Service:</b>						
Principal	1,995,000.00	-	-	(1,995,000.00)	-	-
Interest	613,355.75	(29,867.19)	-	-	-	583,488.56
<b>Total</b>	<b>67,170,569.50</b>	<b>(29,867.19)</b>	<b>(399,441.52)</b>	<b>(1,529,837.00)</b>	<b>(524,459.00)</b>	<b>64,686,964.79</b>
<b>Net Change for the Year</b>	<b>\$ (414,996.29)</b>	<b>\$ 29,867.19</b>	<b>\$ 556,953.15</b>	<b>\$ 1,529,837.00</b>	<b>\$ 524,459.00</b>	<b>\$ 2,226,120.05</b>

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

\$ 29,867.19

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

Depreciation expense	\$ (1,603,487.53)
Capital outlays (exclusive of capital lease principal payments and SDA Debt Service Assessment)	2,002,929.05
	<u>\$ 399,441.52</u>

3. Adjustment to Capital Assets in accordance with physical appraisal and dispositions

\$ 157,511.63

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

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

\$ 36,530.00

Governmental funds report district pension contributions as expenditures. In the statement of activities, however, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Cost of benefits earned net of employee contributions	(501,713.00)
---	--------------

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

Debt principal	1,995,000.00
Capital lease principal	-
	<u>\$ 1,529,837.00</u>

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

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

5. Allocate Benefits expenditures and eliminate PERS contribution (\$524,459.00)

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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

A. Deposits and Investments (Continued)

Investments

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

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

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

(2) Government money market mutual funds;

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

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

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

(6) Local government investment pools;

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

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

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

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

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

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

The Township of Mahwah School District had no investments as described in Note I:G.1 at June 30, 2015.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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

B. Interfund Receivables and Payables

As of June 30, 2015, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
General Fund	\$10,000.00	\$ 64.95
Special Revenue Fund		
Capital Projects Fund		12,683.60
Debt Service Fund	12,683.60	
Enterprise Fund	64.95	
Trust and Agency Fund	<u>0.00</u>	<u>10,000.00</u>
	<u>\$22,748.55</u>	<u>\$22,748.55</u>

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30, 2015 in the amount of \$1,242.66 was transferred to debt service fund to offset future interest payments to bondholders. Accordingly, an interfund accounts receivable and payable for \$12,683.60 was established in the debt service and capital projects funds, respectively.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirement	Adjustments	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 535,075.00	\$ -	\$ -	\$ -	\$ 535,075.00
Land Improvements	2,149,086.20				2,149,086.20
Construction in Progress	-	789,249.47	-	-	789,249.47
Total Capital assets not being depreciated	<u>2,684,161.20</u>	<u>789,249.47</u>	<u>-</u>	<u>-</u>	<u>3,473,410.67</u>
Buildings and Improvements	57,560,925.41	1,051,624.21	(500,000.00)		58,112,549.62
Machinery and Equipment	4,133,755.00	162,055.37	-	152,055.63	4,447,866.00
Totals at historical cost	<u>61,694,680.41</u>	<u>1,213,679.58</u>	<u>(500,000.00)</u>	<u>152,055.63</u>	<u>62,560,415.62</u>
Less accumulated depreciation for:					
Buildings and Improvements	(26,437,983.48)	(1,355,363.53)	500,000.00		(27,293,347.01)
Machinery and Equipment	(2,305,151.00)	(248,124.00)	5,456.00	-	(2,547,819.00)
Total accumulated depreciation	<u>(28,743,134.48)</u>	<u>(1,603,487.53)</u> (1)	<u>505,456.00</u>	<u>-</u>	<u>(29,841,166.01)</u>
Net capital assets being depreciated	<u>32,951,545.93</u>	<u>(389,807.95)</u>	<u>5,456.00</u>	<u>152,055.63</u>	<u>32,719,249.61</u>
Governmental activities capital assets, net	<u>\$ 35,635,707.13</u>	<u>\$ 399,441.52</u>	<u>\$ 5,456.00</u>	<u>\$ 152,055.63</u>	<u>\$ 36,192,660.28</u>
<b>Business - type activities:</b>					
Equipment	\$ 142,897.49	\$ 8,475.00	\$ -	\$ -	\$ 151,372.49
Less accumulated depreciation	(117,319.10)	(10,636.36)	-	-	(127,955.46)
Business - type activities capital assets, net	<u>\$ 25,578.39</u>	<u>\$ (2,161.36)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,417.03</u>

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

Instruction	\$ 1,139,981.42
Special Education	140,349.17
Other Instruction (Athletic)	21,887.00
Student and Instruction Related Services	78,779.45
School Administrative Services	59,234.45
General and Business Administrative Services	75,633.76
Plant Operations and Maintenance	51,826.28
Pupil Transportation	35,796.00
	<u>\$ 1,603,487.53</u>



BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease copying equipment and postage meter under operating leases which expire in June 2020. Total operating lease payments made during the year ended June 30, 2015 were \$89,844.00. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2016	\$ 85,659.56
June 30, 2017	70,819.56
June 30, 2018	65,779.56
June 30, 2019	39,584.56
June 30, 2020	<u>7,951.56</u>
Total future minimum lease payments	<u>\$ 269,794.80</u>

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Long - Term debt:					
Serial Bonds	\$ 15,197,000.00	\$ -	\$ (1,995,000.00)	\$ 13,202,000.00	\$ 2,025,000.00
Total debt payable	<u>15,197,000.00</u>	<u>-</u>	<u>(1,995,000.00)</u> (1)	<u>13,202,000.00</u>	<u>2,025,000.00</u>
Other liabilities:					
Compensated absences	3,404,323.00	242,429.00	(278,979.00)	3,367,773.00	138,882.00
Total other liabilities	<u>3,404,323.00</u>	<u>242,429.00</u>	<u>(278,979.00)</u> (2)	<u>3,367,773.00</u>	<u>138,882.00</u>
Governmental activities long - term liabilities	<u>\$ 18,601,323.00</u>	<u>\$ 242,429.00</u>	<u>\$ (2,273,979.00)</u>	<u>\$ 16,569,773.00</u>	<u>\$ 2,163,882.00</u>

(1) Paid by debt service fund

(2) Paid by general fund

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2015 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
1997 Bonds	5.10%	7/15	2017	\$13,612,000.00	\$ 2,337,000.00
Refunding of 2009	Various	9/15	2022	7,950,000.00	5,805,000.00
Refunding of 2011	Various	8/15	2023	<u>5,550,000.00</u>	<u>5,060,000.00</u>
				<u>\$27,112,000.00</u>	<u>\$13,202,000.00</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2016	\$ 2,025,000.00	\$ 537,137.00	\$ 2,562,137.00
2017	2,060,000.00	455,387.00	2,515,387.00
2018	2,032,000.00	366,774.75	2,398,774.75
2019	1,335,000.00	293,468.75	1,628,468.75
2020	1,360,000.00	236,650.00	1,596,650.00
2021	1,380,000.00	176,000.00	1,556,000.00
2022	1,380,000.00	113,000.00	1,493,000.00
2023	1,085,000.00	54,375.00	1,139,375.00
2024	<u>545,000.00</u>	<u>13,625.00</u>	<u>558,625.00</u>
	<u>\$13,202,000.00</u>	<u>\$ 2,246,417.50</u>	<u>\$15,448,417.00</u>

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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

B. Long – Term Liabilities (Continued)

2. Temporary Notes

The District had no temporary notes outstanding as of June 30, 2015.

3. Bonds Authorized But Not Issued

There were no authorized but not issued bonds as of June 30, 2015.

4. Capital Leases Payable

The District had no leases payable as of June 30, 2015.

Note V: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$3,463,711.62. The reserved fund balance of \$1,680,659.36 has been appropriated in the fiscal year 2015-2016 and \$1,783,052.26 will be appropriated in the fiscal year 2016-2017.

B. Capital Reserve Account

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

B. Capital Reserve Account (Continued)

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

2000-2001 Budget (Unreserved Fund Balance)	\$ 10,000.00
2001-2002 Investment Income	250.00
2002-2003 Investment Income	200.00
2003-2004 Budget (Tax Levy)	1,200,000.00
2003-2004 Investment Income	125.00
2004-2005 Investment Income	29,861.03
2005-2006 Budget (Unreserved Fund Balance)	713,000.00
2005-2006 Investment Income	79,895.64
2005-2006 Expenditures	(1,033,350.00)
2006-2007 Budget (Unreserved Fund Balance)	250,000.00
2006-2007 Investment Income	60,145.05
2006-2007 Expenditures	(180,235.00)
2007-2008 Budget (Unreserved Fund Balance)	515,000.00
2007-2008 Investment Income	39,088.83
2008-2009 Budget (Unreserved Fund Balance)	1,550,000.00
2008-2009 Investment Income	20,108.63
2008-2009 Expenditures	(897,160.00)
2009-2010 Budget (Unreserved Fund Balance)	750,000.00
2009-2010 Investment Income	19,466.83
2009-2010 Expenditures	(1,352,662.02)
2009-2010 Transfer from Capital Projects Fund	1,334.66
2010-2011 Investment Income	6,496.50
2010-2011 Budget (Unreserved Fund Balance)	2,200,000.00
2011-2012 Investment Income	3,407.91
2011-2012 Budget (Unreserved Fund Balance)	2,400,000.00
2011-2012 Expenditures	(300,000.00)
2012-2013 Investment Income	4,933.13
2012-2013 Budget (Unreserved Fund Balance)	1,500,000.00
2012-2013 Budget (Budget Appropriation)	750,000.00
2013-2014 Investment Income	10,172.81
2013-2014 Budget (Unreserved Fund Balance)	450,000.00
2013-2014 Budget (Budget Appropriation)	360,000.00
2013-2014 Expenditures	(1,941,057.74)
2014-2015 Investment Income	10,485.09
2014-2015 Budget (Unreserved Fund Balance)	1,350,000.00
2014-2015 Expenditures	(2,512,233.61)
Balance June 30, 2015	<u>\$6,067,270.74</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$18,904,778.00.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VI: Pension Plans

Description of Systems

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

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

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

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq..

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

Retirement Benefits

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VI: Pension Plans (Continued)

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF, PERS, PFRS, SPRS, and JRS operate and to the benefit provisions of those systems.

This legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: TPAF and PERS active member rates increased from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS and PERS Prosecutors Part active member rates increased from 8.5 percent to 10 percent; SPRS active member rates increased from 7.5 percent to 9 percent; and JRS active member rates increased from 3 percent to 12 percent phased-in over seven years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF, PERS and JRS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended until reactivated as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Funding Status and Funding Progress

As of July 31, 2013, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPE, JRS, and SPRS) is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 75.4 percent and \$13.7 billion.

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VI: Pension Plans (Continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 6.90 percent for TPAF and 6.90 percent for PERS of employees' annual compensation.

During the state fiscal year ended June 30, 2014, for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, annual pension cost equals contributions made.

The District's total payroll for the year ended June 30, 2015 was \$32,561,364.84 and covered payroll was \$24,508,618.00 for TPAF, \$4,130,496.00 for PERS and \$930,992.70 for DCRP. Contributions to the TPAF, PERS, and the DCRP for the last three years made by the employees, Township of Mahwah School District and the State were as follows:

		<u>TPAF</u>	<u>Percent of Covered Payroll</u>	<u>PERS</u>	<u>Percent of Covered Payroll</u>	<u>DCRP</u>	<u>Percent of Covered Payroll</u>
Employees	6/30/13	\$1,593,164.87	6.70 %	\$287,445.51	6.67 %	\$43,446.21	5.78 %
	6/30/14	1,666,094.80	6.86 %	290,003.74	6.81 %	49,470.01	5.66 %
	6/30/15	1,711,585.88	6.98 %	288,587.67	6.99 %	52,108.00	5.60 %
District	6/30/13	N/A	N/A %	\$499,470.00	11.58 %	\$23,523.70	3.00 %
	6/30/14	N/A	N/A %	501,567.00	11.78 %	26,985.54	3.00 %
	6/30/15	N/A	N/A %	524,459.00	12.70 %	28,464.26	3.00 %
State of NJ	6/30/13	\$3,320,702.00	13.96 %	N/A	N/A %	N/A	N/A %
	6/30/14	2,637,182.00	10.86 %	N/A	N/A %	N/A	N/A %
	6/30/15	3,396,413.00	13.86 %	N/A	N/A %	N/A	N/A %

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,745,714.71 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VII: Public Employees Retirement System

At June 30, 2015, the District reported a liability of \$11,911,061.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.0636181678%, which was a decrease of 4.43% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$501,713.02. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expended and actual experience	\$	\$
Changes of assumptions	374,548	
Net difference between projected and actual earnings on pension plan investments		709,835
Changes in proportion		476,030
District contributions subsequent to the measurement data	<u>524,459</u>	
Total	<u>\$899,007</u>	<u>\$1,185,865</u>

\$524,459 reported as deferred outflows of resources related to pensions resulting from the school district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2016	\$(108,608)
2017	(108,608)
2018	(108,608)
2019	(108,608)
2020	68,851
Thereafter	<u>30,294</u>
Total	<u>\$(335,287)</u>



BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VII: Public Employees Retirement System (Continued)

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VII: Public Employees Retirement System (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.39%) or 1-percentage point higher (6.39%) than the current rate:

	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
District's proportionate share of the net pension liability	\$14,984,115	\$11,911,061	\$9,326,361
Detailed information about the pension plan's fiduciary net position is available in separately issued PERS financial report.			

Note VIII: Teachers Pension and Annuity Fund (TPAF)

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>126,222,489</u>
Total	<u>\$126,222,489</u>

The net pension liability was measured as of June 30, 2014 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2013.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

For the year ended June 30, 2015, the District recognized pension expense of \$6,791,955 and revenue of \$6,791,955 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$	\$51,530
Changes of assumptions	5,410,355	
Net difference between projected and actual earnings on pension plan investments		4,084,196
Changes in proportion		196,809
State's contribution associated with the District subsequent to the measurement date	<u>1,003,202</u>	
Total	<u>\$6,413,577</u>	<u>\$4,332,536</u>

\$1,003,202 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2016	\$(308,640)
2017	(308,640)
2018	(308,640)
2019	(308,640)
2020	719,407
Thereafter	<u>1,798,518</u>
Total	<u>\$1,283,364</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return:	7.90%

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core fixed income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-term bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-term bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US fixed income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large cap US equities	0.00%	5.62%
Mid cap US equities	0.00%	6.39%
Small cap US equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
HedgeFunds/Absolute Returns	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long credit bonds	0.00%	3.74%

*Discount Rate*

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note IX: Health Benefit and Post-Retirement Medical Benefits

P.L. 2011, c.78 effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

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.

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, respectively, to fund post-retirement medical benefits for those employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 105,432 retirees receiving post-retirement medical benefits and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

Note X: Deferred Compensation Plan

The Board offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency or upon death to their beneficiaries. The plan administrators are as follows:

Equitable  
Lincoln Investment  
VALIC

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note X: Deferred Compensation Plan(Continued)

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Township of Mahwah School District (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Township of Mahwah School District's general creditors. Participants' right under the Plan are equivalent to those of general creditors of the Township of Mahwah School District in an amount equal to the fair market value of the deferred account for each participant.

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$18,000.00 or 100 percent of the participant's includible compensation for the taxable year except as provided by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended June 30, 2014 and 2015, the employees' contributions to the plan were \$1,192,475.00, and \$1,490,594.00, respectively.

Note XI: Risk Management

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 0.00	\$ 80,124.72	\$ 55,993.72	\$ 591,902.09
2013-2014	0.00	81,206.44	45,374.56	600,624.76
2012-2013	0.00	76,858.11	111,336.91	598,103.69

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

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

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

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

Note XII:Compensated Absences

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

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

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year are reported in two components– the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Food Service Fund.

Note XIII:Contingent Liabilities

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

Note XV:Restatement of Prior Year Balances

Net position has been restated as required by the implementation of GASB 68, as discussed in noted VII and VIII above.

Beginning net position as previously reported at June 30, 2014	\$23,001,034.69
Prior period adjustment – Implementation GASB 68	
Net pension liability (measurement date)	(29,089,309.00)
Deferred outflows – District's contributions made during fiscal year 2014	<u>1,167,786.02</u>
Total prior period adjustment	<u>(27,921,522.98)</u>
Net position as restated, July 1, 2014	<u>\$4,920,488.29</u>

Note XV:Subsequent Events

The Township of Mahwah School District has evaluated subsequent events through July 17, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART II**



**Section C**

**BUDGETARY COMPARISON SCHEDULES**

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
<b>REVENUES:</b>						
<b>Local Sources:</b>						
Local Tax Levy	\$ 56,096,899.00	\$ -	\$ 56,096,899.00	\$ 56,096,899.00	\$ -	
Interest Earned on Investments	21,045.00	-	21,045.00	15,289.23	(5,745.77)	
Interest Earned on Capital Reserve Funds	100.00	-	100.00	10,483.09	10,383.09	
Miscellaneous	200,000.00	-	200,000.00	323,407.05	123,407.05	
<b>Total - Local Sources</b>	<b>56,318,044.00</b>	<b>-</b>	<b>56,318,044.00</b>	<b>56,446,086.37</b>	<b>128,044.37</b>	
<b>State Sources:</b>						
Categorical Transportation Aid	253,921.00	-	253,921.00	253,921.00	-	
Categorical Special Education Aid	1,940,400.00	-	1,940,400.00	1,840,400.00	-	
Categorical Security Aid	51,859.00	-	51,859.00	51,859.00	-	
Adjustment Aid	1.00	-	1.00	1.00	-	
Per Pupil Growth Aid	30,305.00	-	30,305.00	30,305.00	-	
PARCC Readiness Aid	30,305.00	-	30,305.00	30,305.00	-	
Extraordinary Aid	125,000.00	-	125,000.00	374,304.00	249,304.00	
Nonpublic Transportation Aid	-	-	-	40,745.00	40,745.00	
TPAF Pension PRM (On-Behalf - Non-Budgeted)	-	-	-	2,083,790.00	2,083,790.00	
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,745,714.71	1,745,714.71	
<b>Total State Sources</b>	<b>2,431,791.00</b>	<b>-</b>	<b>2,431,791.00</b>	<b>6,551,344.71</b>	<b>4,119,553.71</b>	
<b>Federal Sources:</b>						
Medical Assistance Program	14,986.00	-	14,986.00	60,730.32	45,744.32	
<b>Total - Federal Sources</b>	<b>14,986.00</b>	<b>-</b>	<b>14,986.00</b>	<b>60,730.32</b>	<b>45,744.32</b>	
<b>Total Revenues</b>	<b>56,764,821.00</b>	<b>-</b>	<b>56,764,821.00</b>	<b>63,058,163.40</b>	<b>4,293,342.40</b>	
<b>EXPENDITURES:</b>						
<b>Current Expense:</b>						
<b>Regular Programs - Instruction</b>						
Preschool/Kindergarten - Salaries of Teachers	110-100-101	\$ 847,000.00	\$ -	\$ 847,000.00	\$ 743,660.56	\$ 103,339.44
Grades 1-5 - Salaries of Teachers	120-100-101	5,016,873.00	-	5,016,873.00	4,812,983.23	203,889.77
Grades 6-8 - Salaries of Teachers	130-100-101	3,948,873.00	-	3,948,873.00	3,783,112.86	165,760.12
Grades 9-12 - Salaries of Teachers	140-100-101	5,736,300.00	(100,000.00)	5,636,300.00	5,438,246.85	198,053.15
<b>Regular Programs - Home Instruction:</b>						
Salaries of Teachers	150-100-101	40,000.00	(7,000.00)	33,000.00	24,175.00	8,825.00
Purchased Professional-Educational Services	150-100-320	10,000.00	7,000.00	17,000.00	14,202.83	2,797.37
<b>Regular Programs - Undistributed Instruction</b>						
Other Salaries for Instruction	180-100-106	484,889.05	92,000.00	576,889.05	574,683.26	2,185.79
Purchased Professional-Educational Services	180-100-320	465,000.00	5,900.00	470,900.00	451,902.91	18,997.09
Other Purchased Services (400-500 series)	180-100-500	69,050.00	-	69,050.00	61,945.81	7,104.19
General Supplies	190-100-610	671,840.51	(25,405.60)	646,234.91	619,435.19	26,799.72
Textbooks	190-100-640	157,951.08	(20,898.40)	137,052.68	137,042.30	9.38
Other Objects	190-100-800	71,270.77	4,983.17	76,253.94	59,038.62	17,215.32
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>		<b>17,516,627.39</b>	<b>(43,421.83)</b>	<b>17,473,205.56</b>	<b>16,720,431.04</b>	<b>754,974.52</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>						
<b>Learning and/or Language Disabilities:</b>						
Salaries of Teachers	204-100-101	559,900.00	(1,000.00)	558,900.00	531,557.95	27,342.05
Other Salaries for Instruction	204-100-106	166,200.00	16,000.00	182,200.00	175,696.90	6,503.10
General Supplies	204-100-610	24,775.43	2,193.00	26,968.43	24,441.66	2,526.77
Textbooks	204-100-640	1,161.00	(893.00)	268.00	-	1,161.00
<b>Total Learning and/or Language Disabilities</b>		<b>752,036.43</b>	<b>16,500.00</b>	<b>766,536.43</b>	<b>731,696.51</b>	<b>34,839.92</b>
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	213-100-101	3,390,000.00	(7,000.00)	3,383,000.00	3,376,554.26	6,445.74
Other Salaries for Instruction	213-100-106	312,700.00	40,000.00	352,700.00	349,229.78	3,470.22
General Supplies	213-100-610	35,121.00	2,592.00	37,713.00	36,704.36	1,008.64
Textbooks	213-100-640	5,092.00	(5,092.00)	-	-	5,092.00
<b>Total Resource Room/Resource Center</b>		<b>3,742,913.00</b>	<b>30,500.00</b>	<b>3,773,413.00</b>	<b>3,762,488.40</b>	<b>10,924.60</b>
<b>Preschool Disabilities - Part-Time:</b>						
Salaries of Teachers	215-100-101	265,300.00	-	265,300.00	177,513.36	87,786.62
Other Salaries for Instruction	215-100-106	50,100.00	-	50,100.00	44,451.24	5,648.76
General Supplies	215-100-610	2,744.48	-	2,744.48	2,736.34	8.14
<b>Total Preschool Disabilities - Part-Time</b>		<b>318,144.48</b>	<b>-</b>	<b>318,144.48</b>	<b>224,700.98</b>	<b>93,443.52</b>
<b>Home Instruction:</b>						
Salaries of Teachers	218-100-101	40,000.00	(10,000.00)	30,000.00	18,007.18	11,992.82
Purchased Professional-Educational Services	218-100-320	15,000.00	26,000.00	41,000.00	39,385.91	1,614.09
<b>Total Home Instruction</b>		<b>55,000.00</b>	<b>16,000.00</b>	<b>71,000.00</b>	<b>57,373.09</b>	<b>13,626.91</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>		<b>4,868,093.91</b>	<b>63,000.00</b>	<b>4,931,093.91</b>	<b>4,776,260.96</b>	<b>154,832.95</b>
<b>Basic Skills/Remedial - Instruction</b>						
Salaries of Teachers	230-100-101	1,104,330.35	-	1,104,330.35	1,083,501.88	20,828.47
General Supplies	230-100-610	22,153.82	(1,050.00)	21,103.82	18,574.33	2,529.29
Textbooks	230-100-640	6,875.00	(3,000.00)	3,875.00	3,837.24	37.76
<b>Total Basic Skills/Remedial - Instruction</b>		<b>1,133,359.17</b>	<b>(4,050.00)</b>	<b>1,129,309.17</b>	<b>1,105,913.45</b>	<b>23,395.52</b>
<b>Bilingual Education - Instruction</b>						
Salaries of Teachers	240-100-101	144,300.00	-	144,300.00	126,646.00	17,654.00
General Supplies	240-100-610	4,747.00	-	4,747.00	4,456.09	290.91
Textbooks	240-100-640	880.00	(880.00)	-	-	880.00
<b>Total Bilingual Education - Instruction</b>		<b>149,927.00</b>	<b>(880.00)</b>	<b>149,047.00</b>	<b>131,302.09</b>	<b>17,744.91</b>
<b>School-Spon. Co-curricular Actvts. - Inst.</b>						
Salaries	401-100-100	368,715.00	-	368,715.00	329,664.04	39,050.96
Supplies and Materials	401-100-600	21,431.35	-	21,431.35	15,289.21	6,142.14
Other Objects	401-100-800	75,703.30	(3,499.00)	72,204.30	70,253.97	1,950.33
<b>Total School-Spon. Co-curricular Actvts. - Inst.</b>		<b>465,849.65</b>	<b>(3,499.00)</b>	<b>462,350.65</b>	<b>415,207.22</b>	<b>47,143.43</b>

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2015

Table with columns: Original Budget, Budget Transfers, Final Budget, Actual, Variance Final to Actual. Rows include School-Spon. Athletics - Inst., Undistributed Expenditures - Instruction, Undist. Expend. - Health Services, Undist. Expend. - Speech, OT, PT & Related Services, etc.

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2015**

		<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Support Serv. - School Admin.</b>						
Salaries of Principals/Assistant Principals	000-240-103	\$ 1,312,800.00	\$ 2,000.00	\$ 1,314,800.00	\$ 1,313,772.84	\$ 1,027.16
Salaries of Other Professional Staff	000-240-104	358,800.00	3,800.00	362,600.00	362,329.10	270.90
Salaries of Secretarial and Clerical Assistants	000-240-105	667,700.00	(5,800.00)	662,000.00	626,120.07	33,979.93
Other Purchased Services (400-500 series)	000-240-500	10,000.00	-	10,000.00	1,670.45	8,329.55
Supplies and Materials	000-240-800	149,093.34	-	149,093.34	139,537.85	9,555.49
Other Objects	000-240-800	42,640.00	-	42,640.00	33,505.08	9,134.92
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>		<u>2,541,033.34</u>	<u>-</u>	<u>2,541,033.34</u>	<u>2,476,935.36</u>	<u>62,097.98</u>
<b>Undist. Expend. - Central Services</b>						
Salaries	000-251-100	717,900.00	(88,500.00)	631,400.00	630,280.82	1,119.18
Purchased Technical Services	000-251-340	164,000.00	-	164,000.00	129,245.19	34,754.81
Miscellaneous Purchased Services (400-500 series)	000-251-592	4,500.00	-	4,500.00	4,341.93	158.07
Supplies and Materials	000-251-600	27,885.20	1,500.00	29,385.20	28,109.28	1,275.92
Other Objects	000-251-890	9,000.00	-	9,000.00	7,793.93	1,206.07
<b>Total Undist. Expend. - Central Services</b>		<u>923,285.20</u>	<u>(85,000.00)</u>	<u>838,285.20</u>	<u>789,771.15</u>	<u>38,514.05</u>
<b>Undist. Expend. - Admin. Info. Technology</b>						
Salaries	000-252-100	350,800.00	(10,500.00)	340,300.00	328,770.10	10,529.90
Purchased Professional Services	000-252-330	55,000.00	25,000.00	80,000.00	77,164.53	2,835.47
Other Purchased Services (400-500 series)	000-252-500	35,855.84	-	35,855.84	4,188.34	31,767.50
Supplies and Materials	000-252-600	387,188.18	129,000.00	516,188.18	483,688.36	52,519.82
<b>Total Undist. Expend. - Admin. Info. Technology</b>		<u>828,644.02</u>	<u>143,500.00</u>	<u>972,144.02</u>	<u>874,769.33</u>	<u>97,374.69</u>
<b>Undist. Expen.-Allowable Maint. For School Facilities</b>						
Salaries	000-261-100	418,800.00	(46,200.00)	372,600.00	369,879.45	2,720.55
Cleaning, Repair and Maintenance Services	000-261-420	1,202,236.79	187,300.00	1,389,536.79	1,166,825.54	222,911.25
General Supplies	000-261-610	227,130.00	48,200.00	275,330.00	241,064.24	34,265.76
<b>Total Undist. Expen.-Allowable Maint. For School Facilities</b>		<u>1,847,966.79</u>	<u>169,300.00</u>	<u>2,037,266.79</u>	<u>1,777,569.23</u>	<u>259,697.56</u>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant</b>						
Salaries	000-262-100	238,300.00	-	238,300.00	220,872.83	17,427.17
Purchased Professional and Technical Services	000-262-300	1,502,268.00	(87,800.00)	1,414,468.00	1,379,838.86	37,631.34
Cleaning, Repair and Maintenance Services	000-262-420	706,480.08	17,838.00	724,118.08	480,114.03	244,004.05
Insurance	000-262-520	273,000.00	12,500.00	285,500.00	285,471.00	29.00
Miscellaneous Purchased Services	000-262-590	80,124.92	-	80,124.92	45,480.25	34,644.67
General Supplies	000-262-610	447,241.20	49,000.00	496,241.20	429,880.19	66,281.01
Energy (Natural Gas)	000-262-821	510,144.15	(142,000.00)	368,144.15	236,224.02	131,920.13
Energy (Electricity)	000-262-822	1,159,180.73	(243,000.00)	916,180.73	730,467.89	185,712.84
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>		<u>4,886,739.08</u>	<u>(393,682.00)</u>	<u>4,503,077.08</u>	<u>3,805,206.67</u>	<u>697,870.22</u>
<b>Undist. Expend. - Student Transportation Serv.</b>						
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160	361,438.48	-	361,438.48	325,096.87	35,341.61
Salaries for Pupil Trans. (Between Home & School) - Special	000-270-181	30,000.00	(29,000.00)	5,000.00	-	5,000.00
Salaries for Pupil Trans. (Other than Between Home & School)	000-270-162	50,000.00	-	50,000.00	41,076.55	8,923.45
Cleaning, Repair and Maintenance Services	000-270-420	-	35,000.00	35,000.00	32,379.88	2,620.12
Contracted Services - Aid in Lieu of Payments-Non Public School	000-270-503	169,034.00	(95,000.00)	124,034.00	105,196.00	18,838.00
Contracted Services (Between Home and School) - Vendors	000-270-511	1,692,638.94	(77,000.00)	1,615,638.94	1,597,702.30	17,936.64
Contracted Services (Other than Between Home and School) - Vendors	000-270-512	55,000.00	82,000.00	137,000.00	118,779.86	20,220.04
Contracted Services (Regular Students) - ESCs	000-270-517	190,000.00	20,000.00	210,000.00	200,177.07	9,822.93
Contracted Services (Special Education Students) - ESCs	000-270-518	935,000.00	135,000.00	1,070,000.00	1,066,038.75	3,961.25
Miscellaneous Purchased Services - Transportation	000-270-593	13,150.00	-	13,150.00	7,108.89	6,041.11
Supplies and Materials	000-270-600	140,611.69	(45,000.00)	95,611.69	53,852.04	41,759.65
<b>Total Undist. Expend. - Student Transportation Serv.</b>		<u>3,657,073.11</u>	<u>60,000.00</u>	<u>3,717,073.11</u>	<u>3,546,408.41</u>	<u>170,664.70</u>
<b>UNALLOCATED BENEFITS</b>						
Social Security Contributions	000-291-220	833,117.78	-	833,117.78	541,925.14	291,192.64
Other Retirement Contributions - Regular	000-291-241	651,041.78	-	651,041.78	545,798.62	105,243.16
Workmen's Compensation	000-291-280	285,000.00	-	285,000.00	229,616.77	55,383.23
Health Benefits	000-291-270	7,219,000.00	(485,500.00)	6,733,500.00	6,250,709.10	482,790.90
Tuition Reimbursement	000-291-280	120,000.00	-	120,000.00	92,145.08	27,854.92
Other Employee Benefits	000-291-290	63,689.00	-	63,689.00	75,423.43	-11,734.43
<b>TOTAL UNALLOCATED BENEFITS</b>		<u>8,992,028.52</u>	<u>(485,500.00)</u>	<u>8,506,528.52</u>	<u>7,738,618.14</u>	<u>767,910.38</u>
TPAF Pension PRM (On-Behalf - Non-Budgeted)		-	-	-	2,083,780.00	(2,083,780.00)
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	1,745,714.71	(1,745,714.71)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>3,829,504.71</u>	<u>(3,829,504.71)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>		<u>8,992,028.52</u>	<u>(485,500.00)</u>	<u>8,506,528.52</u>	<u>11,568,122.85</u>	<u>(3,061,594.33)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>		<u>38,560,351.24</u>	<u>(234,262.00)</u>	<u>38,326,089.24</u>	<u>37,481,940.48</u>	<u>844,148.76</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>		<u>61,536,027.67</u>	<u>(221,049.00)</u>	<u>61,314,978.67</u>	<u>61,400,489.55</u>	<u>(85,510.88)</u>
<b>CAPITAL OUTLAY</b>						
<b>Equipment</b>						
<b>Special Education - Instruction:</b>						
Undistributed Expenditures - Instruction	000-100-730	-	32,549.00	32,549.00	27,357.00	5,192.00
Undistributed Expenditures - Admin. Info. Technology	000-252-730	43,610.08	120,500.00	164,110.08	97,974.08	66,136.00
Undistributed Expenditures - Operation of Plant Services	000-260-730	24,678.69	88,000.00	92,678.69	38,724.29	53,954.40
<b>Total Equipment</b>		<u>68,288.77</u>	<u>221,049.00</u>	<u>289,337.77</u>	<u>162,055.37</u>	<u>127,282.40</u>
<b>Facilities Acquisition and Construction Services</b>						
Construction Services	000-400-450	4,378,722.86	341,630.00	4,720,352.86	533,394.21	4,186,958.65
Assessment for Debt Service on SDA Funding	000-400-896	79,684.00	-	79,684.00	79,684.00	-
<b>Total Facilities Acquisition and Construction Services</b>		<u>4,458,406.86</u>	<u>341,630.00</u>	<u>4,800,036.86</u>	<u>613,078.21</u>	<u>4,186,958.65</u>
<b>TOTAL CAPITAL OUTLAY</b>		<u>4,526,695.63</u>	<u>562,679.00</u>	<u>5,089,374.63</u>	<u>775,133.58</u>	<u>4,314,241.05</u>
<b>TOTAL EXPENDITURES</b>		<u>66,062,723.30</u>	<u>341,630.00</u>	<u>66,404,353.30</u>	<u>62,175,623.13</u>	<u>4,228,730.17</u>

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,297,902.30)	\$ (341,830.00)	\$ (7,639,532.30)	\$ 882,540.27	\$ 8,522,072.57
Other Financing Sources (Uses):					
Operating Transfer In:					
Transfer from Capital Projects Fund		-			-
Operating Transfer Out:					
Transfer to Capital Projects Fund	(1,554,785.00)	-	(1,554,785.00)	(1,554,785.00)	-
Total Other Financing Sources (Uses):	(1,554,785.00)	-	(1,554,785.00)	(1,554,785.00)	-
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses)	(8,852,687.30)	(341,830.00)	(9,194,317.30)	(672,244.73)	8,522,072.57
Fund Balance, July 1	13,930,724.03	-	13,930,724.03	13,930,724.03	-
Fund Balance, June 30	\$ 5,078,036.73	\$ (341,830.00)	\$ 4,736,406.73	\$ 13,258,479.30	\$ 8,522,072.57
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):					
Increase in Capital Reserve	\$ 100.00	\$ -	\$ 100.00	\$ 1,360,483.09	\$ 1,360,383.09
Withdrawal from Capital Reserve	(5,829,785.00)	(341,830.00)	(6,171,415.00)	(2,512,233.61)	3,659,181.39
Adjustment for Prior Year Encumbrances	(1,693,206.30)	-	(1,693,206.30)	(1,693,206.30)	-
Budgeted Fund Balance	(1,328,798.00)	-	(1,328,798.00)	2,172,712.09	3,502,508.09
Total	\$ (8,852,687.30)	\$ (341,830.00)	\$ (9,194,317.30)	\$ (672,244.73)	\$ 8,522,072.57
Analysis of Fund Balance June 30, 2015:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				1,880,659.00	
Reserve for Excess Surplus				1,783,052.26	
Capital Reserve Account				6,067,270.74	
Emergency Reserve				500,000.00	
Assigned Fund Balance:					
Year-end Encumbrances				1,739,430.23	
Unassigned Fund Balance				1,485,067.07	
				\$ 13,258,479.30	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Fund Balance June 30, 2015				\$ 13,258,479.30	
Last Two Current Year State Aid Payments Not Realized on GAAP Basis				(88,879.00)	
				\$ 13,169,600.30	

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources	\$ 15,000.00	\$ 15,998.00	\$ 30,998.00	\$ 27,378.61	\$ 3,621.39
Federal Sources	775,000.00	212,224.00	987,224.00	983,210.00	4,014.00
Local Sources	-	68,100.00	68,100.00	68,074.54	(25.46)
<b>Total Revenues</b>	<u>\$ 790,000.00</u>	<u>\$ 296,322.00</u>	<u>\$ 1,086,322.00</u>	<u>\$ 1,078,661.15</u>	<u>\$ 7,609.93</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Personal Services - Salaries	\$ 175,000.00	\$ 55,069.47	\$ 230,069.47	\$ 230,069.47	\$ -
Purchased Professional and Technical Services		8,088.00	8,088.00	4,074.00	4,014.00
Other Purchased Services (400-500 series)	800,000.00	70,282.00	670,282.00	670,282.00	-
General Supplies	5,000.00	14,268.53	19,268.53	19,268.53	-
Textbooks	-	5,243.00	5,243.00	5,243.00	-
<b>Total Instruction</b>	<u>780,000.00</u>	<u>152,951.00</u>	<u>932,951.00</u>	<u>928,937.00</u>	<u>4,014.00</u>
<b>Support Services</b>					
Personal Services - Salaries		6,400.00	6,400.00	6,400.00	-
Personal Services - Employee Benefits		35,808.00	35,808.00	35,808.00	-
Purchased Professional and Technical Services		26,509.00	26,509.00	26,509.00	-
Purchased Professional - Educational Services	10,000.00	6,554.00	16,554.00	12,932.61	3,621.39
Supplies and Materials	-	68,100.00	68,100.00	68,074.54	25.46
<b>Total Support Services</b>	<u>10,000.00</u>	<u>143,371.00</u>	<u>153,371.00</u>	<u>149,724.15</u>	<u>3,646.85</u>
<b>Total Expenditures</b>	<u>790,000.00</u>	<u>296,322.00</u>	<u>1,086,322.00</u>	<u>1,078,661.15</u>	<u>7,660.85</u>
<b>Total Outflows</b>	<u>\$ 790,000.00</u>	<u>\$ 296,322.00</u>	<u>\$ 1,086,322.00</u>	<u>\$ 1,078,661.15</u>	<u>\$ 7,660.85</u>

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION –  
PART II**

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2015

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

	<u>Exhibit</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1&C-2]	\$ 63,058,163.40	\$ 1,078,661.15
Difference - budget to GAAP:			
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		9,240.00	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	450.00
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 63,067,403.40</u>	<u>\$ 1,079,111.15</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 62,175,623.13	\$ 1,078,661.15
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-	450.00
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 62,175,623.13</u>	<u>\$ 1,079,111.15</u>



**REQUIRED SUPPLEMENTARY INFORMATION -  
PART III**

**Section L**

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

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Schedule of the District's Proportionate Share of the Net Pension Liability- PERS

	Fiscal Year Ending June 30,	
	2014	2015
District's proportion of the net pension liability	0.0665667679%	0.0636181678%
District's proportionate share of the net pension liability	\$ 12,722,232.00	\$ 11,911,061.00
District's covered employee payroll	\$ 4,257,820.00	\$ 4,130,496.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	298.80%	288.37%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Schedule of District Contributions- PERS**

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 501,567.00	\$ 524,459.00
Contributions in relation to the contractually required contribution	<u>(501,567.00)</u>	<u>(524,459.00)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 4,257,820.00	\$ 4,130,496.00
Contributions as a percentage of covered employee payroll	11.78%	12.70%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Schedule of the District's Proportionate Share of the Net Pension Liability- TPAF

	Fiscal Year Ending June 30,	
	2014	2015
District's proportion of the State's net pension liability	0.2411912076%	0.2361649679%
District's proportionate share of the State's net pension liability	\$ 121,896,139.31	\$ 126,222,489.04
District's covered employee payroll	\$ 24,289,273.00	\$ 24,508,618.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	501.85%	515.01%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION –  
PART III**

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2015

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**A. Benefit Changes**

There were none.

**B. Changes of Assumptions**

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

**TEACHERS' PENSION AND ANNUITY FUND**

**A. Benefit Changes**

There were none.

**B. Changes of Assumptions**

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

## **OTHER SUPPLEMENTARY INFORMATION**



**Section D**

**SCHOOL LEVEL SCHEDULES**

**Section E**  
**SPECIAL REVENUE FUND**

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

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015**

	<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>	<u>Local Aid</u>
<b>REVENUES</b>				
State Sources	\$ 27,376.61	\$ 27,376.61	\$ -	\$ -
Federal Sources	983,210.00		983,210.00	
Local Sources	<u>68,074.54</u>	<u>-</u>	<u>-</u>	<u>68,074.54</u>
<b>Total Revenues</b>	<b>\$ 1,078,661.15</b>	<b>\$ 27,376.61</b>	<b>\$ 983,210.00</b>	<b>\$ 68,074.54</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Personal Services - Salaries	100-100 \$ 230,089.47	\$ -	\$ 230,089.47	-
Purchased Professional and Technical Services	100-300 4,074.00	-	4,074.00	-
Other Purchased Services (400-500 series)	100-500 670,282.00	-	670,282.00	-
General Supplies	100-610 19,268.53	-	19,268.53	-
Textbooks	100-640 <u>5,243.00</u>	<u>5,243.00</u>	<u>-</u>	<u>-</u>
<b>Total Instruction</b>	<b><u>928,937.00</u></b>	<b><u>5,243.00</u></b>	<b><u>923,694.00</u></b>	<b><u>-</u></b>
<b>Support Services:</b>				
Personal Services - Salaries	200-100 6,400.00	-	6,400.00	-
Personal Services - Employee Benefits	200-200 35,808.00	-	35,808.00	-
Purchased Professional and Technical Services	200-300 26,509.00	9,201.00	17,308.00	-
Purchased Professional - Educational Services	200-320 12,932.61	12,932.61	-	-
Supplies and Materials	200-600 <u>68,074.54</u>	<u>-</u>	<u>-</u>	<u>68,074.54</u>
<b>Total Support Services</b>	<b><u>149,724.15</u></b>	<b><u>22,133.61</u></b>	<b><u>59,516.00</u></b>	<b><u>68,074.54</u></b>
<b>Total Expenditures</b>	<b>\$ 1,078,661.15</b>	<b>\$ 27,376.61</b>	<b>\$ 983,210.00</b>	<b>\$ 68,074.54</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Special Revenue Fund  
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015**

		<u>Total</u>	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Auxiliary Services	N.J. Nonpublic Handicapped Services	N.J. Nonpublic Nursing Services	N.J. Nonpublic Technology Initiative
<b>REVENUES</b>							
	State Sources	\$ 27,376.61	\$ 5,243.00	\$ 1,791.60	\$ 8,325.01	\$ 9,201.00	\$ 2,816.00
	<b>Total State Revenues</b>	<u>\$ 27,376.61</u>	<u>\$ 5,243.00</u>	<u>\$ 1,791.60</u>	<u>\$ 8,325.01</u>	<u>\$ 9,201.00</u>	<u>\$ 2,816.00</u>
<b>EXPENDITURES:</b>							
	<b>Instruction:</b>						
94	Textbooks 100-640	\$ 5,243.00	\$ 5,243.00	\$ -	\$ -	\$ -	\$ -
	<b>Total Instruction</b>	<u>5,243.00</u>	<u>5,243.00</u>				
	<b>Support Services:</b>						
	Purchased Professional and Technical Services 200-300	9,201.00				9,201.00	
	Purchased Professional - Educational Services 200-320	12,932.61		1,791.60	8,325.01	-	2,816.00
	<b>Total Support Services</b>	<u>22,133.61</u>	<u>-</u>	<u>1,791.60</u>	<u>8,325.01</u>	<u>9,201.00</u>	<u>2,816.00</u>
	<b>Total Expenditures</b>	<u>\$ 27,376.61</u>	<u>\$ 5,243.00</u>	<u>\$ 1,791.60</u>	<u>\$ 8,325.01</u>	<u>\$ 9,201.00</u>	<u>\$ 2,816.00</u>

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Special Revenue Fund  
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015**

		<u>Total</u>	<u>E.S.E.A.</u>			<u>I.D.E.A. Part B</u>	
			<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Basic</u>	<u>Preschool</u>
<b>REVENUES</b>							
Federal Sources		\$ 983,210.00	\$ 218,784.00	\$ 77,535.00	\$ 12,535.00	\$ 643,701.00	\$ 30,655.00
<b>Total Federal Revenues</b>		<u>\$ 983,210.00</u>	<u>\$ 218,784.00</u>	<u>\$ 77,535.00</u>	<u>\$ 12,535.00</u>	<u>\$ 643,701.00</u>	<u>\$ 30,655.00</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Personal Services - Salaries	100-100	\$ 230,069.47	\$ 171,795.00	\$ 47,799.00	\$ 10,475.47	\$ -	\$ -
Purchased Professional and Technical Services	100-300	4,074.00				4,074.00	
Other Purchased Services (400-500 series)	100-500	670,282.00				639,627.00	30,655.00
General Supplies	100-610	19,268.53	18,100.00	-	1,168.53	-	-
<b>Total Instruction</b>		<u>923,694.00</u>	<u>189,895.00</u>	<u>47,799.00</u>	<u>11,644.00</u>	<u>643,701.00</u>	<u>30,655.00</u>
<b>Support Services:</b>							
Personal Services - Salaries	200-100	6,400.00	6,400.00				
Personal Services - Employee Benefits	200-200	35,808.00	22,489.00	12,428.00	891.00		
Purchased Professional and Technical Services	200-300	17,308.00	-	17,308.00	-		
<b>Total Support Services</b>		<u>59,516.00</u>	<u>28,889.00</u>	<u>29,736.00</u>	<u>891.00</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>		<u>\$ 983,210.00</u>	<u>\$ 218,784.00</u>	<u>\$ 77,535.00</u>	<u>\$ 12,535.00</u>	<u>\$ 643,701.00</u>	<u>\$ 30,655.00</u>

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Special Revenue Fund  
Combining Schedule of Local Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

		<u>Total</u>	<u>Mahwah Schools Foundation</u>
<b>REVENUES</b>			
Local Sources		<u>\$ 68,074.54</u>	<u>\$ 68,074.54</u>
Total Local Revenues		<u>\$ 68,074.54</u>	<u>\$ 68,074.54</u>
<b>EXPENDITURES:</b>			
Support Services:			
Supplies & Materials	200-600	<u>\$ 68,074.54</u>	<u>\$ 68,074.54</u>
Total Support Services		<u>68,074.54</u>	<u>68,074.54</u>
Total Expenditures		<u>\$ 68,074.54</u>	<u>\$ 68,074.54</u>

**Section F**  
**CAPITAL PROJECTS FUND**

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
For the Year Ended June 30, 2015

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2015
			Prior Years	Current Year	
High School Electrical Switchgear/Generator	6/9/2014	\$ 934,762.00	\$ -	\$ 535,088.43	\$ 399,673.57
Betsy Ross Boiler	6/9/2014	332,004.00	-	170,516.00	161,488.00
Joyce Kilmer Unit Ventilators	6/9/2014	660,537.00	-	254,161.04	406,375.96
Ramapo Ridge Boiler	6/9/2014	332,004.00	-	178,529.00	155,475.00
George Washington Boiler	6/9/2014	332,004.00	-	171,185.00	160,819.00
Totals		\$ 2,591,311.00	\$ -	\$ 1,307,479.47	\$ 1,283,831.53



**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
**Summary Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2015**

**REVENUES AND OTHER FINANCING SOURCES**

State Sources - SDA Grant	\$ -
Bond Proceeds	-
Contribution from private sources	-
Transfer from capital reserve	1,554,785.00
Transfer from capital outlay	-
Total Revenues	<u>1,554,785.00</u>

**EXPENDITURES AND OTHER FINANCING USES**

Equipment (73X)	-
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	115,750.00
Construction Services (450)	1,191,729.47
General Supplies (610)	-
Land and Improvements (710)	-
Lease Purchase Agreements - Principal (721)	-
Buildings other than Lease Purchase Agreements - Principal (722)	-
Other Objects (800)	-
Total Expenditures	<u>1,307,479.47</u>
Excess (deficiency) of revenues over (under) expenditures	247,305.53
Fund Balance - July 1	<u>1,036,526.00</u>
Fund Balance - June 30	<u>\$ 1,283,831.53</u>

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
High School Electrical Switchgear/Generator  
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 373,905.00	\$ -	\$ 373,905.00	\$ 373,905.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		560,857.00	560,857.00	560,857.00
Transfer from capital outlay			-	
<b>Total Revenues</b>	<u>373,905.00</u>	<u>560,857.00</u>	<u>934,762.00</u>	<u>934,762.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		19,250.00	19,250.00	30,000.00
Construction Services (450)		515,838.43	515,838.43	904,762.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)			-	
<b>Total Expenditures</b>	<u>-</u>	<u>535,088.43</u>	<u>535,088.43</u>	<u>934,762.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>373,905.00</u>	<u>25,768.57</u>	<u>399,673.57</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP 2900-050-14-G1EX			
Grant Date	6/9/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$ -			
Notes Paid by Budget Appropriation	\$ -			
Original Authorized Cost	\$ 934,762.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 934,762.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	57.24%			
Original Target Completion Date	9/1/2015			
Revised Target Completion Date	9/1/2015			

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Betsy Ross Boiler  
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 132,802.00	\$ -	\$ 132,802.00	\$ 132,802.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		199,202.00	199,202.00	199,202.00
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>132,802.00</u>	<u>199,202.00</u>	<u>332,004.00</u>	<u>332,004.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		19,500.00	19,500.00	30,000.00
Construction Services (450)		151,016.00	151,016.00	302,004.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>170,516.00</u>	<u>170,516.00</u>	<u>332,004.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>132,802.00</u>	<u>28,686.00</u>	<u>161,488.00</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP 2900-060-14-G1EY			
Grant Date	6/9/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-		
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	332,004.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	332,004.00		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completed		51.36%		
Original Target Completion Date		9/1/2014		
Revised Target Completion Date		9/1/2014		

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Joyce Kilmer Unit Ventilators  
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 264,215.00	\$ -	\$ 264,215.00	\$ 264,215.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		396,322.00	396,322.00	396,322.00
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>264,215.00</u>	<u>396,322.00</u>	<u>660,537.00</u>	<u>660,537.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		38,000.00	38,000.00	40,000.00
Construction Services (450)		216,161.04	216,161.04	620,537.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)			-	
Total Expenditures	<u>-</u>	<u>254,161.04</u>	<u>254,161.04</u>	<u>660,537.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>264,215.00</u>	<u>142,160.96</u>	<u>406,375.96</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP 2900-075-14-G1EZ			
Grant Date	6/9/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-		
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	660,537.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	660,537.00		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	38.48%			
Original Target Completion Date	9/1/2014			
Revised Target Completion Date	9/1/2014			

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Ramapo Ridge Boiler  
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 132,802.00	\$ -	\$ 132,802.00	\$ 132,802.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		199,202.00	199,202.00	199,202.00
Transfer from capital outlay		-	-	
<b>Total Revenues</b>	<u>132,802.00</u>	<u>199,202.00</u>	<u>332,004.00</u>	<u>332,004.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		19,500.00	19,500.00	30,000.00
Construction Services (450)		157,029.00	157,029.00	302,004.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>176,529.00</u>	<u>176,529.00</u>	<u>332,004.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>132,802.00</u>	<u>22,873.00</u>	<u>155,475.00</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP 2900-076-14-G1FA			
Grant Date	8/9/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-		
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	332,004.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	332,004.00		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completed		53.17%		
Original Target Completion Date		9/1/2014		
Revised Target Completion Date		9/1/2014		

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
George Washington Boiler  
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 132,802.00	\$ -	\$ 132,802.00	\$ 132,802.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		199,202.00	199,202.00	199,202.00
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>132,802.00</u>	<u>199,202.00</u>	<u>332,004.00</u>	<u>332,004.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		19,500.00	19,500.00	30,000.00
Construction Services (450)		151,685.00	151,685.00	302,004.00
General Supplies (810)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>171,185.00</u>	<u>171,185.00</u>	<u>332,004.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>132,802.00</u>	<u>28,017.00</u>	<u>160,819.00</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP 2900-080-14-G1FB			
Grant Date	6/9/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$	-		
Notes Paid by Budget Appropriation	\$	-		
Original Authorized Cost	\$	332,004.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	332,004.00		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completed		51.56%		
Original Target Completion Date		9/1/2014		
Revised Target Completion Date		9/1/2014		

**Section G**  
**PROPRIETARY FUNDS**

**ENTERPRISE FUND**



**INTERNAL SERVICE FUND**

**Section H**  
**FIDUCIARY FUND**

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2015**

<u>Schools</u>	<u>Balance June 30, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Student Activity and Athletic Fund	<u>\$ 1,027,452.52</u>	<u>\$ 734,392.80</u>	<u>\$ 727,378.60</u>	<u>\$ 1,034,466.72</u>
	<u>\$ 1,027,452.52</u>	<u>\$ 734,392.80</u>	<u>\$ 727,378.60</u>	<u>\$ 1,034,466.72</u>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MAHWAH**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Payroll Deductions and Withholdings	\$ 1,147.64	\$ 35,353,764.15	\$ 35,353,735.21	\$ 1,176.58
Net Salaries and Wages	-	18,281,058.70	18,272,772.06	8,286.64
Flexible Spending Account	22,979.86	75,802.34	69,501.45	29,280.75
Interfund Accounts Payable	10,000.00	-	-	10,000.00
	<u>\$ 34,127.50</u>	<u>\$ 53,710,625.19</u>	<u>\$ 53,696,008.72</u>	<u>\$ 48,743.97</u>

**Section I**  
**LONG - TERM DEBT**

**BOARD OF EDUCATION  
 TOWNSHIP OF MAHWAH  
 Long - Term Debt  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities of Bonds Outstanding June 30, 2015</u>		<u>Interest Rate</u>	<u>Balance June 30, 2014</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Additions and Renovations to Various Schools	7/15/97	\$ 13,650,000.00 (\$38,000 Canceled)	7/15/15-16	\$ 800,000.00	5.10%	\$ 3,137,000.00	\$ 800,000.00	\$ 2,337,000.00
			7/15/17	737,000.00				
Refunding Bonds of 2009	12/2/09	7,950,000.00	9/15/15	720,000.00	3.00%	6,510,000.00	705,000.00	5,805,000.00
			9/15/16	735,000.00	4.00%			
			9/15/17	755,000.00	4.25%			
			9/15/18	775,000.00	4.25%			
			9/15/19	780,000.00	4.50%			
			9/15/20-21	780,000.00	5.00%			
			9/15/22	480,000.00	5.00%			
Refunding Bonds of 2011	10/5/11	5,550,000.00	8/15/15	505,000.00	3.00%	5,550,000.00	-490,000.00	5,060,000.00
			8/15/16	525,000.00	3.00%			
			8/15/17	540,000.00	4.00%			
			8/15/18	560,000.00	4.00%			
			8/15/19	580,000.00	4.00%			
			8/15/20-21	600,000.00	4.00%			
			8/15/22	605,000.00	5.00%			
			8/15/23	545,000.00	5.00%			
						<u>\$ 15,197,000.00</u>	<u>\$ 1,995,000.00</u>	<u>\$ 13,202,000.00</u>

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,607,816.00	\$ -	\$ 2,607,816.00	\$ 2,607,816.00	\$ -
<b>Total Revenues</b>	<u>2,607,816.00</u>	-	<u>2,607,816.00</u>	<u>2,607,816.00</u>	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	613,356.00	-	613,356.00	613,355.75	0.25
Redemption of Principal	1,995,000.00	-	1,995,000.00	1,995,000.00	-
<b>Total Regular Debt Service</b>	<u>2,608,356.00</u>	-	<u>2,608,356.00</u>	<u>2,608,355.75</u>	<u>0.25</u>
<b>Total Expenditures</b>	<u>2,608,356.00</u>	-	<u>2,608,356.00</u>	<u>2,608,355.75</u>	<u>0.25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(540.00)	-	(540.00)	(539.75)	0.25
<b>Other Financing Sources:</b>					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	1,242.66	1,242.66
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(540.00)	-	(540.00)	702.91	1,242.91
Fund Balance, July 1	802.40	-	802.40	802.40	-
Fund Balance, June 30	<u>\$ 262.40</u>	<u>\$ -</u>	<u>\$ 262.40</u>	<u>\$ 1,505.31</u>	<u>\$ 1,242.91</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
<b>Budgeted Fund Balance</b>	<u>\$ (540.00)</u>	<u>\$ -</u>	<u>\$ (540.00)</u>	<u>\$ 702.91</u>	<u>\$ 1,242.91</u>

## **STATISTICAL SECTION (UNAUDITED)**

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



## STATISTICAL SECTION (Unaudited)

### Financial Trends

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

### Revenue Capacity

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

### Debt Capacity

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

### Demographic and Economic Information

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

### Operating Information

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental activities</b>										
Net investment in capital assets	\$ 22,990,660.28	\$ 20,438,707.13	\$ 19,131,300.63	\$ 18,750,912.89	\$ 17,585,376.85	\$ 16,684,500.13	\$ 14,688,076.28	\$ 13,340,400.21	\$ 12,703,216.79	\$ 9,965,045.6
Restricted	12,850,943.58	13,225,338.64	12,683,840.14	10,376,175.49	7,027,645.30	4,750,148.48	5,062,704.83	4,559,818.47	4,013,834.89	4,622,804.9
Unrestricted	(1,968,584.93)	(1,994,400.89)	(1,783,576.73)	(1,707,942.19)	(1,577,317.22)	(2,070,807.00)	(2,370,565.68)	(2,112,056.64)	(1,513,497.04)	(1,704,361.6
<b>Total governmental activities net position</b>	<b>\$ 33,873,018.93</b>	<b>\$ 31,669,644.88</b>	<b>\$ 30,031,564.04</b>	<b>\$ 27,419,146.19</b>	<b>\$ 23,035,704.93</b>	<b>\$ 19,363,841.61</b>	<b>\$ 17,380,215.43</b>	<b>\$ 15,788,162.04</b>	<b>\$ 15,203,554.64</b>	<b>\$ 12,883,486.9</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 23,417.03	\$ 25,578.39	\$ 35,993.90	\$ 34,007.81	\$ 43,433.31	\$ 52,859.57	\$ 62,285.83	\$ 60,662.09	\$ 69,365.50	\$ 78,183.3
Restricted										
Unrestricted	192,996.13	196,979.22	161,025.55	189,725.59	140,854.73	107,271.72	105,323.01	97,848.71	116,699.64	118,692.0
<b>Total business-type activities net position</b>	<b>\$ 216,413.16</b>	<b>\$ 222,557.61</b>	<b>\$ 197,019.45</b>	<b>\$ 223,733.40</b>	<b>\$ 184,288.04</b>	<b>\$ 160,131.29</b>	<b>\$ 167,608.84</b>	<b>\$ 158,510.80</b>	<b>\$ 186,065.14</b>	<b>\$ 196,875.4</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 23,014,077.31	\$ 20,464,285.52	\$ 19,167,294.53	\$ 18,784,920.70	\$ 17,628,810.16	\$ 16,737,359.70	\$ 14,750,362.11	\$ 13,401,062.30	\$ 12,772,582.29	\$ 10,043,229.0
Restricted	12,850,943.58	13,225,338.64	12,683,840.14	10,376,175.49	7,027,645.30	4,750,148.48	5,062,704.83	4,559,818.47	4,013,834.89	4,622,804.9
Unrestricted	(1,775,588.80)	(1,797,421.67)	(1,822,551.18)	(1,518,216.60)	(1,436,462.49)	(1,963,535.28)	(2,265,242.67)	(2,014,207.93)	(1,396,797.40)	(1,585,669.6
<b>Total district net position</b>	<b>\$ 34,089,432.09</b>	<b>\$ 31,892,202.49</b>	<b>\$ 30,228,583.49</b>	<b>\$ 27,642,879.59</b>	<b>\$ 23,219,992.97</b>	<b>\$ 19,523,972.90</b>	<b>\$ 17,547,824.27</b>	<b>\$ 15,946,672.84</b>	<b>\$ 15,389,619.78</b>	<b>\$ 13,080,364.3</b>

Source: District records.

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 23,679,032.44	\$ 23,572,905.32	\$ 23,006,883.80	\$ 22,325,235.14	\$ 22,730,883.26	\$ 23,415,018.17	\$ 23,801,775.28	\$ 23,514,320.64	\$ 22,138,311.42	\$ 20,596,089.89
Special education	7,278,720.80	7,337,372.87	7,000,275.38	8,949,744.01	6,537,014.82	5,893,421.73	5,836,537.38	5,604,265.83	5,842,887.50	5,474,484.11
Other instruction	3,210,218.97	3,149,484.85	3,177,417.82	2,989,565.38	2,548,912.93	3,062,707.03	2,601,761.38	2,870,807.91	2,397,180.38	2,630,007.32
Support Services:										
Tuition	4,337,066.56	3,803,782.19	3,009,980.82	2,488,789.64	2,603,900.68	2,745,506.09	2,429,116.33	2,855,202.82	2,685,188.65	2,604,006.02
Student and instruction related services	9,584,208.25	9,022,126.06	8,789,880.47	8,206,088.51	7,568,562.38	7,763,540.85	7,454,518.75	7,285,458.10	7,442,070.80	8,733,464.32
School administrative services	3,395,140.05	3,422,348.19	3,342,589.53	3,357,271.72	3,373,193.11	3,351,957.90	3,318,584.21	3,392,382.06	3,093,026.91	2,600,268.64
General and business administrative services	3,017,074.75	3,308,382.37	2,952,482.72	3,146,546.05	2,892,797.60	3,009,151.72	2,738,992.99	2,878,980.51	2,411,826.16	2,113,242.12
Plant operations and maintenance	5,648,398.90	6,598,151.97	6,267,301.80	5,597,728.59	5,808,176.10	5,702,289.02	4,782,750.02	5,251,429.78	5,012,196.08	4,641,370.02
Pupil transportation	3,715,877.51	3,554,636.85	3,333,207.92	3,380,880.08	3,279,740.64	3,279,245.74	3,267,139.74	3,448,822.79	3,531,171.70	3,302,857.61
Charter Schools			51,863.00	23,370.00						
SDA Debt Service Assessment	79,684.00	79,684.00	79,684.00	57,405.00	92,327.00					
Interest on long-term debt	583,488.56	658,939.50	737,273.25	788,179.82	918,719.22	1,025,224.90	1,141,872.00	1,218,059.75	1,293,423.51	1,385,246.64
Total governmental activities expenses	64,709,710.79	64,507,771.77	62,548,780.29	59,323,921.72	57,975,107.22	59,248,842.43	57,564,739.94	56,268,630.18	55,627,244.91	52,201,618.49
<b>Business-type activities:</b>										
Food service	1,014,778.17	992,628.92	1,033,906.43	980,873.48	940,643.44	913,955.36	887,838.62	905,916.94	868,856.48	854,245.91
Total business-type activities expense	1,014,778.17	992,628.92	1,033,906.43	980,873.48	940,643.44	913,955.36	887,838.62	905,916.94	868,856.48	854,245.91
Total district-wide expenses	\$ 65,724,488.96	\$ 65,500,398.69	\$ 63,582,686.72	\$ 60,304,595.20	\$ 58,915,750.66	\$ 60,162,597.79	\$ 58,452,378.56	\$ 57,174,547.12	\$ 56,496,101.39	\$ 53,116,162.40
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Pupil transportation					\$ 326.00	\$ 300.00	\$ -	\$ -	\$ 34,258.41	\$ 49,832.15
Interest on long-term debt	583,488.56	658,939.50	737,273.25	788,179.82	918,719.22	1,025,224.90	1,141,872.00	1,218,059.75	1,293,423.51	1,385,246.64
Operating grants and contributions	7,529,293.87	7,911,540.53	8,848,221.97	856,378.14	5,834,181.85	6,955,882.32	7,673,803.65	9,145,843.88	9,135,647.13	7,546,878.33
Total governmental activities program revenues	8,112,782.43	8,570,480.03	9,585,495.22	1,644,555.78	6,753,220.07	7,981,407.22	8,815,478.45	10,364,903.63	10,483,329.05	9,982,957.12

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAWI

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	For Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 818,268.48	\$ 822,950.72	\$ 814,373.01	\$ -	\$ 802,944.78	\$ 733,219.08	\$ 728,400.42	\$ 723,805.80	\$ 748,850.58	\$ 747,267.22
Operating grants and contributions	100,304.44	105,214.36	200,523.02	-	161,170.84	172,361.22	156,731.78	130,095.03	105,440.48	103,607.17
Total business-type activities program revenues	1,008,592.92	1,018,165.08	1,014,896.03	-	963,815.72	905,580.30	885,222.18	862,700.83	852,091.04	850,874.39
Total district-wide program revenues	\$ 9,121,375.35	\$ 9,588,645.11	\$ 10,401,391.25	\$ 1,644,555.78	\$ 7,717,044.79	\$ 8,887,017.52	\$ 9,700,698.63	\$ 11,227,604.46	\$ 11,315,420.09	\$ 9,812,931.51
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$(56,506,028.36)	\$(55,937,291.74)	\$(53,102,285.07)	\$(57,679,365.96)	\$(51,221,878.15)	\$(51,267,205.21)	\$(48,749,293.49)	\$(47,923,726.55)	\$(45,303,915.89)	\$(43,299,859.37)
Business-type activities	(6,185.25)	25,538.16	(19,010.40)	(980,673.48)	23,172.28	(8,375.00)	(2,418.44)	(43,216.11)	(18,795.44)	(3,371.52)
Total district-wide net expense	\$(56,603,113.61)	\$(55,911,753.58)	\$(53,181,295.47)	\$(58,660,039.44)	\$(51,198,705.87)	\$(51,275,580.27)	\$(48,751,679.93)	\$(47,966,942.66)	\$(45,380,681.30)	\$(43,303,230.89)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 56,008,890.00	\$ 54,096,980.00	\$ 53,018,588.00	\$ 52,881,381.00	\$ 51,001,030.00	\$ 50,145,221.00	\$ 48,070,844.00	\$ 46,221,773.00	\$ 45,107,181.00	\$ 41,401,222.00
Property taxes, levied for debt service principal	2,024,327.44	1,944,843.50	1,845,711.75	1,833,223.38	1,855,617.78	1,796,938.10	1,707,878.10	1,651,019.28	1,550,845.49	1,474,179.38
Federal and State aid not restricted	171,132.31	1,214,070.58	(248,259.44)	138,768.00	388,811.14	357,107.35	485,884.38	370,540.78	251,880.94	238,105.83
Tuition (other than special schools)	27,024.98	24,500.00	23,550.08	18,858.05	87,276.17	82,089.34	1,494.00	28,633.00	6,650.00	-
Investment earnings	323,407.05	300,331.70	371,216.34	288,586.72	184,342.53	189,831.19	231,014.07	180,991.02	209,784.80	218,303.56
Miscellaneous income	-	-	-	-	-	-	-	-	-	-
Special item - proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
N.J. Economic Development Authority grants	-	-	-	-	556,811.00	828,782.00	(68,128.24)	-	-	822,470.00
Refunding Bond Proceeds (Net)	-	-	-	132,000.00	-	-	25,603.03	-	-	-
Adjustment to Capital Assets	157,511.83	(905,334.08)	(238,102.81)	-	(80,147.15)	(178,324.82)	(220,823.01)	(243,750.58)	127,347.26	(15,483.69)
Transfers	-	-	-	-	-	-	-	(11,351.17)	-	-
Total governmental activities	58,600,302.41	57,575,372.56	55,774,702.92	55,372,636.14	54,893,741.47	53,250,831.39	50,341,316.88	48,808,333.95	47,683,981.55	44,581,153.70
Business-type activities:										
Investment earnings	40.80	-	18.89	5.00	984.47	897.51	1,314.48	4,310.80	5,955.16	3,001.54
Transfers	-	-	-	-	-	-	10,200.00	-	-	15,483.90
Total business-type activities	40.80	-	18.89	5.00	984.47	897.51	11,514.48	4,310.80	5,955.16	18,485.23
Total district-wide general revenues	\$ 58,600,343.21	\$ 57,575,372.56	\$ 55,774,721.81	\$ 55,372,636.14	\$ 54,894,725.94	\$ 53,251,728.90	\$ 50,352,831.36	\$ 48,812,644.55	\$ 47,689,936.71	\$ 44,599,638.93
<b>Change in Net Position</b>										
Governmental activities	\$ 2,203,374.05	\$ 1,638,080.84	\$ 2,612,417.85	\$(2,306,734.01)	\$ 3,671,863.32	\$ 1,983,626.18	\$ 1,562,053.39	\$ 584,607.40	\$ 2,320,065.89	\$ 1,281,294.33
Business-type activities	(6,144.45)	25,538.16	(18,991.51)	(980,688.39)	24,156.75	(7,477.55)	0,098.04	(38,905.51)	(10,810.28)	15,113.71
Total district-wide change in net position	\$ 2,197,229.60	\$ 1,663,619.00	\$ 2,593,426.34	\$(3,287,403.30)	\$ 3,696,020.07	\$ 1,976,148.63	\$ 1,562,151.43	\$ 545,701.89	\$ 2,309,255.61	\$ 1,296,408.04

Source: District records

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
  
Fund Balances - Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	For Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund</b>										
Restricted	\$ 10,030,982.00	\$ 10,729,476.62	\$ 11,005,171.23	\$ 8,230,996.95	\$ 5,414,285.29	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	1,739,430.23	1,693,206.30	2,214,537.14	2,423,474.47	2,106,507.48					
Unassigned	1,399,188.07	1,409,922.11	1,227,583.10	1,195,227.87	1,061,755.86					
Reserved						4,657,463.89	5,562,394.32	5,016,347.16	4,099,925.78	3,453,156.32
Unreserved						1,298,462.00	1,170,584.32	1,275,578.36	1,552,285.96	1,589,385.34
<b>Total general fund</b>	<b>\$ 13,169,600.30</b>	<b>\$ 13,832,605.03</b>	<b>\$ 14,447,291.47</b>	<b>\$ 11,849,699.29</b>	<b>\$ -</b>	<b>\$ 5,955,915.89</b>	<b>\$ 6,732,958.64</b>	<b>\$ 6,291,925.52</b>	<b>\$ 5,652,211.74</b>	<b>\$ 5,042,541.66</b>
<b>All Other Governmental Funds</b>										
Restricted, reported in:										
Capital projects fund	\$ 1,029,288.96	\$ 1,036,526.00	\$ (86,464.05)	\$ 227,273.48	\$ (109,198.98)	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service fund	1,505.31	802.40	36,816.67	36,276.46	17,345.61					
Assigned, reported in:										
Capital projects fund	254,542.57				512,568.44					
Reserved									382,620.59	2,704,939.71
Unreserved, reported in:										
Capital projects fund						440,696.09	(89,186.14)	(23,057.90)	(7,161.89)	(1,090,482.69)
Debt service fund						20,385.40	6,751.63	14,073.55	15,329.76	60,457.18
<b>Total all other governmental funds</b>	<b>\$ 1,285,336.84</b>	<b>\$ 1,037,328.40</b>	<b>\$ (49,647.38)</b>	<b>\$ 263,549.94</b>	<b>\$ -</b>	<b>\$ 461,081.49</b>	<b>\$ (82,434.51)</b>	<b>\$ (8,984.35)</b>	<b>\$ 390,788.46</b>	<b>\$ 1,674,914.20</b>
<b>Total Fund Balances</b>	<b>\$ 14,454,937.14</b>	<b>\$ 14,869,933.43</b>	<b>\$ 14,397,644.09</b>	<b>\$ 12,113,249.23</b>	<b>\$ -</b>	<b>\$ 6,416,997.38</b>	<b>\$ 6,650,524.13</b>	<b>\$ 6,282,941.17</b>	<b>\$ 6,043,000.20</b>	<b>\$ 6,717,455.86</b>

Source: District records

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

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

	For Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Tax levy	\$58,704,715.00	\$57,600,743.00	\$56,601,573.00	\$55,582,764.00	\$54,675,367.00	\$52,967,384.00	\$50,920,193.00	\$49,092,352.00	\$47,951,250.00	\$44,330,648.00
Tuition charges	-	-	-	-	-	1,494.00	46,334.00	26,633.00	6,950.00	-
Transportation fees	-	-	-	-	328.00	330.00	-	-	34,258.41	49,832.15
Interest earnings	27,024.98	24,500.90	23,550.08	18,658.05	87,276.17	82,088.34	116,315.60	302,869.64	430,432.06	352,296.64
Miscellaneous	391,931.59	377,909.52	371,215.34	288,589.72	184,342.53	189,931.19	231,614.07	180,991.02	209,764.80	218,363.56
State sources	6,587,961.32	8,150,533.90	7,375,170.37	6,143,444.21	4,730,957.88	6,309,017.56	7,187,607.65	8,608,598.01	8,450,906.02	6,818,083.37
Federal sources	1,043,940.32	897,499.97	1,027,792.16	1,541,907.00	1,470,035.11	1,004,062.11	951,880.26	916,895.66	936,402.05	967,000.79
<b>Total revenues</b>	<b>66,755,573.21</b>	<b>67,051,186.69</b>	<b>65,399,300.95</b>	<b>63,575,362.98</b>	<b>61,148,306.69</b>	<b>60,554,308.20</b>	<b>59,453,944.58</b>	<b>59,126,339.33</b>	<b>58,019,963.34</b>	<b>52,736,224.51</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	16,975,012.04	16,642,133.33	16,562,024.35	16,495,532.14	16,393,507.23	16,790,174.37	16,371,183.36	16,227,639.39	15,522,561.13	14,628,678.56
Special education instruction	5,450,616.96	5,388,786.36	5,060,104.48	5,082,108.16	5,071,239.33	4,383,035.85	4,271,454.13	4,177,151.60	4,170,278.10	4,162,557.37
Other instruction	2,421,857.07	2,379,213.63	2,305,583.34	2,140,391.34	2,011,110.01	2,295,338.97	2,230,982.28	2,076,096.26	2,047,058.56	2,008,928.02
<b>Support Services:</b>										
Tuition	4,337,066.56	3,603,762.19	3,009,960.62	2,498,789.64	2,603,900.66	2,745,506.08	2,429,116.33	2,855,202.62	2,685,168.65	2,604,006.02
Student and instruction related services	7,584,567.27	6,993,598.64	6,719,355.46	6,071,345.92	5,941,932.02	5,952,609.56	5,697,535.08	5,509,478.28	5,664,442.84	5,304,617.33
School administrative services	2,478,935.39	2,492,000.80	2,389,729.55	2,324,118.02	2,525,618.94	2,518,677.52	2,378,005.00	2,394,117.70	2,193,291.78	2,113,793.52
General and business administrative services	2,498,430.05	2,731,950.51	2,403,069.93	2,553,577.49	2,167,818.77	2,582,408.22	2,164,853.75	2,310,561.08	1,900,236.20	1,879,698.80
Plant operations and maintenance	5,582,776.10	6,312,559.47	5,987,487.69	5,265,156.39	5,346,286.51	5,324,655.62	4,411,109.84	4,620,180.67	4,398,986.48	4,168,120.72
Pupil transportation	3,546,408.41	3,369,639.41	3,136,352.74	3,158,196.80	3,083,276.15	3,051,261.60	3,072,622.91	3,259,903.67	3,350,686.18	3,139,167.50
Employee benefits	11,603,930.85	11,923,724.98	12,501,817.42	11,434,078.09	10,308,826.07	11,097,790.43	11,599,850.23	11,728,997.43	11,226,685.92	9,234,255.86
Charter Schools	-	51,863.00	23,370.00	23,370.00	23,079.00	-	-	-	-	-
Capital outlay	2,082,613.05	1,901,468.53	304,573.01	716,010.15	863,168.18	2,131,558.78	1,526,358.21	839,423.73	2,658,233.42	1,827,469.80
<b>Debt service:</b>										
Principal	1,995,000.00	1,950,000.00	1,915,000.00	1,875,000.00	1,830,000.00	1,735,000.00	1,685,000.00	1,630,000.00	1,575,000.00	1,495,000.00
Interest and other charges	613,355.75	690,059.50	767,984.50	827,703.31	951,088.50	1,074,082.98	1,172,162.26	1,248,294.76	1,321,809.76	1,392,167.26
<b>Total expenditures</b>	<b>67,170,569.50</b>	<b>66,578,897.35</b>	<b>63,114,906.09</b>	<b>60,465,377.45</b>	<b>59,120,851.37</b>	<b>61,682,119.98</b>	<b>59,010,033.38</b>	<b>58,877,047.19</b>	<b>58,694,419.00</b>	<b>53,758,460.76</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(414,996.29)</b>	<b>472,289.34</b>	<b>2,284,394.86</b>	<b>3,109,985.53</b>	<b>2,027,455.32</b>	<b>(1,127,811.78)</b>	<b>443,911.20</b>	<b>251,292.14</b>	<b>(674,455.66)</b>	<b>(1,022,236.25)</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
**Changes in Fund Balances - Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing						65,503.03				
Temporary Notes Paid by Budget										
Sale of Assets										
N.J. Economic Development Authority grants					558,811.00	828,782.00	(66,128.24)			822,470.00
Transfers in	1,556,027.66	375,143.94	539.71	300,231.16	3,711.71	1,354,550.43	291.34	6,459.55	1,289,130.34	1,041,065.72
Transfers out	(1,556,027.66)	(375,143.94)	(539.71)	(300,231.16)	(3,711.71)	(1,354,550.43)	(10,491.34)	(17,810.72)	(1,289,130.34)	(1,056,549.41)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558,811.00</b>	<b>894,285.03</b>	<b>(76,328.24)</b>	<b>(11,351.17)</b>	<b>-</b>	<b>806,986.31</b>
<b>Net change in fund balances</b>	<b>\$ (414,996.29)</b>	<b>\$ 472,289.34</b>	<b>\$ 2,284,394.86</b>	<b>\$3,109,985.53</b>	<b>\$ 2,586,266.32</b>	<b>\$ (233,526.75)</b>	<b>\$ 367,582.96</b>	<b>\$ 239,940.97</b>	<b>\$ (674,455.66)</b>	<b>\$ (215,249.94)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.01%</b>	<b>4.08%</b>	<b>4.27%</b>	<b>4.52%</b>	<b>4.77%</b>	<b>4.72%</b>	<b>4.97%</b>	<b>4.96%</b>	<b>5.17%</b>	<b>5.56%</b>

Source: District records

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Transportation	\$ 49,832.15	\$ 34,258.41	\$ -	\$ -	\$ 330.00	\$ 328.00	\$ -	\$ -	\$ -	\$ -
Tuition		6,950.00	26,633.00	46,334.00	1,494.00					
Interest	344,580.92	422,818.72	296,410.09	116,315.60	81,535.59	83,564.46	18,426.89	18,616.95	24,500.90	25,782.32
Prior Year Refunds	140,587.41	97,953.80	111,855.23	157,108.07	111,305.16	89,276.76	102,707.99	197,295.27	116,315.34	145,600.69
Rentals	63,930.95	64,272.50	61,805.00	67,130.00	70,640.00	80,092.50	158,812.50	153,328.06	160,246.49	139,441.20
Miscellaneous	<u>13,845.20</u>	<u>47,538.50</u>	<u>7,330.79</u>	<u>7,376.00</u>	<u>7,986.03</u>	<u>14,973.27</u>	<u>5,842.61</u>	<u>20,592.01</u>	<u>23,769.87</u>	<u>38,365.16</u>
	<u>\$ 612,776.63</u>	<u>\$ 673,791.93</u>	<u>\$ 504,034.11</u>	<u>\$ 394,263.67</u>	<u>\$ 273,290.78</u>	<u>\$ 268,234.99</u>	<u>\$ 285,789.99</u>	<u>\$ 389,832.29</u>	<u>\$ 324,832.60</u>	<u>\$ 349,189.37</u>

122 Source: District records



BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

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

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2006	93,581,000	3,229,375,100	6,252,600	508,606,900	240,050,600	31,751,800	4,109,598,000	4,520,459	4,114,118,459	5,871,409,364	1.122
2007	93,175,400	3,264,954,200	6,252,600	475,892,000	228,921,000	31,751,800	4,100,947,000	4,505,839	4,105,452,839	6,794,306,951	1.182
2008	89,819,900	3,282,523,000	12,848,400	475,560,100	231,148,000	31,751,800	4,123,651,200	4,444,235	4,128,095,435	6,794,306,951	1.211
2009	85,259,100	3,306,757,000	12,833,400	474,772,000	230,606,800	31,751,800	4,141,980,100	4,557,002	4,146,537,102	7,114,552,732	1.252
2010	82,587,000	3,307,176,900	12,326,100	486,416,800	222,957,200	31,751,800	4,143,215,800	4,931,194	4,148,146,994	6,841,606,324	1.298
2011	101,431,400	4,340,294,700	14,509,400	859,860,855	361,833,700	51,338,000	5,729,268,055	6,107,242	5,735,375,297	5,735,375,297	0.961
2012	98,254,900	4,334,976,500	14,456,400	840,148,055	357,168,100	51,338,000	5,696,341,955	5,269,822	5,701,611,777	6,314,882,225	0.984
2013	98,683,500	4,344,961,000	14,456,400	820,024,655	330,679,100	49,592,700	5,658,397,355	5,347,200	5,663,744,555	6,206,660,611	1.009
2014	98,654,000	4,337,511,000	14,449,400	789,730,155	339,535,700	49,592,700	5,629,472,955	4,740,139	5,634,213,094	5,634,213,094	1.032
2015	97,182,300	4,374,675,800	13,819,800	770,650,255	374,621,600	49,592,700	5,680,542,455	4,740,139	5,685,282,594	6,030,663,715	1.042

Source: Municipal Tax Assessor

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

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

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	County	
2006	1.051	0.071	1.122	0.396	0.272	1.790
2007	1.111	0.071	1.182	0.430	0.288	1.900
2008	1.141	0.070	1.211	0.461	0.304	1.976
2009	1.183	0.069	1.252	0.481	0.330	2.063
2010	1.230	0.068	1.298	0.503	0.323	2.124
2011	0.913	0.048	0.961	0.391	0.228	1.580
2012	0.937	0.047	0.984	0.395	0.247	1.626
2013	0.962	0.047	1.009	0.405	0.250	1.664
2014	0.985	0.047	1.032	0.423	0.239	1.694
2015	0.996	0.046	1.042	0.427	0.254	1.723

Source: Municipal Tax Collector

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

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

<u>Fiscal Year Ended June 30,</u>	<u>2015</u>		<u>2006</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Macarthur Boulevard, LLC (NYSE)	\$ 100,000,000	1.77%	\$ -	
Vista Distribution Center, Inc.	83,000,000	1.47%		
Howmedica Osteonics Corporation	60,000,000	1.06%		
Crossroads Developers Assoc.	55,350,200	0.98%		
Sharp Electronics	50,000,000	0.88%		
933 Inspiration LLC	30,918,900	0.55%		
Jaquar Land Rover North America, Inc.	21,000,000	0.37%		
Inwood Realty Group	20,772,400	0.37%		
Garden Crossroads, LLC	20,100,000	0.35%		
Mindray DS USA, Inc.	19,437,900	0.34%		
<b>Total</b>	<b>\$ 460,579,400</b>	<b>8.13%</b>	<b>\$ -</b>	<b>0.00%</b>

Source: Municipal Tax Assessor

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	69,433,078	68,812,390	99.10%	294,463	69,106,853	99.53%
2006	73,956,893	73,395,939	99.24%	296,095	73,692,034	99.64%
2007	78,380,298	77,860,917	99.33%	454,772	78,315,689	99.91%
2008	81,708,968	81,203,482	99.38%	456,429	81,659,911	99.93%
2009	85,757,635	84,997,722	99.11%	402,432	85,400,154	99.58%
2010	88,664,398	87,687,234	98.89%	466,446	88,153,680	99.42%
2011	90,694,305	89,985,674	99.21%	519,115	90,504,789	99.79%
2012	92,823,231	91,875,069	98.97%	504,679	92,379,748	99.52%
2013	94,306,067	93,391,400	99.03%	490,438	93,881,838	99.55%
2014	95,786,643	95,204,646	99.39%		95,204,646	99.39%

Source: Municipal Tax Collector

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2006	29,484,000					29,484,000	2.32%	1,225
2007	27,909,000					27,909,000	2.13%	1,160
2008	26,279,000					26,279,000	1.97%	1,091
2009	24,594,000					24,594,000	1.78%	1,017
2010	22,859,000					22,859,000	1.50%	882
2011	21,069,000					21,069,000	1.34%	809
2012	19,062,000					19,062,000	1.18%	728
2013	17,147,000					17,147,000	1.02%	651
2014	15,197,000					15,197,000	1.11%	573
2015	13,202,000					13,202,000	0.99%	498

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2006	29,484,000		29,484,000	0.72%	1,225
2007	27,909,000		27,909,000	0.68%	1,160
2008	26,279,000		26,279,000	0.64%	1,091
2009	24,594,000		24,594,000	0.59%	1,017
2010	22,859,000		22,859,000	0.55%	882
2011	21,069,000		21,069,000	0.37%	809
2012	19,062,000		19,062,000	0.33%	728
2013	17,147,000		17,147,000	0.30%	651
2014	15,197,000		15,197,000	0.27%	573
2015	13,202,000		13,202,000	0.23%	498

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

**Direct and Overlapping Governmental Activities Debt  
As of December 31, 2014  
Unaudited**

Net Direct Debt of School District as of December 31, 2014		\$ 13,202,000.00
Net Overlapping Debt of School District:		
Township of Mahwah (100%)	\$ 29,685,749.92	
County of Bergen - Township's share (3.6264%)	33,849,638.64	
Northwest Bergen County Utilities Authority (28.22%)	<u>4,422,587.60</u>	
		<u>67,957,976.17</u>
Total Direct and Overlapping Bonded Debt as of December 31, 2014		<u>\$ 81,159,976.17</u>

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

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**  
**Legal Debt Margin Information  
Last Nine Fiscal Years  
Unaudited**

**Legal Debt Margin Calculation for Fiscal Year 2014**

	Equalized valuation basis	
	2012	6,213,965,261
	2013	5,883,744,780
	2014	5,946,416,980
		<u>\$ 18,044,127,021</u>
	Average equalized valuation of taxable property	<u>\$ 6,014,709,007</u>
	Debt limit (4 % of average equalization value)	240,588,360
	Total Net Debt Applicable to Limit	<u>13,202,000</u>
	Legal debt margin	<u>\$ 227,386,360</u>

	Fiscal Year				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 274,665,794	\$ 266,469,440	\$ 258,653,452	\$ 247,028,578	\$ 240,588,360
Total net debt applicable to limit	<u>21,069,000</u>	<u>19,062,000</u>	<u>17,147,000</u>	<u>15,197,000</u>	<u>13,202,000</u>
Legal debt margin	<u>\$ 253,596,794</u>	<u>\$ 247,407,440</u>	<u>\$ 241,506,452</u>	<u>\$ 231,831,578</u>	<u>\$ 227,386,360</u>
Total net debt applicable to the limit as a percentage of debt limit	7.67%	7.15%	6.63%	6.15%	5.49%

	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 207,888,394	\$ 230,997,852	\$ 252,416,860	\$ 269,024,421	\$ 274,170,435
Total net debt applicable to limit	<u>29,484,581</u>	<u>27,909,000</u>	<u>26,279,000</u>	<u>24,594,000</u>	<u>22,859,000</u>
Legal debt margin	<u>\$ 178,203,813</u>	<u>\$ 203,088,852</u>	<u>\$ 226,137,860</u>	<u>\$ 244,430,421</u>	<u>\$ 251,311,435</u>
Total net debt applicable to the limit as a percentage of debt limit	14.20%	12.08%	10.41%	9.14%	8.34%

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



BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	24,074	1,272,758,512	52,869	3.9%
2007	24,065	1,307,906,611	54,349	3.5%
2008	24,079	1,335,686,209	55,471	4.5%
2009	24,185	1,379,129,987	57,024	8.1%
2010	25,919	1,519,394,207	58,621	8.3%
2011	26,042	1,569,349,501	60,262	4.3%
2012	26,168	1,621,096,936	61,950	7.4%
2013	26,352	1,678,205,539	63,684	6.4%
2014	26,500	1,365,571,500	51,531	5.1%
2015	26,500 (Est.)	1,328,922,000	50,148	

Sources:

- Population information provided by the NJ Dept of Labor and Workforce Development
- Personal income has been estimated based upon the municipal population and per capita personal income presented
- Per capita personal income by municipality estimated based upon the 2000 and 2010 Census published by the US Bureau of Economic Analysis.
- Unemployment data provided by the NJ Dept of Labor and Workforce Development

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

**Principal Employers  
Current Year and Nine Years Ago  
Unaudited**

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
			0.00%			
			0.00%			
	Not Available		0.00%	Not Available		
			0.00%			
			0.00%			
			0.00%			
			0.00%			
			0.00%			
			0.00%			
			0.00%			
	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: \_\_\_\_\_

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	221	222	221	217	215	205	210	211	216	222
Special education	78	67	66	65	64	62	60	71	81	78
Other instruction		15	15	15	15	12	14	13	15	17
Support Services:										
Student and instruction related services	78	79	78	78	78	86	84	97	101	93
School administrative services	28	28	28	28	28	28	27	27	29	26
General administrative services	3	3	3	3	3	3	3	2	2	2
Central Services	6	6	6	6	6	6	7	7	8	8
Administrative information technology	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	33	33	31	14	13	10	9	9	9	9
Pupil transportation	6	7	7	7	7	8	7	6	4	6
<b>Total</b>	<b>457</b>	<b>464</b>	<b>459</b>	<b>437</b>	<b>433</b>	<b>424</b>	<b>425</b>	<b>447</b>	<b>469</b>	<b>465</b>

Source: District Personnel Records

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	3,370.0	46,294,884	13,737	2.26%	331.0	13.0	11.0	8.5	3328.2	3,204.2	1.01%	96.27%
2006	3,425.5	49,043,823	14,317	4.22%	335.6	11.6	10.6	8.4	3377.9	3,262.7	1.49%	96.59%
2007	3,442.0	53,139,376	15,439	7.83%	304.0	17.5	17.1	13.7	3420.5	3,307.3	1.26%	96.69%
2008	3,479.0	55,159,329	15,855	2.70%	303.0	17.0	18.1	14.0	3455.8	3,343.8	1.03%	96.76%
2009	3,529.0	54,626,513	15,479	-2.37%	303.0	17.0	18.1	14.0	3483.7	3,355.0	0.81%	96.31%
2010	3,453.0	56,741,478	16,433	6.16%	296.2	17.0	18.1	14.0	3438.0	3,313.1	-1.31%	96.37%
2011	3,371.0	53,553,346	15,886	-3.32%	293.5	19.6	20.9	21.2	3368.8	3,219.8	-2.01%	95.58%
2012	3,294.0	57,046,664	17,318	9.01%	292.0	18.0	22.2	22.1	3299.4	3,172.2	-2.06%	96.14%
2013	3,240.5	57,606,152	17,777	2.65%	295.0	18.9	22.2	22.1	3221.9	3,086.0	-2.35%	95.78%
2014	3,183.0	62,037,369	19,490	9.64%	299.0	12.8	10.0	8.0	3176.8	3,043.4	-1.40%	95.80%
2015	3,067.5	60,395,811	19,689	1.02%	298.2	17.5	15.5	3.0	3067.5	2,946.1	-3.44%	96.04%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d State performance report for ratios

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

**School Building Information  
Last Nine Fiscal Years  
Unaudited**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<u>Elementary</u>										
Betsy Ross School (1936, 1954, 1996)										
Square Feet	33,526	33,526	33,526	33,526	33,526	33,526	33,526	33,526	33,526	33,526
Capacity (students)	275	275	275	275	275	275	275	275	275	275
Enrollment	321	331	334	305	305	261	236	233	237	234
George Washington School (1910, 1932, 1954, 1996)										
Square Feet	34,365	34,365	34,365	34,365	34,365	34,365	34,365	34,365	34,365	34,365
Capacity (students)	241	241	241	241	241	241	241	241	241	241
Enrollment	277	264	277	259	259	236	210	178	193	193
Lenape Meadows School (2002)										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Capacity (students)	578	578	578	578	578	578	578	578	578	578
Enrollment	479	478	467	482	482	492	483	469	473	486
Joyce Kilmer School (1967, 1997)										
Square Feet	82,220	82,220	82,220	82,220	82,220	82,220	82,220	82,220	82,220	82,220
Capacity (students)	558	558	558	558	558	558	558	558	558	558
Enrollment	589	587	520	537	537	492	527	527	473	444
<u>Middle School</u>										
Ramapo Ridge Middle School (1974, 1998, 2005)										
Square Feet	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	838	826	878	887	887	839	798	798	773	752
<u>High School</u>										
Mahwah High School (1954, 1984, 2005)										
Square Feet	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844
Capacity (students)	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093
Enrollment	866	940	992	1,027	1,027	1,051	1,048	1,017	1,028	970
<u>Other</u>										
Athletic Building										
Square Feet	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Central Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Maintenance Garage										
Square Feet	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Number of Schools at June 30, 2015										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 3										

Source: District Facilities Office

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

**General Fund**

**Schedule of Required Maintenance for School Facilities**

**Last Ten Fiscal Years**

**Unaudited**

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

<u>*School Facility</u>	<u>Project #</u>	<u>Gross Building Area (SF)</u>	<u>Total</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Mahwah High School	SP2900-050-03-0056	191,808	5,739,640	\$ 618,465	\$ 862,880	\$1,063,843	\$ 731,338	\$ 510,661	\$ 571,033	\$ 313,398	\$ 378,737	\$ 395,226	\$ 294,059
Betsy Ross	N/A	33,526	1,119,898	65,139	142,309	362,955	183,389	74,650	52,578	40,343	58,217	88,921	51,398
Commodore Perry	N/A												
Joyce Kilmer	N/A	82,220	2,081,823	396,551	285,589	214,008	279,942	142,433	201,326	127,484	168,052	140,387	126,051
Ramapo Ridge	SP2900-076-03-0047	118,037	3,068,215	441,479	701,730	402,290	212,155	232,352	215,969	261,848	232,127	187,304	180,962
George Washington	N/A	32,365	937,455	97,937	108,521	98,488	111,994	132,081	140,156	50,587	65,887	82,185	49,619
Lenape Meadows	N/A	88,000	1,299,853	157,998	210,679	114,521	110,149	125,488	104,457	94,587	141,909	105,154	134,912
<b>District Total</b>		<b>545,956</b>	<b>14,246,884</b>	<b>\$ 1,777,569</b>	<b>\$ 2,311,708</b>	<b>\$ 2,256,105</b>	<b>\$ 1,628,967</b>	<b>\$ 1,217,665</b>	<b>\$ 1,285,518</b>	<b>\$ 888,246</b>	<b>\$ 1,044,928</b>	<b>\$ 999,177</b>	<b>\$ 837,001</b>

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

Source: District records

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH**

**Insurance Schedule  
As of June 30, 2015  
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School		
Board Insurance Group:		
Property - Blanket Building & Contents	\$ 152,737,341	\$ 5,000
Earthquake/ Flood	5,000,000	50,000
Comprehensive General Liability Coverage	2,000,000	
Additional Comprehensive General Liability Coverage	1,000,000	
Excess Liability	9,000,000	10,000
Umbrella Liability	50,000,000	
Comprehensive Automobile Liability & Physical Damage	25,000 to 5,000,000	
Pollution Liability	4,000,000	15,000
School Board Legal Liability	1,000,000	
Cyber Liability	2,000,000	25,000
Boiler & Machinery	Up to the Property Limit	
Workers Compensation - Coverage through Northeast Bergen County School Board Insurance Group		
Health Insurance through New Jersey State Health Benefits Plan		
Student & Athletic Insurance through Monumental Life Insurance Company.		
Accident Policy through Gerber Life Insurance Company		
Public Employee Bonds -		
Edward J. Deptula	Secretary	5,000
Kenneth Sesholtz	Treasurer	350,000
Blanket Employee Dishonesty (Per Employee)	100,000	5,000
Per Loss (Excess)	400,000	

Source: District records

## **Single Audit Section**



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

K-1  
Sheet 1

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of Mahwah School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Township of Mahwah School District's basic financial statements, and have issued our report thereon dated July 17, 2015.

**Internal Control Over Financial Reporting**

Management of the Township of Mahwah School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Mahwah School District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstance for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mahwah School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Mahwah School District's internal control over financial reporting.

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

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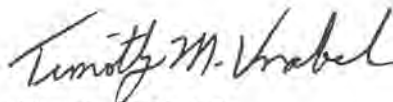
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given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

#### **Compliance and Other Matters**

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

#### **Purpose of This Report**

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



Timothy M. Vrabel  
Public School Accountant  
License No. CS000689



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

Montville, New Jersey  
July 17, 2015

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

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

K-2  
Sheet 1

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 15-08

INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the Township of Mahwah School District'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 Compliance Manual State Grants Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015. Township of Mahwah School District's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Township of Mahwah School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey Office of Management and Budget Circular Letter 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those

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standards, OMB Circular A-133 and New Jersey OMB's Circular Letter 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Township of Mahwah School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Township of Mahwah School District's compliance with those requirements.

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

In our opinion, the Township of Mahwah School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

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

The management of Township of Mahwah School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Township of Mahwah School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mahwah School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Mahwah School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

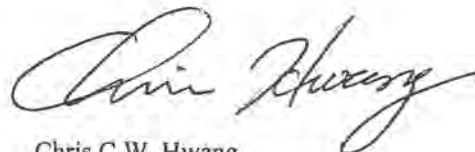
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and New Jersey OMB Circular 15-08**

We have audited the financial statements of the Township of Mahwah School District as of and for the year ended June 30, 2015, and have issued our report thereon dated July 17, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Expenditure of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.



Timothy M. Vrabel  
Public School Accountant  
License No. CS000689



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

Montville, New Jersey  
July 17, 2015

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH

Schedule of Expenditures of Federal Awards, Schedule A  
June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2014	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Total	Repayment of Prior Years' Balances	Balance June 30, 2015		
							Disbursements	Accounts Payable	Encumbrances			Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture Passed - Through State Department of Education:														
Food Distribution Program	10.550	7/1/14-6/30/15	\$ 25,132.43	\$ 4,486.19	\$ -	\$ 25,132.43	\$ 21,607.23	\$ -	\$ -	\$ 21,607.23	\$ -	\$ -	\$ 8,011.39	\$ -
National School Lunch Program	10.555	7/1/14-6/30/15	157,414.20			145,960.82	157,414.20			157,414.20		(11,453.38)		
National School Lunch Program	10.555	7/1/13-6/30/14	156,168.09	(9,926.95)		9,926.95	-			-		-		
Total U.S. Department of Agriculture				(5,440.76)		181,020.20	179,021.43			179,021.43		(11,453.38)	8,011.39	
U.S. Department of Education Passed - Through State Department of Education:														
Special Revenue Funds:														
E.S.E.A. Title I	84.010A	7/1/14-6/30/15	218,784.00			133,713.00	218,784.00			218,784.00		(85,071.00)		
E.S.E.A. Title II A	84.387A	7/1/14-6/30/15	77,535.00			67,539.00	77,535.00			77,535.00		(9,996.00)		
E.S.E.A. Title III	84.365A	7/1/14-6/30/15	12,535.00				12,535.00			12,535.00		(12,535.00)		
I.D.E.A. Part B, Basic	84.027A	7/1/14-6/30/15	643,701.00			642,507.00	643,701.00			643,701.00		(1,194.00)		
I.D.E.A. Part B, Basic	84.027A	9/1/13-8/31/14	619,489.00	(1,548.00)		1,548.00	-			-		-		
I.D.E.A. Part B, Preschool	84.173A	7/1/14-6/30/15	34,669.00			30,655.00	30,655.00			30,655.00		-		
I.D.E.A. Part B, Preschool	84.173A	9/1/12-8/31/13	32,929.00	(4,728.00)		4,728.00	-			-		-		
Indian Education Program - Carryover	84.060A	7/1/13-6/30/14	32,866.00	3.80		-	-			-		-	3.80	
Total U.S. Department of Education (Fund 20)				(6,272.20)		880,690.00	983,210.00			983,210.00		(108,796.00)	3.80	
Total Federal Financial Assistance				\$ (11,712.96)	\$ -	\$ 1,061,710.20	\$ 1,162,231.43	\$ -	\$ -	\$ 1,162,231.43	\$ -	\$ (120,249.38)	\$ 8,015.19	\$ -

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

BOARD OF EDUCATION  
TOWNSHIP OF MAJNAH

Schedule of Expenditures of State Financial Assistance, Schedule B  
June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Total	Repayment of Prior Years' Balances	Balance June 30, 2015		
							Disbursements	Accounts Payable	Encumbrances			Accounts Receivable	Deferred Revenue	Due to Grantor
State Department of Education:														
General Funds:														
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	\$ 253,921.00	\$ -	\$ 0,589.47 (1)	\$ 237,548.14	\$ 253,921.00	\$ -	\$ -	\$ 253,921.00	\$ -	\$ (9,783.39)	\$ -	\$ -
Categorical Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	253,921.00	(11,091.93)		11,091.93								
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,940,400.00			1,865,637.78	1,940,400.00			1,940,400.00		(74,762.22)		
Categorical Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	1,940,400.00	(84,781.89)		84,781.89								
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	51,859.00			49,860.91	51,859.00			51,859.00		(1,998.09)		
Categorical Security Aid	14-495-034-5120-084	7/1/13-6/30/14	51,859.00	(2,265.34)		2,265.34								
Additional Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1.00			0.96	1.00			1.00		(0.04)		
Additional Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	1.00	(0.04)		0.04								
Per Pupil Growth Aid	15-495-034-5120-087	7/1/14-6/30/15	30,305.00			29,137.37	30,305.00			30,305.00		(1,167.63)		
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	30,305.00			29,137.37	30,305.00			30,305.00		(1,167.63)		
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	370,161.00			396,855.00	370,161.00			370,161.00		(370,161.00)		
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	396,855.00	(396,855.00)		396,855.00								
Non-Public Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	40,745.00			34,869.00	40,745.00			40,745.00		(40,745.00)		
Non-Public Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	34,869.00	(34,869.00)		34,869.00								
Reimbursed TPAF Social Security Contribution	15-495-034-5095-002	7/1/14-6/30/15	1,745,714.71			1,659,286.17	1,745,714.71			1,745,714.71		(86,428.54)		
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	7/1/13-6/30/14	1,753,075.63	(88,172.33)		88,172.33								
On-Behalf TPAF Pension Contributions	15-495-034-5095-001	7/1/14-6/30/15	1,312,623.00			2,083,790.00	1,312,623.00			1,312,623.00		-		
On-Behalf TPAF FRM Contributions	15-495-034-5095-001	7/1/14-6/30/15	2,083,790.00			2,083,790.00	2,083,790.00			2,083,790.00		-		
Total General Funds				(618,015.33)	6,589.47	7,885,037.03	7,656,824.71			7,656,824.71		(586,213.54)		
Special Revenue Funds:														
New Jersey Nonpublic Aid:														
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	5,243.00			5,243.00	5,243.00			5,243.00		-		
Auxiliary Services:														
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	1,792.00			1,792.00	1,791.60			1,791.60		-		0.40
Handicapped Services:														
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	3,603.00			3,603.00	1,620.86			1,620.86		-		1,982.14
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	5,570.00	3,342.04	(3,342.04) (1)							-		
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	7,244.00			7,244.00	5,919.45			5,919.45		-		1,324.55
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	3,906.00	1,484.28	(1,484.28) (1)							-		
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	1,099.00			1,099.00	784.70			784.70		-		314.30
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	1,110.00	832.46	(832.46) (1)							-		
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	9,201.00			9,201.00	9,201.00			9,201.00		-		
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	5,172.00	930.67	(930.67) (1)							-		
Technology Initiative	15-100-034-5120-373	7/1/14-6/30/15	2,816.00			2,816.00	2,816.00			2,816.00		-		
Total Special Revenue Funds				6,589.47	(6,589.47)	30,998.00	27,376.61			27,376.61		-		3,621.39
Capital Project Funds:														
N.J. Schools Development Authority Grant	SP2900-050-14-G1EX		373,905.00	(373,905.00)								(373,905.00)		
N.J. Schools Development Authority Grant	SP2900-060-14-G1EY		132,802.00	(132,802.00)								(132,802.00)		
N.J. Schools Development Authority Grant	SP2900-075-14-G1EZ		264,215.00	(264,215.00)								(264,215.00)		
N.J. Schools Development Authority Grant	SP2900-076-14-G1FA		132,802.00	(132,802.00)								(132,802.00)		
N.J. Schools Development Authority Grant	SP2900-080-14-G1FB		132,802.00	(132,802.00)								(132,802.00)		
Total Capital Project Funds				(1,036,528.00)								(1,036,528.00)		
Enterprise Funds:														
State School Lunch Program	15-100-010-3360-067	7/1/14-6/30/15	7,757.81			7,222.51	7,757.81			7,757.81		(535.30)		
State School Lunch Program	14-100-010-3360-067	7/1/13-6/30/14	7,254.50	(456.63)		456.63								
Total Enterprise Funds				(456.63)		7,679.14	7,757.81			7,757.81		(535.30)		
Total All Funds				\$ (1,648,408.49)	\$ 0.00	\$ 7,923,714.17	\$ 7,894,959.13	\$ -	\$ -	\$ 7,894,959.13	\$ -	\$ (1,623,274.84)	\$ -	\$ 3,621.39

- (1) Reallocated
- (2) Transferred from Fund 10
- (3) Canceled

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

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2015

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1:E and Note 1:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

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



BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2015  
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$9,240.00 for the general fund and \$450.00 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 60,730.32	\$4,476,794.71	\$4,537,525.03
Special Revenue Fund	983,210.00	27,376.61	1,010,586.61
Capital Projects Fund		1,036,526.00	1,036,526.00
Food Service Fund	<u>182,546.63</u>	<u>7,757.81</u>	<u>190,304.44</u>
 Total Awards and Financial Assistance	 <u>\$1,226,486.95</u>	 <u>\$4,511,929.13</u>	 <u>\$5,738,416.08</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

**Financial Statement Section**

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

**Federal Awards Section**

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

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	I.D.E.A. Part B., Basic
84.173A	I.D.E.A. Part B., Preschool

**BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results (Continued)

**State Financial Assistance Section**

- J) Dollar threshold used to determine Type A Programs \$ 300,000.00
- K) Auditee qualified as low-risk auditee? X yes    no
- L) Type of auditor’s report on compliance for major programs. Unmodified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified?    yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses?    yes X none reported
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?    yes X no
- O) Identification of major programs:
- | <u>GMIS Number(s)</u> | <u>Name of State Program</u>                      |
|-----------------------|---|
| 15-495-034-5120-089   | Special Education Aid                             |
| 15-495-034-5120-084   | Security Aid                                      |
| 15-495-034-5120-085   | Additional Adjustment Aid                         |
| 15-495-034-5120-097   | Per Pupil Growth Aid                              |
| 15-495-034-5120-098   | PARCC Readiness Aid                               |
| 15-495-034-5095-002   | Reimbursed T.P.A.F. Social Security Contributions |
| 15-495-034-5120-044   | Extraordinary Aid                                 |
|                       |   |

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

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

Not Applicable

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

Not Applicable

BOARD OF EDUCATION  
TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

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 15-08.

Not Applicable